

Lansdowne Partners Limited

Registration Number: 03514088

Group Report and Financial Statements

For the year ended 31 March 2019

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Lansdowne Partners Limited

Registration Number: 03514088

Directors

Stuart Roden (resigned 1 April 2019)
Peter Davies
Suzanna Nutton
Hugh Orange
Regine Ang

Secretary

Hugh Orange

Registered Office

15 Davies Street
London W1K 3AG

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Solicitors

Simmons & Simmons LLP
CityPoint 1 Ropemaker Street
London EC2Y 9SS

Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

Strategic Report

The directors present their strategic report and the group and company financial statements of Lansdowne Partners Limited ("the company") and its subsidiaries, Lansdowne Partners (UK) LLP ("LPUK") and Lansdowne Partners Management LLP (together "the group"), for the year ended 31 March 2019.

Review of the business

The group achieved an after taxation profit of £90,722,747 for the year ended 31 March 2019 (£119,214,199 for the year ended 31 March 2018) whilst the company earned an after taxation profit of £20,580 (£7,390 for the year ended 31 March 2018). The directors do not recommend a final dividend (£nil for the year ended 31 March 2018). Shareholders' funds increased from £7,561,551 at 31 March 2018 to £7,582,131 at 31 March 2019.

Principal risks and uncertainties

The group's income is in the form of investment management fees. The group's key performance indicators are therefore closely linked to those of LPUK and these relate to the performance of the funds LPUK manages. The group is subject to risks associated with the tax and regulatory regimes within which it operates and with attracting and retaining the services of key investment executives.

The directors continue to actively monitor the process for the United Kingdom's proposed withdrawal from the European Union ("Brexit") and continue to consider the potential implications of Brexit on the operations of the group. In this regard, the directors note the decision of the European Union to extend the deadline for Brexit until 31 October 2019 with the proposed terms of the United Kingdom's withdrawal remaining uncertain.

The directors expect that the Brexit process will continue to create uncertainty in financial markets and amongst investors, which may result in volatility in terms of LPUK's funds under management (either due to investor withdrawals or due to negative performance). However, the directors note that LPUK's funds under management are globally diversified in terms of both investment strategy and investor profile with no specific exposure to the United Kingdom. Therefore, whilst the group may experience some revenue volatility due to underlying fund performance as a result of Brexit, the directors do not expect the immediate direct financial impact on the group to be significant.

Depending on the terms of the Brexit withdrawal agreement, the directors' note that Brexit may have implications on both the scope of the LPUK's regulated permissions (by potentially limiting the activities that LPUK is able to perform on behalf of investors). The directors will continue to monitor these circumstances and take action as appropriate.

Going concern

The directors believe that the group is well placed to manage its business risks successfully and to continue to be profitable for the foreseeable future, being a period of at least twelve months from the date these financial statements are approved. The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the board



Suzanna Nutton

Director

Date:

14 JUN 2019

Directors' Report

The directors present their report and group financial statements for the year ended 31 March 2019.

Principal activity

The principal activity of the group is the provision of investment management services.

The principal activity of the company is the provision of administration services to Lansdowne Partners (UK) LLP ("LPUK") and Lansdowne Partners Management LLP, to which it is a Designated Member. The company is also the General Partner to Lansdowne Partners Limited Partnership.

The principal activity of LPUK during the year was the provision of investment management services to investment funds.

LPUK was authorised by the Financial Conduct Authority (FCA) on 1 July 2014. It is also registered as an investment adviser with the U.S. Securities and Exchange Commission.

Future developments

The group has no plans that will significantly change the nature of its activities.

Directors

The directors who served the company during the year and at the date of this report were as follows:

Peter Davies

Suzanna Nutton

Hugh Orange

Regine Ang

Stuart Roden (resigned 1 April 2019)

Political and charitable contributions

The group made charitable donations amounting to £418,369 for the year ended 31 March 2019 (£500,000 for the year ended 31 March 2018).

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



Suzanna Nutton

Director

Date:

14 JUN 2019

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. 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 group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 group or company will continue in business.

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

Independent auditors' report

to the directors of Lansdowne Partners Limited

We have audited the financial statements of Lansdowne Partners Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Group Statement of comprehensive income, the Group and Company Statement of financial position, the Group and Company statement of changes in equity, Group Statement of cash flows and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 group and parent 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 group's or the parent 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, 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.

Independent auditors' report (continued)

to the directors of Lansdowne Partners Limited

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 parent company 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 group's and the parent 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 group or the parent 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.

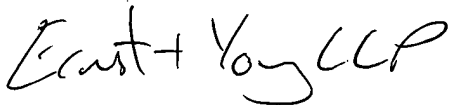
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditors' report (continued)

to the directors of Lansdowne Partners Limited

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.

A handwritten signature in black ink, appearing to read "Ernst + Young LLP", is positioned above the printed name of the auditor.

Michael Gaylor (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date 14/6/2019

Group Statement of Comprehensive Income

For the year ended 31 March 2019

		2019	2018
	Notes	£	£
Turnover	2	157,568,060	173,173,866
Expenses			
Operating expenses		(66,991,283)	(54,039,647)
Operating profit	3	90,576,777	119,134,219
Bank interest receivable		150,797	81,714
Operating profit on ordinary activities before taxation		90,727,574	119,215,933
Tax on profit on ordinary activities	6	(4,827)	(1,734)
Profit on ordinary activities after taxation		90,722,747	119,214,199
Profit on ordinary activities after taxation attributable to:			
Ordinary shareholders		20,580	7,390
Non-controlling interests		90,702,167	119,206,809
		<u>90,722,747</u>	<u>119,214,199</u>

All amounts are in respect of continuing activities.

During the year the group earned no other comprehensive income. Accordingly the profit on ordinary activities after taxation is equivalent to the total comprehensive income for the year.

Notes 1 to 15 are an integral part of these financial statements.

Group Statement of Financial Position

As at 31 March 2019

	Notes	31 March 2019 £	31 March 2018 £
Fixed assets			
Tangible fixed assets	7	297,166	152,596
Investments	8	200	200
		<u>297,366</u>	<u>152,796</u>
Current assets			
Debtors	9	31,480,538	32,531,154
Cash and cash equivalents		27,397,984	29,292,547
		<u>58,878,522</u>	<u>61,823,701</u>
Creditors: amounts falling due within one year	10	(14,844,938)	(7,427,633)
Net current assets		<u>44,033,584</u>	<u>54,396,068</u>
Net assets		<u>44,330,950</u>	<u>54,548,864</u>
Capital and reserves			
Called up share capital	11	4,340,020	4,340,020
Profit and loss attributable to Lansdowne Partners Limited		3,242,111	3,221,531
Shareholders' funds		<u>7,582,131</u>	<u>7,561,551</u>
Non-controlling interests		36,748,819	46,987,313
		<u>44,330,950</u>	<u>54,548,864</u>

The financial statements on pages 8 to 21 were approved by the board on 14 June 2019 and authorised for issue on its behalf by:



Suzanna Nutton
Director

Notes 1 to 15 are an integral part of these financial statements.

Company Statement of Financial Position

As at 31 March 2019

	Notes	31 March 2019 £	31 March 2018 £
Fixed assets			
Tangible fixed assets	7	297,166	152,596
Investments	8	300	300
		<u>297,466</u>	<u>152,896</u>
Current assets			
Debtors	9	4,064,641	7,647,855
Cash and cash equivalents		5,257,778	1,881,133
		<u>9,322,419</u>	<u>9,528,988</u>
Creditors: amounts falling due within one year	10	(2,037,754)	(2,120,333)
Net current assets		<u>7,284,665</u>	<u>7,408,655</u>
Net assets		<u>7,582,131</u>	<u>7,561,551</u>
Capital and reserves			
Share capital		4,340,020	4,340,020
Profit and loss account		3,242,111	3,221,531
Shareholders' funds		<u>7,582,131</u>	<u>7,561,551</u>

The Company's profit for the year was £20,580 (year ended 31 March 2018: profit of £7,390)

The financial statements on pages 8 to 21 were approved by the board on 14 June 2019 and authorised for issue on its behalf by:



Suzanna Nutton
Director

Notes 1 to 15 are an integral part of these financial statements.

Statements of Changes in Equity

For the year ended 31 March 2019

Group statement of changes in equity

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>	<i>Non-controlling interests</i>	<i>Total</i>
	£	£	£	£	£
At 1 April 2017	4,340,020	3,214,141	7,554,161	48,414,491	55,968,652
Profit for the year	-	119,214,199	119,214,199	-	119,214,199
Profit allocations to non-controlling interests	-	(119,206,809)	(119,206,809)	119,206,809	-
Distributions to non-controlling interests	-	-	-	(120,633,987)	(120,633,987)
At 1 April 2018	4,340,020	3,221,531	7,561,551	46,987,313	54,548,864
Profit for the year	-	90,722,747	90,722,747	-	90,722,747
Capital contributions by non-controlling interests	-	-	-	120,000	120,000
Profit allocations to non-controlling interests	-	(90,702,167)	(90,702,167)	90,702,167	-
Distributions to non-controlling interests	-	-	-	(101,060,661)	(101,060,661)
At 31 March 2019	4,340,020	3,242,111	7,582,131	36,748,819	44,330,950

Notes 1 to 15 are an integral part of these financial statements.

Statements of Changes in Equity (continued)

For the year ended 31 March 2019

Company statement of changes in equity

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders funds</i>
	£	£	£
At 1 April 2017	4,340,020	3,214,141	7,554,161
Profit for the year	-	7,390	7,390
At 1 April 2018	4,340,020	3,221,531	7,561,551
Profit for the year	-	20,580	20,580
At 31 March 2019	4,340,020	3,242,111	7,582,131

Notes 1 to 15 are an integral part of these financial statements.

Group Cash Flow Statement

As at 31 March 2019

		<i>Year ended 31 March 2019</i>	<i>Year ended 31 March 2018</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Net cash inflow from operating activities	12 (a)	99,208,065	115,228,396
Net cash (outflow)/inflow from investing activities	12 (b)	(161,967)	11,873
Net cash outflow from financing activities	12 (b)	(100,940,661)	(120,633,987)
		<hr/>	<hr/>
Decrease in cash		(1,894,563)	(5,393,718)
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds			
Decrease in cash		(1,894,563)	(5,393,718)
Net funds as at 1 April		29,292,547	34,686,265
		<hr/>	<hr/>
Net funds at 31 March		27,397,984	29,292,547
		<hr/>	<hr/>

Notes 1 to 15 are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies

Basis of accounting

The company is a limited liability company incorporated in England. The Registered Office is 15 Davies Street, London W1K 3AG. The group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the group for the year ended 31 March 2019.

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with consistently applied applicable UK accounting standards. The principal accounting policies are set out below.

The company is a member and General Partner of Lansdowne Partners Limited Partnership (the "Partnership"). The rights of the other partners over the assets of the Partnership are such that it is not controlled by the company. Accordingly the financial statements do not consolidate those of the Partnership.

Basis of consolidation and group accounts

The consolidated financial statements include the accounts of the company and its subsidiaries, Lansdowne Partners (UK) LLP and Lansdowne Partners Management LLP (collectively the "group") drawn up to 31 March 2019. All material intercompany transactions and balances have been eliminated in the group financial statements.

No statement of comprehensive income is presented for Lansdowne Partners Limited as permitted by Section 408 of the Companies Act 2006. The Company's profit for the year was £20,580 (year ended 31 March 2018: £7,390). The company has taken advantage of the disclosure exemption to present the company cash flow as permitted under FRS 102.1.12.

Commitments and Contingencies

Included within Turnover are amounts paid by the funds managed and the managed accounts for research costs incurred in the delivery of investment management services. These amounts are recognised when they become due and payable.

Foreign currencies

The group's functional and presentational currency is British Pound Sterling. Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences arising are taken to the Statement of Comprehensive Income.

Taxation

Provision is made by the company for corporation tax at the current rates on the excess of taxable income over allowable expenses. No provision is made for taxation in respect of subsidiaries which are limited liability partnerships as each member is exclusively liable for any tax liabilities arising out of their interest in these partnerships. Tax is assessed on the individual members and not on the company.

Depreciation

All fixed assets are initially recorded at cost and then depreciated. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Office equipment	–	3 years
Furniture and fixtures	–	3 years
Leasehold improvements	–	3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies (continued)

Investments

Investments are stated at cost less provision for accumulated impairment.

Debtors

Debtors are measured at fair value on initial recognition which equates to the amount expected to be receivable on settlement of the asset. Amounts are assessed for impairment with any impairment recognised in the Statement of Comprehensive Income.

Creditors

Creditors are initially measured at fair value which approximates to the amount expected to be required to settle the obligations on behalf of the Company.

Expenses

Expenses are recognised within the statement of comprehensive income on an accruals basis.

Operating leases

Rental payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term. The value of any rent-free periods is amortised over the life of the lease.

Pensions

The company operates a group personal pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Key judgements and estimates

In applying the group's accounting policies, the directors may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

The directors' estimates are based on the evidence available at the time; including historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such estimates, the actual results and outcomes may differ. Estimates are reviewed on an on-going basis and revisions to accounting estimates are recognised in the year in which the estimate is revised.

The directors are not aware of any significant sources of estimation uncertainty in the preparation of these financial statements.

2. Turnover

Turnover is attributable to one continuing activity, the provision of investment management and related services and expenses reimbursement. An analysis of turnover by geographical market is as follows:

	2019	2018
	£	£
Investment management & related services:		
Americas	131,786,876	149,314,334
Europe	16,983,798	17,908,322
Rest of world	8,797,386	5,951,210
	<u>157,568,060</u>	<u>173,173,866</u>

Included within turnover is £22,945,088 (2018: £5,756,127) relating to amounts paid by the funds managed and the managed accounts for research costs incurred in the delivery of investment management services.

Notes to the financial statements

For the year ended 31 March 2019

3. Group operating profit

	2019	2018
	£	£
This is stated after charging:		
Auditors' remuneration:		
- fee payable to auditors for audit of financial statements	52,000	49,500
- fee payable for non-audit related assurance services	131,526	143,544
Gain on foreign currency transactions	534,653	-
Depreciation	168,194	63,688
Operating lease	1,426,951	1,454,546

Included within fee payable to auditors is the company audit fee of £22,000, and the subsidiary audit fee of £20,000 (Lansdowne Partners (UK) LLP) and £10,000 (Lansdowne Partners Management LLP).

Non-audit services principally comprise the provision of tax compliance and other accounting advisory services.

4. Staff costs

	2019	2018
	£	£
Wages and salaries	23,653,135	28,103,028
Social security costs	3,261,063	3,789,880
Pensions	347,152	319,980
	<u>27,261,350</u>	<u>32,212,888</u>

The average number of employees during the year was as follows:

	No.	No.
Operational and support	68	64
Investment management	35	35
	<u>103</u>	<u>99</u>

5. Directors' remuneration

	2019	2018
	£	£
Remuneration	<u>420,929</u>	<u>455,000</u>

The amounts in respect of the highest paid director are as follows:

	2019	2018
Remuneration	<u>320,929</u>	<u>355,000</u>

Notes to the financial statements

For the year ended 31 March 2019

6. Taxation

	2019	2018
<i>(a) Analysis of tax charge for the year</i>	<i>Group</i>	<i>Group</i>
	£	£
Current tax		
UK corporation tax on the profit for the year	4,827	1,734
Adjustments in respect of prior periods	-	-
Current tax for the year - note 6 (b)	4,827	1,734
Deferred tax		
Reversal of timing differences	-	-
Total taxation	4,827	1,734
 <i>(b) Factors affecting the tax charge for the year</i>		
The tax assessed on the profit on ordinary activities for the year is lower than the standard rate corporation tax in the UK. The differences are explained below.		
Profit on ordinary activities	90,727,574	119,215,933
Profit on ordinary activities multiplied by the effective rate of corporation tax for the year of 19% (2018: 19%)	17,238,239	22,651,027
<i>Effect of:</i>		
Profit allocation to members (subject to income tax)	(17,233,412)	(22,649,293)
Total tax charge for the year – note 6(a)	4,827	1,734

The UK Government legislated in the Finance (No.2) Act 2015 which received royal assent on 18 November 2015 to reduce the standard rate of UK corporation tax to 19% from 1 April 2017 and further to 18% from 1 April 2020. In the 2016 Finance Bill, the UK Government announced a further reduction in the rate of corporation tax to 17% from 1 April 2020. The reduced rates of UK corporation tax will affect future corporation tax payments to be made by the Group.

Notes to the financial statements

For the year ended 31 March 2019

7. Tangible fixed assets

Group and Company

	<i>Office equipment</i>	<i>Furniture and fixtures</i>	<i>Leasehold improvement</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 1 April 2018	700,674	53,164	2,038,632	2,792,470
Additions	312,764	-	-	312,764
At 31 March 2019	1,013,438	53,164	2,038,632	3,105,234
Depreciation:				
At 1 April 2018	696,469	33,007	1,910,398	2,639,874
Provided during the year	88,693	13,633	65,868	168,194
At 31 March 2019	785,162	46,640	1,976,266	2,808,068
Net book value:				
At 31 March 2019	228,276	6,524	62,366	297,166
At 1 April 2018	4,205	20,157	128,234	152,596

8. Investments

	2019	2018
<i>Group</i>	£	£
Unlisted, at cost	200	200
	=====	=====
<i>Company</i>	£	£
Unlisted, at cost	300	300
	=====	=====

The group's investments represents capital contributions to Lansdowne Partners Limited Partnership, of which the company is its General Partner.

The company's investments represent the company's capital contributions of £100 to Lansdowne Partners Limited Partnership (dormant entity) and in each of its subsidiaries:

- Lansdowne Partners (UK) LLP, incorporated in the United Kingdom, whose principal activity is the provision of investment management services. The company owns less than 1% of the contributed capital of Lansdowne Partners (UK) LLP, and
- Lansdowne Partners Management LLP, incorporated in the United Kingdom, whose principal activity is in relation to its membership interest in Lansdowne Partners (UK) LLP. The company owns 10% of the contributed capital of Lansdowne Partners Management LLP.

Notes to the financial statements

For the year ended 31 March 2019

9. Debtors

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2019</i>	<i>2019</i>	<i>2018</i>	<i>2018</i>
	£	£	£	£
Fees receivable	25,775,502	-	27,136,123	-
Balance due from Lansdowne Partners (UK) LLP	-	1,601,786	-	5,250,403
Other debtors	5,705,036	2,462,855	5,395,031	2,397,452
	<u>31,480,538</u>	<u>4,064,641</u>	<u>32,531,154</u>	<u>7,647,855</u>

Included within other debtors (Group and Company) are rental deposits of £982,596 (2018 - £966,779) of which £168,817 is due within one year (2018 - £ nil) and £813,779 is due in more than one year (2018 - £966,779 due in more than one year)

10. Creditors: amounts falling due within one year

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2019</i>	<i>2019</i>	<i>2018</i>	<i>2018</i>
	£	£	£	£
Other taxes and social security	281,184	281,184	414,481	414,481
Corporation tax payable	4,827	4,827	1,734	1,734
Other creditors and accruals	14,558,727	1,751,743	7,011,218	1,704,118
Balance due to Lansdowne Partners Limited Partnership	200	-	200	-
	<u>14,844,938</u>	<u>2,037,754</u>	<u>7,427,633</u>	<u>2,120,333</u>

Amounts owed to group undertakings are interest free and repayable on demand.

11. Issued share capital

<i>Group and Company</i>	<i>2019</i>	<i>2018</i>	<i>2019</i>	<i>2018</i>
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
A ordinary shares of £1 each	340,000	340,000	340,000	340,000
B ordinary shares of £1 each	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
	<u>340,020</u>	<u>340,020</u>	<u>340,020</u>	<u>340,020</u>
Non-cumulative redeemable preference Shares of £1 each	4,000,000	4,000,000	4,000,000	4,000,000
Total	<u>4,340,020</u>	<u>4,340,020</u>	<u>4,340,020</u>	<u>4,340,020</u>

Both A and B ordinary shares confer the holders the rights to receive notice of, attend at and vote as a shareholders at any general meetings of the company. B ordinary shares have no rights to dividends or other distributions and have no rights to participate in the assets of the company on a winding up.

The non-cumulative redeemable preference shares have no rights to dividends and rank *pari passu* in all other regards with the ordinary shares of the company. The holders of all such fully paid up shares have waived their rights to redemption and, as such, the redemption of these shares is solely at the discretion of the company. On a winding up of the company, the non-cumulative redeemable preference shareholders have a right to receive, in preference to any payments to the ordinary shareholders, £1 per share.

Notes to the financial statements

For the year ended 31 March 2019

12. Notes to group cash flow statement

	2019	2018
	£	£
(a) Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	90,576,777	119,134,219
Depreciation	168,194	63,688
Corporation tax paid	(1,734)	(2,489)
Decrease/(Increase) in debtors	1,050,616	(9,685,996)
Increase in creditors	7,414,212	5,718,974
Net cash inflow from operating activities	<u>99,208,065</u>	<u>115,228,396</u>
(b) Analysis of cash flow from headings netted in the statement of cash flows		
<i>Cash (outflow)/inflow from investing activities:</i>		
Bank interest received	150,797	81,714
Payments to acquire tangible fixed assets	(312,764)	(69,841)
	<u>(161,967)</u>	<u>11,873</u>
<i>Cash inflow/(outflow) from financing activities</i>		
Contributions by non-controlling interests	120,000	-
Distributions to non-controlling interests	(101,060,661)	(120,633,987)
	<u>(100,940,661)</u>	<u>(120,633,987)</u>

13. Finance and Operating lease commitments

Total minimum future lease payments under operating leases are as follows:	2019	2018
	£	£
Within one year	2,579,566	1,470,387
In two to five years	10,338,949	1,056,242
After five years	13,853,125	-
	<u>26,771,640</u>	<u>2,526,629</u>

Included within future operating leases for 2019 is a new office agreement.

14. Related party transactions

The company is a designated member of its subsidiaries, Lansdowne Partners (UK) LLP ("LPUK") and Lansdowne Partners Management LLP ("LPM"). It is also the General Partner of Lansdowne Partners Limited Partnership (the "Partnership").

Lansdowne Partners Limited and Lansdowne Partners Austria GmbH are subsidiaries of Lansdowne Partners International Limited.

Notes to the financial statements

For the year ended 31 March 2019

14. Related party transactions (continued)

During the year, the Company recharged operating expenses totalling £44,102,767 to LPUK (2018: £47,703,200).

During the year, investment management fees of £125,165,569 (2018: £147,241,857) and support services fee of £355,797 (2018: £288,692) were receivable by the group from Lansdowne Partners International Limited and Lansdowne Partners Austria GmbH respectively.

Included in the debtors (note 9) and creditors (note 10) are:

Group

- £12,603,722 due from Lansdowne Partners International Limited (2018: £22,977,690),
- £512,541 due from Lansdowne Partners Austria GmbH (2018: £413,477), and
- £200 due to the Partnership (2018: £200).

Company

- £22,987 due from Lansdowne Partners International Limited (2018: £23,395),
- £1,601,786 due from LPUK (2018: £5,250,403), and
- £156,744 due from Lansdowne Partners Austria GmbH (2018: £124,785)

The directors are considered to have sole responsibility for the planning, directing and controlling of the activities of the Company. No other employees are considered to meet this definition of key management personnel. As a result, the aggregate remuneration payable to key management personnel is disclosed in Note 5.

15. Ultimate parent undertaking

The Company's parent undertaking is Lansdowne Partners International Limited, of P.O. Box 309, Ugland House, South Church Street, Georgetown, Cayman Islands, British West Indies. The controlling parties are Sir Paul Ruddock and Steven Heinz.