

EQUISTONE

EQUISTONE PARTNERS EUROPE LIMITED

Annual Report and Audited Financial Statements
For the Year Ended 31 December 2018

REGISTERED NUMBER: 1125740



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Strategic Report

The Directors present the Strategic Report of Equisstone Partners Europe Limited (the "Company") for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is to manage mid-market private equity funds that invest mainly in France, Germany, Switzerland and the UK.

Review of the business and future outlook

The Company's income derives primarily from fees received for the management of private equity funds. For the year ended 31 December 2018 total revenue amounted to £77,102,000 (2017: £49,768,000).

Assets under management totalled €5.7 billion at 31 December 2018, following the successful raising of Equisstone Partners Europe Fund VI ("Fund VI") in March 2018. Fund VI closed with €2.8 billion of third-party committed capital and is domiciled in Luxembourg. The fund made 5 new investments during 2018 and has completed a further 2 during 2019, up to the date of this report.

The Company's main costs are advisory and service fees from fellow subsidiaries of its parent company, Equisstone Private Equity Limited, and its own staff costs.

The Directors are satisfied with the Company's performance and foresee no changes to the Company's principal activity in the coming year.

Results

The Company made a profit for the financial year of £20,262,000 (2017: £1,143,000).

Regulator

The Company's activities are regulated by the Financial Conduct Authority.

Risks and uncertainties

The principal business risk to the Company is a reduction in management fee income. This is mitigated by management fee income from Fund VI being a fixed percentage of committed capital during its investment phase. Operational risks are mitigated through robust systems and controls, and appropriate compliance procedures.

On behalf of the Board



Steven Whitaker

Director

23 April 2019

Directors' Report

The Directors present their report together with the audited financial statements for the Company for the year ended 31 December 2018.

Directors

The Directors of the Company who served during the year and up to the date of signing the financial statements are:

M Bork
O Clarke
G Jacqueau
C Marriott
R Myers
S O'Hare (appointed 27 February 2019)
S Roberts
D Schekerka
S Whitaker

Statement of Directors' responsibilities

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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Dividends

No interim dividends were paid during the year (2017: nil). A final dividend of £20,000,000 has been proposed (2017: nil).

Financial risks

Disclosure of credit risk, liquidity risk, foreign currency risk and interest rate risk are found in the consolidated financial statements of the ultimate parent of the Company, Equistone LLP.

Directors' Report (continued)

Directors' third party indemnity provisions

The Company has professional indemnity insurance in place in respect of the duties of the Directors.

Disclosure of information to auditors

The Directors who held office at the date of approval of the Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken the necessary action to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP will continue to hold office in accordance with section 487 of the Companies Act 2006.

The financial statements on pages 7 to 18 were approved by the Board of Directors on 23 April 2019 and signed on its behalf by:



Steven Whitaker
Director
23 April 2019

Independent auditors' report to the members of Equistone Partners Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion, Equistone Partners Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Income Statement and the Statement of Comprehensive Income, the Statement of Changes in Equity; and the Notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

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

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

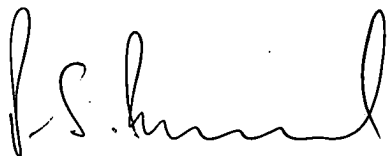
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Parwinder Purewal (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 April 2019

Income Statement

For the year ended 31 December 2018

	NOTE	2018 £'000	2017 £'000
Revenue	3	77,102	49,768
Operating expenses	4	(55,469)	(48,177)
Operating profit		21,633	1,591
Finance income	5	31	2
Finance expense	5	(23)	(19)
Profit before tax		21,641	1,574
Income tax expense	7	(1,379)	(431)
Profit for the financial year		20,262	1,143

Statement of Comprehensive Income

For the year ended 31 December 2018

	NOTE	2018 £'000	2017 £'000
Profit for the financial year		20,262	1,143
Exchange differences on translation of foreign operations		(30)	(11)
Revaluation of German pension scheme liabilities	15	11	98
Deferred tax relating to components of other comprehensive income / (expense)		112	(39)
Total other comprehensive income for the year net of tax		93	48
Total comprehensive income for the year		20,355	1,191

All figures in the Income Statement and the Statement of Comprehensive Income related to continuing operations.

The accompanying notes on pages 10 to 18 form an integral part of the financial statements.

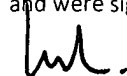
Statement of Financial Position

As at 31 December 2018

	NOTE	2018 £'000	2017 £'000
ASSETS			
Non-current assets			
Plant, property and equipment	9	1,464	1,653
Investment in subsidiaries	10	70	11
Deferred tax assets	11	28	27
Total non-current assets		1,562	1,691
Current assets			
Trade and other receivables	12	6,765	3,614
Cash and cash equivalents		43,488	25,252
Current tax assets	14	-	180
Total current assets		50,253	29,046
Total assets		51,815	30,737
LIABILITIES			
Current liabilities			
Trade and other payables	13	(23,860)	(24,055)
Current tax liabilities	14	(1,100)	(182)
Total current liabilities		(24,960)	(24,237)
Net current assets		25,293	4,809
Non-current liabilities			
Provisions	15	-	-
Total non-current liabilities		-	-
Net assets		26,855	6,500
EQUITY			
Called up share capital	16	10	10
Translation reserve		(349)	(319)
Retained earnings		27,194	6,809
Total equity		26,855	6,500

The accompanying notes on pages 10 to 18 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 23 April 2019 and were signed on its behalf by:



Steven Whitaker
Director

Statement of Changes in Equity

For the year ended 31 December 2018

2018	CALLED UP SHARE CAPITAL £'000	RETAINED EARNINGS £'000	TRANSLATION RESERVE £'000	TOTAL EQUITY £'000
Balance at 1 January 2018	10	6,809	(319)	6,500
Profit for the financial year	-	20,262	-	20,262
Other comprehensive income	-	123	(30)	93
Total comprehensive income for the year	-	20,385	(30)	20,355
Dividends paid (note 8)	-	-	-	-
At 31 December 2018	10	27,194	(349)	26,855

2017	CALLED UP SHARE CAPITAL £'000	RETAINED EARNINGS £'000	TRANSLATION RESERVE £'000	TOTAL EQUITY £'000
Balance at 1 January 2017	10	5,607	(308)	5,309
Profit for the financial year	-	1,143	-	1,143
Other comprehensive income	-	59	(11)	48
Total comprehensive income for the year	-	1,202	(11)	1,191
Dividends paid (note 8)	-	-	-	-
At 31 December 2017	10	6,809	(319)	6,500

The accompanying notes on pages 10 to 18 form an integral part of the financial statements.

Notes to the financial statements

1. Reporting entity

These financial statements are prepared for Equistone Partners Europe Limited which is a company domiciled and incorporated in England and Wales. The Company consists of three branches located in Germany, Switzerland and the United Kingdom with the address of the registered office of the Company being One New Ludgate, 60 Ludgate Hill, London, EC4M 7AW.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with FRS 101 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.13.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group

2.2 Consolidation

The Company is a wholly-owned subsidiary of Equistone LLP ("the ultimate parent"). It is included in the consolidated financial statements of Equistone LLP which are publically available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The address of the registered office of the ultimate parent is One New Ludgate, 60 Ludgate Hill, London, England, EC4M 7AW.

2.3 Investments in subsidiaries

A subsidiary is an entity over which the Company has power to govern the operating and financial policies, by holding directly or indirectly more than 50% of the equity shares, or by other means. Investments in subsidiaries are stated at cost, less any impairment.

Notes to the financial statements (continued)

2.4 Foreign currency translation

The financial statements are presented in GBP, the functional currency of the Company.

Items included in the financial statements of the Company are measured using their functional currency, being the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into GBP using the exchange rates prevailing in the month of the transaction. Monetary items denominated in foreign currencies are translated at the rate prevailing at the period end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the income statement.

2.5 Fees and commissions

Fees and commissions are recognised when the services are provided. Management fees are accounted for on an accruals basis and calculated in accordance with the Management Agreements governing the relationship with each private equity fund managed by the Company.

2.6 Dividends from subsidiaries and associates

Dividend income is recognised when the right to receive payment is established, which is when the dividends are received or the dividends are appropriately authorised by the subsidiary or associate.

2.7 Operating expenses

Operating expenses include service fees and advisory fees payable to fellow subsidiaries and are recognised on an accruals basis.

2.8 Interest

Interest income or expense is recognised on all interest bearing financial assets classified as held to maturity, available for sale or other loans and receivables and on interest bearing financial liabilities, using the effective interest method.

2.9 Current and deferred income tax

Current tax payable on taxable profits is recognised as an expense in the period in which the profits arise. Current tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as probable that it will be recoverable by offset against current year or prior year taxable profits.

Deferred tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred tax is determined using tax rates and legislation enacted or substantially enacted by the statement of financial position date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised on deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is regarded as probable that sufficient taxable profits will be available against which the deductible temporary difference, unused tax losses and unused tax credits can be utilised.

Deferred and current tax assets and liabilities are only offset where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously with the same tax authority.

Notes to the financial statements (continued)

2.10 Financial assets and liabilities

The Company recognises financial instruments from the trade date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired.

2.11 Cash and cash equivalents

Cash comprises cash on hand, demand deposits, and cash equivalents.

2.12 Property, plant and equipment

Property, plant and equipment are stated at historic cost less depreciation based on the straight line method of depreciation at the following rates for each respective class of asset:

Office fit-outs	Over the term of the lease
Furniture	Over 5 years
Information technology	Over 3 years

2.13 Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and amounts reported for revenues and expenses during the reporting period.

The Company has a deferred tax asset in respect of non-UK timing differences. It is recognised as recoverable, on the basis of all available evidence, as it can be regarded as more likely than not that there will be suitable taxable profits against which the future reversal of the underlying timing differences can be deducted.

3. Revenue

	2018 £'000	2017 £'000
Dividends from subsidiaries	24	-
Management fees	76,852	49,174
Other income	226	594
Revenue	77,102	49,768

Dividends from subsidiaries were received from a German registered subsidiary. Management fees in 2018 consist of £35,530,000 generated in Luxembourg and £41,322,000 generated in the United Kingdom (2017: nil in Luxembourg and £49,174,000 in the United Kingdom). All of the other income is generated in the United Kingdom.

Notes to the financial statements (continued)

4. Operating expenses

	2018 £'000	2017 £'000
Advisory fees payable to fellow subsidiary	25,644	18,574
Service fees payable to fellow subsidiary	13,429	11,085
Other overheads	16,396	18,518
Total operating expenses	55,469	48,177

Auditors' remuneration of £55,300 (2017: £39,900) was borne by the Company. Non-audit services totalling £38,650 were also incurred (2017: £12,400).

5. Finance income and expense

	2018 £'000	2017 £'000
Finance income	31	2
Finance income relates to interest earned on bank deposits.		
	2018 £'000	2017 £'000
Finance expense	23	19

Finance expense relates to the German defined benefit pension scheme (see note 15).

6. Staff costs

	2018 £'000	2017 £'000
Wages and salaries	8,268	11,314
Social security costs	264	229
Other pension costs	252	261
Other staff costs	320	218
Total staff costs	9,104	12,022

The number of full time equivalent employees during the year was 18 (2017: 19).

The aggregate remuneration of the Directors who were employees of Equistone Partners Europe Limited totals £1,920,000 (2017: £3,837,000).

Notes to the financial statements (continued)

7. Income tax expense

THE ANALYSIS OF THE CHARGE FOR THE YEAR IS AS FOLLOWS:

	2018 £'000	2017 £'000
Current tax:		
United Kingdom	804	-
Foreign tax	465	464
Deferred tax:		
Current year	25	(20)
Change in tax rate	(2)	(4)
Prior year adjustments	87	(9)
Total tax charge	1,379	431

UK corporation tax is calculated at 19% (2017: 19.25%) of the estimated assessable profits for the year. The Finance Act 2016 reduced the corporate tax rate from 20% to 19% in 2017 and 17% by 2020.

	2018 £'000	2017 £'000
Profit before tax	21,641	1,574
Tax charge at standard UK corporation tax rate of 19.00% (2017: 19.25%)	4,112	303
Prior year adjustments	87	(9)
Effect of non-deductible expenses / non-taxable income	175	52
Effect of non-UK profits at different local rates	87	126
Deferred tax movements in the year	-	(20)
Change in tax rate	(2)	(4)
Group relief	(3,080)	(17)
Overall tax charge	1,379	431

8. Dividends on ordinary shares

	2018 £'000	2017 £'000
Interim dividends paid	-	-

The Directors propose a final dividend of £20,000,000 (2017: nil).

Notes to the financial statements (continued)

9. Property, plant and equipment

	2018 £'000	2017 £'000
At 1 January		
Offices	1,169	1,139
Furniture	220	275
Information technology	264	269
Net book value	1,653	1,683
Additions	144	299
Depreciation	(333)	(329)
At 31 December	1,464	1,653

10. Investment in subsidiaries

As at 31 December 2018 the Company had a 100% interest in the following entities:

Entity	Nature of business	Registered office
Clink Street Nominees Limited	Nominee company	One New Ludgate, 60 Ludgate Hill, London, EC4M 7AW
Equistone General Partner Limited	General Partner	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Equistone General Partner II Limited	General Partner	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Equistone General Partner IV Limited	General Partner	50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Equistone GP V Limited	Corporate member of General Partner	One New Ludgate, 60 Ludgate Hill, London, EC4M 7AW
Equistone General Partner VI S.à r.l.	General Partner	8 rue Lou Hemmer, L-1748 Luxembourg – Findel, Grand-Duché de Luxembourg
Equistone General Partner (Carry and Co-Invest) VI S.à r.l.	General Partner	8 rue Lou Hemmer, L-1748 Luxembourg – Findel, Grand-Duché de Luxembourg
Equistone GP Verwaltungs GmbH	General Partner	Maximilianstraße 11 80539 Munich Germany
Equistone HoldCo GmbH	General Partner	Maximilianstraße 11 80539 Munich Germany

£11,200 was invested in Equistone General Partner VI S.à r.l. during 2017. During 2018 a further £59,200 was invested in Equistone General Partner (Carry and Co-Invest) VI S.à r.l., Equistone GP Verwaltungs GmbH and Equistone HoldCo GmbH. All of these entities act as General Partners in the Fund VI structure.

Notes to the financial statements (continued)

11. Deferred tax assets

The movement on the deferred tax balance during the year was as follows:

	1 JANUARY 2018	INCOME STATEMENT	OTHER COMPREHENSIVE INCOME	31 DECEMBER 2018
	£'000	£'000	£'000	£'000
Deferred tax assets				
Deferred tax	27	(111)	112	28
Net deferred tax assets	27	(111)	112	28

Deferred income taxes are calculated on all temporary differences under the liability method using an effective rate of 19% (2017: 19%).

12. Trade and other receivables

	2018 £'000	2017 £'000
Trade receivables and prepayments	1,085	822
Amounts receivable from related parties	4,111	1,850
Other receivables	1,569	942
Total	6,765	3,614

The Directors consider that the carrying amount of trade and other receivables are approximate to their fair value. The amounts receivable from related parties are unsecured, interest free and receivable in less than 12 months.

13. Trade and other payables

	2018 £'000	2017 £'000
Trade payables and accrued expenses	3,439	8,583
Amounts payable to related parties	16,469	12,276
Other payables	3,952	3,196
Total trade and other payables	23,860	24,055

The Directors consider that the carrying amount of trade and other payables are approximate to their fair value. The amounts payable to related parties are unsecured, interest free and payable in less than 12 months.

14. Current tax assets and liabilities

	2018 £'000	2017 £'000
Group relief receivable	-	(180)
United Kingdom tax	804	-
Overseas tax	296	182
Total current tax liabilities	1,100	2

Notes to the financial statements (continued)

15. Provisions

The Company operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

(a) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if insufficient assets are held to pay all employees the benefits relating to employee service in the current and prior periods. Payments made by the Company to defined contribution plans are charged to the Income Statement. During the year, the expenses relating to defined contribution pension plans were £202,000 (2017: £198,000).

(b) Defined benefit plan

For certain employees, the Company operates a defined benefit pension scheme. The scheme provides retirement benefits on the basis of members' starting salaries and the number of years of service to the Company.

The liability recognised in the Statement of Financial Position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by an independent actuarial firm.

Since 2017 the Company has invested cash in an external investment plan with a view to matching the defined benefit scheme liabilities at each year end. The Directors have therefore decided that it is appropriate to show the investment and pension liability on a net basis in the Statement of Financial Position.

A comprehensive actuarial valuation of the Company pension scheme at 31 December 2018 was carried out by Willis Towers Watson, an independent actuarial firm. Assumptions regarding future mortality are set, based on actuarial advice, in accordance with published statistics and experience in Germany.

Reconciliation of scheme liabilities:

	2018 £'000	2017 £'000
At 1 January	1,214	1,177
Current service cost	50	73
Interest expense	23	19
Re-measurement gains	(11)	(98)
Foreign exchange movements	12	43
At 31 December	1,288	1,214

The scheme liabilities of £1,288,000 (2017: £1,214,000) are presented in the Statement of Financial Position net of assets held in an externally managed fund. At 31 December 2018, the scheme liability net of these assets is nil (2017: nil).

Notes to the financial statements (continued)

16. Called up share capital

	NUMBER OF SHARES '000	VALUE OF SHARES £'000
At 31 December 2017	10	10
At 31 December 2018	10	10

The issued share capital of Equistone Partners Europe Limited is £10,000 (2017: £10,000) comprising 10,000 (2017: 10,000) ordinary shares of £1 each.

17. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which comprises its Directors.

As set out in note 2.1, the Company has taken advantage of the exemption within IAS 24 allowing related party transactions to be disclosed in the financial statements of the Company's ultimate parent Equistone LLP.

18. Commitments

The Company has the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018 £'000	2017 £'000
Not later than one year	596	497
Later than one year and not later than five years	2,386	2,386
Later than five years	1,441	2,037

19. Parent undertaking and ultimate holding company

The ultimate parent entity and the largest group which prepares consolidated financial statements is Equistone LLP. The immediate parent of the Company is Equistone Private Equity Limited. Both the immediate and ultimate parent entities are incorporated in England and Wales and registered at One New Ludgate, 60 Ludgate Hill, London, EC4M 7AW.