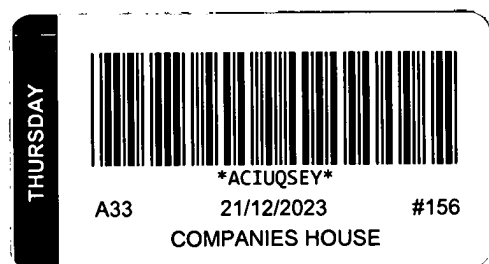


Lansdowne Partners Limited

Registration Number: 03514088

Group Annual Report and Financial Statements

For the year ended 31 March 2023



Lansdowne Partners Limited

Registration Number: 03514088

Directors

Peter Davies
Suzanna Nutton
Hugh Orange

Secretary

Hugh Orange

Registered Office

65 Curzon Street
London W1J 8PE

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Solicitors

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

Auditors

Buzzacott LLP
130 Wood Street
London EC2V 6DL

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”), Lansdowne Partners Management LLP and UKLLP Holding LLP (together “the group”), for the year ended 31 March 2023.

Review of the business

The group achieved an after taxation profit of £17,547,037 for the year ended 31 March 2023 (£31,189,726 for the year ended 31 March 2022) whilst the company earned an after taxation profit of £23,533 (£208 for the year ended 31 March 2022). The directors are satisfied with the result for the year ended 31 March 2023.

The directors do not recommend a final dividend (£nil for the year ended 31 March 2022). Shareholders’ funds increased from £5,211,590 at 31 March 2022 to £5,235,123 at 31 March 2023.

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.

Geopolitical events, including the war in Ukraine, have and may continue to adversely impact global commercial activity and contribute to volatility in the financial markets. In addition, other factors may continue to adversely affect market and economic conditions. These include, without limitation, changes in interest rates and/or a lack of availability of credit internationally, commodity price volatility, changes in law and/or regulation and uncertainty regarding government and regulatory policy.

Going concern

The group has sufficient liquid resources and the business has ongoing investment management contracts. The directors therefore believe that the group and company have sufficient financial resources to meet their obligations and liabilities as they fall due and to continue in operational existence for the foreseeable future, being a period at least 12 months from the date that these financial statements were approved.

As referred to above and in note 1 to the financial statements, the directors have considered the impact of recent geopolitical events on the group’s business and operations. After carrying out sensitivity analysis, the directors believe that the group and company are well placed to manage their business risks successfully in the current economic climate. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

Section 172 Statement

Section 172 of the Companies Act 2006 requires a director of an entity to act in the way he or she considers, in good faith, would be most likely to promote the success of the entity for the benefit of its members as a whole. As part of the entity’s deliberations and decisions making process, the directors also take into account the following:

- (i) likely consequences of any decisions in the long term;
- (ii) the interests of the entity’s employees;
- (iii) the need to foster the entity’s business relationships with suppliers, customers and others;
- (iv) the impact of the entity’s operations on the community and the environment;
- (v) the desirability of the entity maintaining a reputation for high standards and business conduct; and
- (vi) the need to act fairly between members of the company

Directors' Report

Section 172 Statement (continued)

The directors consider stakeholders of the company to be, amongst others, its employees, customers, suppliers, communities and shareholders as well as its regulators. During the year ended 31 March 2023, the directors gave careful consideration to the factors set out above in discharging their duties under section 172. The directors recognise that building strong relationships with the stakeholders will help deliver the company's strategy in line with its long-term values. The directors are committed to effective engagement with all of the stakeholders. Depending on the nature of the issue in question, the relevance of each stakeholder group may differ and, as such, as part of the company's engagement with stakeholders, the directors seek to understand the relative interests and priorities of each group and to have regard to these, as appropriate, in their decision making. The directors also ensure that all stakeholder interests are considered in the day to day management and operations of the company.

As a result, the directors believe they have demonstrated compliance with their legal duty under section 172 of the Companies Act 2006.

On behalf of the board



Suzanna Nutton

Director

28 July 2023

Directors' Report

The directors present their report and group financial statements for the year ended 31 March 2023.

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 and Lansdowne Partners Management LLP, to which it is a Designated Member. The company is also the General Partner to Lansdowne Partners Limited Partnership and Managing Member of UKLLP Holding LLP.

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

Political and charitable contributions

The group made charitable donations amounting to £150,000 for the year ended 31 March 2023 (£245,000 for the year ended 31 March 2022).

Streamlined Energy & Carbon Reporting (SECR)

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the group is mandated to disclose its UK energy use and associated greenhouse gas (GHG) emissions. Specifically, and as a minimum, the group is required to report those GHG emissions relating to natural gas, electricity and transport fuel, as well as an intensity ratio.

The calculations of the group's GHG emissions represent data for the period 1 April 2022 to 31 March 2023.

Calculation Methodology

The GHG emissions have been assessed following the GHG Protocol Corporate Standard and has used the 2022 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). Both the market and location-based approaches have been used for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

Directors' Report

Streamlined Energy & Carbon Reporting (SECR) (continued)

The table below summarises the GHG emissions for reporting year: 1 April 2022 to 31 March 2023.

Element	2021/22 (tCO ₂ e)	2022/23 (tCO ₂ e)
Direct emissions (Scope 1) – natural gas	0.00	0.00
Indirect emissions from purchased electricity (Scope 2)	54.14	52.41
Total Scope 1 & 2 emissions	54.14	52.41
Business travel in employee-owned & hire vehicles (Scope 3)	n/a	n/a
Electricity transmission and distribution (Scope 3)	0.00	4.80
Total Scope 3 emissions	n/a	n/a
Total Gross Scope 1, 2 & mandatory S3 emissions ¹	54.14	57.21
Total Net Scope 1, 2 & mandatory S3 emissions	54.14	57.21
Total energy consumption (kWh)	255,002	271,067
Intensity metric: S1,2&3 emissions per employee	0.67	0.58
Intensity metric: S1,2&3 emissions per £M turnover	0.81	1.26

¹ Only includes emissions required under SECR

The group purchased verified carbon offsets to cover its 2021/2022 emissions and is in the process of doing so for 2022/23.

Energy Efficiency

The group has been carbon neutral for eight years (by purchasing verified carbon offsets) and intends to maintain its carbon neutral status as part of its wider sustainability strategy. There were no specific initiatives during the year ended 31 March 2023 to increase energy efficiency but the directors are hopeful that moving to new office premises after the year end will yield positive impacts in this respect.

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 Buzzacott LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



Suzanna Nutton

Director

28 July 2023

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 auditor's report

to the members of Lansdowne Partners Limited

Opinion

We have audited the financial statements of Lansdowne Partners Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise Group Statement of comprehensive income, the Group and Company Statement of financial position, the Group and Company statement of changes in equity, the Group Statement of cash flows and the related notes 1 to 16, 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 2023 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. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent company's ability to continue as a going concern for a period of twelve month from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report (continued)

to the members of Lansdowne Partners Limited

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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

Independent auditor's report (continued)

to the members of Lansdowne Partners Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing groups with regulated investment management firms;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual and suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the group and company through discussions with the directors and other management at the planning stage, and from our knowledge and experience of groups with regulated investment management firms;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and company including Companies Act 2006, employment legislation, The Financial Services and Markets Act 2000 and taxation legislation.

Independent auditor's report (continued)

to the members of Lansdowne Partners Limited

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the extent of compliance with laws and regulations identified above through:

- making enquiries of management;
- reviewing legal expenditure throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- identified and assessed the design effectiveness of the controls management has in place to prevent and detect fraud;
- determined the susceptibility of the group and company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries throughout the year to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any variances from the prior period;
- identified and challenged assumptions and judgements made by management in its significant accounting estimates; and
- carried out substantive testing, including random samples, to check the occurrence and cut-off of income and expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statements disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

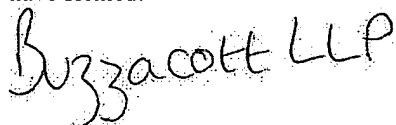
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report (continued)

to the members 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 that reads "Buzzacott LLP". The signature is written in a cursive, slightly stylized font.

Katherine White (Senior statutory auditor)

For and on behalf of

Buzzacott LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date 28 July 2023

Group Statement of Comprehensive Income

For the year ended 31 March 2023

	<i>Notes</i>	<i>2023</i> £	<i>2022</i> £
Turnover	2	42,155,832	62,165,710
Other income		3,122,031	4,688,072
Expenses			
Operating expenses		(27,764,783)	(35,665,474)
Operating profit	3	17,513,080	31,188,308
Bank interest receivable		39,477	1,467
Operating profit on ordinary activities before taxation		17,552,557	31,189,775
Tax on profit on ordinary activities	6	(5,520)	(49)
Profit on ordinary activities after taxation		17,547,037	31,189,726
Profit on ordinary activities after taxation attributable to:			
Ordinary shareholders		23,533	208
Non-controlling interests		17,523,504	31,189,518
		<u>17,547,037</u>	<u>31,189,726</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 16 are an integral part of these financial statements.

Group Statement of Financial Position

As at 31 March 2023

		31 March 2023	31 March 2022
	Notes	£	£
Fixed assets			
Tangible fixed assets	7	97,159	311,021
Investments	8	301	301
		<u>97,460</u>	<u>311,322</u>
Current assets			
Debtors	9	13,085,271	11,535,224
Cash and cash equivalents		3,835,729	8,451,849
		<u>16,921,000</u>	<u>19,987,073</u>
Creditors: amounts falling due within one year	10	(1,324,238)	(2,820,489)
Net current assets		<u>15,596,762</u>	<u>17,166,584</u>
Net assets		<u>15,694,222</u>	<u>17,477,906</u>
Capital and reserves			
Called up share capital	11	1,941,386	1,941,386
Profit and loss attributable to Lansdowne Partners Limited		3,293,737	3,270,204
Shareholders' funds		<u>5,235,123</u>	<u>5,211,590</u>
Non-controlling interests		10,459,099	12,266,316
		<u>15,694,222</u>	<u>17,477,906</u>

The financial statements on pages 12 to 26 were approved by the board on 28 July 2023 and authorised for issue on its behalf by:



Suzanna Nutton
Director

Notes 1 to 16 are an integral part of these financial statements.

Company Statement of Financial Position

As at 31 March 2023

		31 March 2023	31 March 2022
	Notes	£	£
Fixed assets			
Tangible fixed assets	7	97,159	311,021
Investments	8	4,801,616	4,801,616
		<u>4,898,775</u>	<u>5,112,637</u>
Current assets			
Debtors	9	1,665,424	1,462,878
Cash and cash equivalents		1,745,386	2,426,354
		<u>3,410,810</u>	<u>3,889,232</u>
Creditors: amounts falling due within one year	10	(3,074,462)	(3,790,279)
Net current (liabilities)/assets		<u>336,348</u>	<u>98,953</u>
Net assets		<u>5,235,123</u>	<u>5,211,590</u>
Capital and reserves			
Share capital		1,941,386	1,941,386
Profit and loss account		3,293,737	3,270,204
Shareholders' funds		<u>5,235,123</u>	<u>5,211,590</u>

The Company's profit for the year was £23,533 (year ended 31 March 2022: £208).

The financial statements on pages 12 to 26 were approved by the board on 28 July 2023 and authorised for issue on its behalf by:



Suzanna Nutton
Director

Notes 1 to 16 are an integral part of these financial statements.

Statements of Changes in Equity

For the year ended 31 March 2023

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 2021	1,941,386	3,269,996	5,211,382	16,149,849	21,361,231
Profit for the year	-	31,189,726	31,189,726	-	31,189,726
Capital withdrawals by non-controlling interests	-	-	-	(170,000)	(170,000)
Profit allocations to non-controlling interests	-	(31,189,518)	(31,189,518)	31,189,518	-
Distributions to non-controlling interests	-	-	-	(34,903,051)	(34,903,051)
At 1 April 2022	<u>1,941,386</u>	<u>3,270,204</u>	<u>5,211,590</u>	<u>12,266,316</u>	<u>17,477,906</u>
Profit for the year	-	17,547,037	17,547,037	-	17,547,037
Capital contributions by non-controlling interests	-	-	-	60,100	60,100
Profit allocations to non-controlling interests	-	(17,523,504)	(17,523,504)	17,523,504	-
Distributions to non-controlling interests	-	-	-	(19,390,821)	(19,390,821)
At 31 March 2023	<u>1,941,386</u>	<u>3,293,737</u>	<u>5,235,123</u>	<u>10,459,099</u>	<u>15,694,222</u>

Notes 1 to 16 are an integral part of these financial statements.

Statements of Changes in Equity (continued)

For the year ended 31 March 2023

Company statement of changes in equity

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders funds</i>
	£	£	£
At 1 April 2021	1,941,386	3,269,996	5,211,382
Profit for the year	-	208	208
At 1 April 2022	1,941,386	3,270,204	5,211,590
Profit for the year	-	23,533	23,533
At 31 March 2023	1,941,386	3,293,737	5,235,123

Notes 1 to 16 are an integral part of these financial statements.

Group Cash Flow Statement

As at 31 March 2023

		<i>Year ended 31 March 2023</i>	<i>Year ended 31 March 2022</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Net cash inflow from operating activities	12 (a)	14,675,124	37,781,905
Net cash inflow/(outflow) from investing activities	12 (b)	39,477	(104,734)
Net cash outflow from financing activities	12 (b)	(19,330,721)	(35,073,051)
		<hr/>	<hr/>
(Decrease)/increase in cash		(4,616,120)	2,604,120
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash		(4,616,120)	2,604,120
Net funds as at 1 April		8,451,849	5,847,729
		<hr/>	<hr/>
Net funds at 31 March		3,835,729	8,451,849
		<hr/>	<hr/>

Notes 1 to 16 are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

Basis of accounting

The company is a limited company incorporated in England and Wales under the Companies Act 2006. The Registered Office is, from 25 May 2023, 65 Curzon Street, London W1J 8PE (previously 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 2023.

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.

Going Concern

Geopolitical events, including the war in Ukraine, have and may continue to adversely impact global commercial activity and contribute to volatility in the financial markets. In addition, other factors may continue to adversely affect market and economic conditions. These include, without limitation, changes in interest rates and/or a lack of availability of credit internationally, commodity price volatility, changes in law and/or regulation and uncertainty regarding government and regulatory policy.

As at 31 March 2023, the group's assets under management amounted to US\$6.6bn. The directors have undertaken stressed scenario and sensitivity analysis of the group's future financial performance and position, including the impact of 25% and 50% reductions in the group's assets under management from this date. The results of these stress tests indicate, in each case, that the group would continue to be profitable, would retain sufficient liquidity and would be able to meet applicable regulatory capital requirements.

The principal accounting policies are set out below and have been consistently applied throughout the year.

Basis of consolidation and group accounts

The consolidated financial statements include the accounts of the company and its subsidiaries, Lansdowne Partners (UK) LLP, Lansdowne Partners Management LLP and UK LLP Holding LLP (collectively the "group") drawn up to 31 March 2023. 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 £23,533 (year ended 31 March 2022: £208). 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.

Turnover and revenue recognition

Turnover, which is stated net of any value added tax, represents investment management and performance fees derived from funds under management net of rebates given and fees received for providing investment management support services. Fees are recognised on an accruals basis when the group obtains the right for consideration in exchange for its performance of services.

Other income

Other income relates 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 2023

1. Accounting policies (continued)

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 group and 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 group.

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.

Investments

Investments in subsidiaries undertakings are stated at cost less provision for accumulated impairment. Other investments are stated at fair value through Statement of Comprehensive Income.

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.

Cash and cash equivalents

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

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 group.

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 group 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.

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

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:

	2023	2022
	£	£
Investment management & related services:		
Americas	15,199,249	27,391,207
Europe	24,681,654	28,956,961
Rest of world	2,274,929	5,817,542
	<u>42,155,832</u>	<u>62,165,710</u>

3. Group operating profit

	2023	2022
	£	£
This is stated after charging:		
Auditors' remuneration:		
- fee payable to auditors for audit of the group's financial statements	37,500	56,000
- fee payable for audit related assurance services	2,500	-
- fee payable for non-audit services	16,175	56,400
Gain/(loss) on foreign currency transactions	257,041	144,003
Depreciation	213,862	219,492
Operating lease	<u>1,399,128</u>	<u>1,281,084</u>

Included within fee payable to auditors is the company audit fee of £17,000, and the subsidiary audit fees of £16,500 (Lansdowne Partners (UK) LLP) and £6,500 (Lansdowne Partners Management LLP).

Non-audit services principally comprise the provision of tax compliance and other accounting advisory services. Auditor's remuneration for the year ended 31 March 2022 relates to remuneration paid to the group's previous auditor.

Notes to the financial statements

For the year ended 31 March 2023

4. Staff costs

	2023	2022
	£	£
Wages and salaries	9,492,835	14,419,437
Social security costs	1,238,452	1,922,048
Pensions	178,035	158,119
	<u>10,909,322</u>	<u>16,499,604</u>
The average number of employees during the year was as follows:		
	No.	No.
Operational and support	45	44
Investment management	23	27
	<u>68</u>	<u>71</u>

5. Directors' remuneration

	2023	2022
	£	£
Remuneration	<u>75,000</u>	<u>75,000</u>
The amounts in respect of the highest paid director are as follows:		
Remuneration	<u>25,000</u>	<u>25,000</u>

6. Taxation

(a) Analysis of tax charge for the year	2023	2022
	£	£
Current tax		
UK corporation tax on the profit for the year	5,520	49
Adjustments in respect of prior periods	-	-
Current tax for the year - note 6 (b)	<u>5,520</u>	<u>49</u>
Total taxation	<u>5,520</u>	<u>49</u>

Notes to the financial statements

For the year ended 31 March 2023

6. Taxation (continued)

(b) Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year is lower than (year ended 31 March 2022 lower than) the standard rate corporation tax in the UK. The differences are explained below.

	2023 Group £	2022 Group £
Profit on ordinary activities	17,552,557	31,189,775
Profit on ordinary activities multiplied by the effective rate of corporation tax for the year of 19% (2022: 19%)	3,334,986	5,926,057
<i>Effect of:</i>		
Profit allocation to members (subject to income tax)	(3,329,466)	(5,926,008)
Total tax charge for the year – note 6(a)	5,520	49

(c) Factors that may affect future tax charges

As at 31 March 2023, the rate of corporation tax was 19%. On 11 March 2021, the government published a bill to raise corporation tax from April 2023. The rate will taper from 19% for business with profits of less than £50,000 to 25% for business profits over £250,000.

7. Tangible fixed assets

Group and Company

	Office equipment £	Furniture and fixtures £	Leasehold improvement £	Total £
Cost:				
At 1 April 2022	1,146,306	40,604	1,429,870	2,616,780
Additions	-	-	-	-
At 31 March 2023	1,146,306	40,604	1,429,870	2,616,780
Depreciation:				
At 1 April 2022	1,042,737	40,604	1,222,418	2,305,759
Provided during the year	59,360	-	154,502	213,862
At 31 March 2023	1,102,097	40,604	1,376,920	2,519,621
Net book value:				
At 31 March 2023	44,209	-	52,950	97,159
At 1 April 2022	103,569	-	207,452	311,021

Notes to the financial statements

For the year ended 31 March 2023

8. Investments

	2023	2022
<i>Group</i>	£	£
Unlisted, at cost	300	300
Unlisted, at fair value through Statement of Comprehensive Income	1	1
	<u>301</u>	<u>301</u>
<i>Company</i>	£	£
Unlisted, at cost	4,801,616	4,801,616
	<u>4,801,616</u>	<u>4,801,616</u>

The group's investments represents capital contributions to Lansdowne Partners Limited Partnership, of which the company is its General Partner, capital contributions to Clean Energy Transition LLP of which UKLLP Holding LLP is a member and 1 redeemable non-participating share in Lansdowne Master ICAV. Lansdowne Partners (UK) LLP is the investment manager of Lansdowne Master ICAV.

The company's investments represent the company's capital contributions in each of its subsidiaries:

- £4,801,366 to Lansdowne Partners (UK) LLP, incorporated in the United Kingdom, whose principal activity is the provision of investment management services. The company owns 62% of the contributed capital of Lansdowne Partners (UK) LLP;
- £100 to 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 8% of the contributed capital of Lansdowne Partners Management LLP; and
- £100 to Lansdowne Partners Limited Partnership (dormant entity).
- £50 to UKLLP Holding LLP, incorporated in the United Kingdom, whose principal activity is as a holding vehicle. The company owns 50% of the contributed capital of UKLLP Holding LLP.

The company has given guarantees to UKLLP Holding LLP under section 479A of the Companies Act 2006 so that they are exempt from audits of their financial statements for the year ended 31 March 2023. The registered office of each group entity is 65 Curzon Street, London W1J 8PE.

9. Debtors

	<i>Group</i> 2023	<i>Company</i> 2023	<i>Group</i> 2022	<i>Company</i> 2022
	£	£	£	£
Fees receivable	10,901,114	-	10,073,411	-
Other debtors	2,184,157	1,665,424	1,461,813	1,462,878
	<u>13,085,271</u>	<u>1,665,424</u>	<u>11,535,224</u>	<u>1,462,878</u>

Included within other debtors (group and company) are rental deposits of £1,061,989 (2022 - £825,981) of which £825,981 is due within one year (2022 - £Nil) and £236,008 is due in more than one year (2022 - £825,981 due in more than one year).

Notes to the financial statements

For the year ended 31 March 2023

10. Creditors: amounts falling due within one year

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Other taxes and social security	149,078	145,460	270,031	244,865
Corporation tax payable	5,520	5,520	49	49
Other creditors and accruals	1,169,440	858,608	2,550,209	1,479,584
Balance due to Lansdowne Partners (UK) LLP	-	2,064,874	-	2,065,781
Balance due to Lansdowne Partners Limited Partnership	200	-	200	-
	<u>1,324,238</u>	<u>3,074,462</u>	<u>2,820,489</u>	<u>3,790,279</u>

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

11. Issued share capital

<i>Group and Company</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</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	340,200	340,000
B ordinary shares of £1 each	20	20	20	20
C ordinary shares of £1 each	<u>1,601,366</u>	<u>1,601,366</u>	<u>1,601,366</u>	<u>1,601,366</u>
	<u>1,941,386</u>	<u>1,941,386</u>	<u>1,941,386</u>	<u>1,941,386</u>

Both A and B ordinary shares confer the holders the rights to receive notice of, attend at and vote as 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 C ordinary shares confer the holders the rights to receive notice of, attend at and vote as shareholders at any general meetings of the company but carry no rights to dividends or other distributions. On a winding up or other return of capital, the C ordinary shares rank *pari passu* with the A ordinary shares.

12. Notes to group cash flow statement

	<i>2023</i>	<i>2022</i>
	<i>£</i>	<i>£</i>
(a) Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	17,513,080	31,188,308
Depreciation	213,862	219,492
Corporation tax paid	(49)	(3,390)
(Increase)/decrease in debtors	(1,550,047)	7,567,180
Decrease in creditors	(1,501,722)	(1,189,685)
Net cash inflow from operating activities	<u>14,675,124</u>	<u>37,781,905</u>

Notes to the financial statements

For the year ended 31 March 2023

12. Notes to group cash flow statement (continued)

	2023	2022
	£	£
(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	39,477	1,467
Payments to acquire tangible fixed assets	-	(106,100)
Payments for investments	-	(101)
	<u>39,477</u>	<u>(104,734)</u>
<i>Cash outflow from financing activities</i>		
Contributions by non-controlling interests	60,100	-
Withdrawals by non-controlling interests	-	(170,000)
Distributions to non-controlling interests	(19,390,821)	(34,903,051)
	<u>(19,330,721)</u>	<u>(35,073,051)</u>

Included within group cash and cash equivalents are amounts of £531,944 (2022: £2,004,243) that are restricted. These amounts relate to funds held by Lansdowne Partners (UK) LLP in a Research Payment Account, in accordance with MiFID II. These amounts will be used to settle specific research costs.

13. Finance and Operating lease commitments

Total minimum future lease payments under operating leases are as follows:	2023	2022
	£	£
Within one year	2,183,869	1,274,660
In two to five years	2,202,434	350,836
After five years	-	-
	<u>4,386,303</u>	<u>1,625,496</u>

14. Related party transactions

The company is a designated member of its subsidiaries, Lansdowne Partners (UK) LLP ("LPUK"), Lansdowne Partners Management LLP ("LPM") and UKLLP Holding LLP. 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.

During the year, the Company recharged operating expenses totalling £22,575,784 to LPUK (2022: £28,861,292).

During the year, investment management fees of £13,710,669 (2022: £26,048,579) and support services fee of £285,500 (2022: £325,500) were receivable by the group from Lansdowne Partners International Limited and Lansdowne Partners Austria GmbH respectively.

Notes to the financial statements

For the year ended 31 March 2023

14. Related party transactions (continued)

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

Group

- £38,052 due from Lansdowne Partners International Limited (2022: £5,067,937),
- £Nil due from Lansdowne Partners Austria GmbH (2022: £325,565), and
- £200 due to the Partnership (2022: £200).

Company

- £Nil due from Lansdowne Partners International Limited (2022: £Nil),
- £2,064,874 due to LPUK (2022: £2,065,367), and
- £Nil due from Lansdowne Partners Austria GmbH (2022: £65)

All related party balances are interest free and repayable on demand.

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.

16. Subsequent events

On 30 May 2023, LPUK entered into a Share Purchase Agreement ("SPA") to purchase the entire share capital of Crux Asset Management Limited, a discretionary investment management firm located in London, United Kingdom. The SPA is contingent upon receiving certain regulatory approvals, which had not been received on the date that these financial statements were approved.

The directors have evaluated the impact of all subsequent events on the Company through to 28 July 2023, the date the financial statements were available to be issued, and have determined that there were no additional subsequent events requiring recognition or disclosure in the financial statements.