

SEI Investments (Europe) Ltd
Annual Report and Financial Statements
for the year ended 31 December 2019
Registered number: 3765319

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SEI Investments (Europe) Ltd

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SEI Investments (Europe) Ltd

Directors and Other Information

Directors

Patrick Disney
William Doran
Robert Goldspink
N. Jeffrey Klauder (appointed 5 February 2019)
Ahsan Mallick (resigned 31 May 2019)
Robert Nesher
Joseph Ujobai (resigned 5 February 2019)
Diane Seymour-Williams (appointed 11 October 2019)
Brett Williams

Independent Auditor

KPMG LLP, Statutory Auditor
15 Canada Square
London
E14 5GL

Secretaries

Michael Sweeney
The Alphabeta Building
1st Floor
14-18 Finsbury Square
London
EC2A 1BR

Vistra Company Secretaries Limited
1st Floor
10 Temple Back
Bristol
BS16FL

Registered Number: 3765319

Registered Office

The Alphabeta Building
1st Floor
14-18 Finsbury Square
London
EC2A 1BR

SEI Investments (Europe) Ltd

Strategic report for the year ended 31 December 2019

Registered number: 3765319

Principal activities and review of business

The principal activities of SEI Investments (Europe) Ltd (the "Company") are Asset Management and Distribution Services and Wealth Investment Processing Services. All turnover is recognised in the United Kingdom. The Company's Asset Management services primarily include investment management programmes delivered to defined benefit plans sponsored by corporations and to individual investors through independent financial advisers and private banks. Investment management programmes in non-US markets are offered in accordance with the European Communities Undertakings for Collective Investment in Transferable Securities regulations ("UCITS"). The Company is a named distributor of the UCITS but is not the investment manager or administrator. The UCITS are registered in the Republic of Ireland.

The Company's Wealth Investment Processing services include a suite of customer management and investment tools for wealth managers, advisors and banks, which includes custody services. The client firms' end customers are individuals who are seeking financial advice or management services. The investment processing business comprises a single package of financial securities processing services. The Company uses software technology known as the SEI Wealth Platform ("SWP"), an investment accounting and securities processing system with capabilities that include global securities processing, trade-date and multi-currency accounting and reporting. It is designed around the client and portfolio management process. SWP's outsourcing of administrative and processing capabilities, enable client firms to focus more on the end client and their strategy and the growth plans for their business. For some client firms, the Company's professional services assist them in managing their business transformation.

The results and financial position at the year-end were considered satisfactory to the directors.

Business review and future development

The Company aims to capitalise on two major trends in the global marketplace: increased wealth accumulation among affluent investors and the elimination of barriers to global investing. The Company offers a range of services, including investment processing and fund processing services to investment managers, encompassing a wide variety of investment products such as mutual funds, hedge funds, private equity funds and pension schemes.

The Company has its main office located in London. Both the level of business and the year-end financial position were satisfactory to the directors. Turnover decreased in 2019 when compared to 2018 primarily due to a decrease in the market value of assets under management and lost clients.

The Company must at all times monitor and demonstrate compliance with the regulatory capital requirements. The Company has put in place processes and controls to monitor compliance with the Financial Conduct Authority's ("FCA") regulatory requirements. The Company was in compliance with the regulatory capital requirements during the year.

During the year, the Company did not issue shares (2018: none) and the Company remains wholly controlled by the parent company, SEI Global Investments Corporation.

Foreign branch

The Company has a sales office located in the Netherlands. The Company is in the process of closing this office and expects it will be completed in 2020.

SEI Investments (Europe) Ltd

Strategic report for the year ended 31 December 2019 (continued)

Principal risks and uncertainties

The directors believe that the risks and uncertainties described below are those that impose the greatest threat to the sustainability of the Company's business. However, there are other risks and uncertainties that exist that may be unknown. The risks and uncertainties facing the Company's business, including those described below, could materially adversely affect the Company's business, results of operations, financial condition and liquidity.

The Company's operations expose it to a variety of financial risks that include, but are not limited to the following:

Credit risk - The Company has exposure to the risk of loss arising from the default of counterparties failing to meet their financial obligations. The Company is exposed to credit concentration risk arising from depositing its cash with two banking counterparties. The Company also has exposure to credit risk resulting from: (i) the non-payment of invoiced client firms' fees; (ii) a default of a receivable not settled by a trading counterparty; and (iii) overdrawn account balances created as a result of regular trading activities or unexpected corrections.

Market risk - The Company's market risk principally arises from its exposure to currency fluctuations. The Company conducts business with client firms in other jurisdictions and has cash account balances, receivables and payables in other currencies. The Company has no direct market risk and does not conduct any proprietary trading activities. The Company has indirect residual market risk which derives from short-term order execution obligations arising in the event of any trade processing disruption. The Company also retains some indirect market risk through its basis-point pricing model which could result in material revenue reduction.

Liquidity risk - The Company's liquidity risk is assessed and measured according to two distinct types: (i) operating liquidity to fund ongoing operations and (ii) intra-day/overnight settlement liquidity related to its obligation as a custodian. The Company provides custody services and has an obligation to ensure the appropriate funding is available for transactions it has agreed to settle on behalf of its client firms.

If the Company cannot maintain a sufficient level of profitability in future periods, the Company has a potential risk that adequate liquid funds will not be available to settle liabilities as they fall due, especially if the Company loses the support of its parent. The directors of the Company have executed and approved a Subscription Agreement, dated 3 December 2014, which superseded the previous Subscription Agreement, dated 8 August 2012, pursuant to which SEI Investments Company, the ultimate parent company and firm that controls the Company, will fund all on-going capital subscriptions necessary through 31 December 2020.

Operational risk - Operational risk generally refers to the risk of loss resulting from operations, including, but not limited to, improper or unauthorised execution and processing of transactions, deficiencies in operating systems, business disruptions and inadequacies or breaches in internal control processes. The Company is reliant on the ability of its employees and systems to process large volumes of transactions often within short time frames. In the event of a breakdown or improper operation of systems, human error or improper action by employees, the Company could suffer financial loss, regulatory sanctions or damage to its reputation.

A failure to safeguard the integrity and confidentiality of client and proprietary data from the infiltration by an unauthorised user, that is either stored on or transmitted between proprietary systems or to other third party service provider systems, may lead to modifications or theft of critical and sensitive data pertaining to the

SEI Investments (Europe) Ltd

Strategic report for the year ended 31 December 2019 (continued)

Company's clients. The costs incurred to correct client data and prevent further unauthorised access could be extensive.

The Company utilise third-party service providers in its operations. A failure by a third-party service provider could expose the Company to an inability to provide contractual services to its clients on a timely basis. Additionally, if a third-party service provider is unable to provide these services, the Company may incur significant costs to either internalise some of these services or find a suitable alternative.

Regulatory risk - The Company is regulated by the Financial Conduct Authority in the United Kingdom. Compliance with existing and future regulations could have a significant impact on the Company's operations or its ability to provide products or services. The Company has invested in enhancing its CASS regulatory monitoring, risk governance and control framework.

Business and Strategic risk - The Company has carried out asset management business from its inception and these services are provided to institutional clients and individuals through intermediaries. A failure to continue to innovate and introduce successful new products and services or to manage effectively the risks associated with such products and services may impact market share relevance and may cause revenues and earnings from assets under management to decline.

SWP is a technology platform that provides services targeted to independent wealth advisors. The Company is subject to product development risk, which may result in loss if the Company is unable to develop scale and deliver a fully functional service that addresses clients' needs and becomes an attractive value proposition for them.

The Company has significant relationships with certain clients. The loss of those clients could have a material effect on its financial position and results of operations.

Conduct risk - The Company has implemented and embedded a comprehensive set of guiding principles, policies and procedures to ensure fairness, prevent client detriment, manage conflicts of interest, protect personal data, safeguard client assets and prevent money laundering throughout the firm.

Reputational Risk - The Company seeks to minimize this risk through its focus on wholesale and global wealth platform markets. It seeks to act in all markets in an ethical and appropriate manner and embraces its risk control and governance arrangements to help mitigate this risk and ensure this approach is implemented and embedded into operating practice. Its products are largely white labelled and therefore the Company has no direct brand or retail marketing exposure.

Group risk - The Company could be subject to the subversion of local entity objectives (regulatory requirements or client obligations) to Group objectives.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The directors consider, both individually and collectively, that they acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2019. In particular, by reference to the approval of its business plan for the period 2020 to 2022, which was designed to have a long-term beneficial impact on the Company, taking account of:

- the interests of its employees;
- the need to foster relationships with its customers and suppliers;

SEI Investments (Europe) Ltd

Strategic report for the year ended 31 December 2019 (continued)

- the impact of its operations on the community and the environment; and
- the desirability of maintaining a reputation for high standards of business conduct, both in its interactions with regulators and participants in the markets in which it operates.

There are six non-executive directors on the Company's board, two of whom are independent, and the directors consider this helps to ensure that there is robust oversight of the executive function so that strategic decisions are made under proper independent scrutiny and challenge, in each case having due regard to the likely impacts on all relevant stakeholders, to promote a sustainable, profitable and well governed business model.

Employees

The Company's employees are critical to its success and the Company aims to be a responsible employer, operating on the principles of integrity, innovation, inclusion, development and collaboration.

The Company engages with its employees through a number of different forums and channels, including an annual employee engagement survey (the results of which are reported to the directors), regular town halls and executive breakfasts. Management at all levels is encouraged to engage with and seek feedback from employees in order that the Company can better support and develop employees.

Wellbeing initiatives

The Company understands the importance of promoting health and creating a workplace culture to help reduce the severity and duration of any mental or physical ill health. To support employees, the Company created the wellbeing initiative which is an employee resource group that works with teams across the Company and external specialists to introduce initiatives that enhance wellbeing for employees.

Diversity and inclusion initiatives

The Company takes pride in significant contributions made from individuals with diverse backgrounds and is dedicated to the promotion of practices and policies that endorse diversity and inclusion in the workplace.

The Company created the *Diversity Network* which is an employee-led affinity group whose mission is to support the Company in attracting, developing and retaining employees from diverse backgrounds including race, gender and religion. The network is led by an executive leadership council to ensure that the network is aligned to strategic and business operations.

The Company created the *Women's Network* which is an employee led global initiative with a mission to inspire and support the professional growth of women by providing educational forums, hosting networking opportunities and encouraging success.

The Company invests in its global diversity initiative through the *Get them, Grow them & Keep them* campaign which is a senior management led initiative aimed at retaining women in the workplace and developing them to senior management roles. The Company also holds regular forums to discuss the gender pay gap and explain what is being done to close the gap.

Customers

The directors place the delivery of high quality services to customers at the very heart of the decision making process, at all levels of the Company, from Board level and through the committees they oversee, to the day to day management processes in place across the business. The Company recognises the need to listen to customers and engage with them in order to adapt and develop new and innovative solutions to meet their evolving needs.

The Company engages with customers through a variety of channels, including client peer group meetings, speaking at external industry events and hosting many Company sponsored seminars and workshops, but

SEI Investments (Europe) Ltd

Strategic report for the year ended 31 December 2019 (continued)

principally through daily interactions across the breadth of the business. Many of its customer relationships are multi-year outsourcing arrangements where the Company seeks to work as long-term business partners with its customers. These arrangements are supported with dedicated relationship managers whose role is to ensure that customers' needs are understood and new solutions can be devised to meet customer and market demands. Meeting those needs requires ongoing and significant investment in systems and people to improve services and resilience to build for the future alongside its customers.

All strategically important new customer relationships are approved by the board of directors.

Suppliers

The directors recognise that suppliers are critical and integral in ensuring the Company can successfully meet its long-term strategic goals. We engage directly with suppliers to ensure that they are meeting the standards necessary in order to comply (and provide solutions that assist the Company's regulated clients in complying) with its legal and regulatory obligations and other corporate responsibility requirements.

The Company's Vendor Management Office ("VMO") serves as a centre of competency and best practices to facilitate risk management, communication, organisation, and leveragability around supplier relationships and relationship improvement. Additionally, each supplier providing products or services to the Company has a designated vendor management team. The vendor owner is the person primarily responsible for engaging with and managing the supplier relationship on a routine, day-to-day basis, and acts as a point-of-escalation for problem resolution.

The VMO routinely assists its suppliers with information and "best practices" on information security and operational resilience and compliance with corporate codes, such as UK Modern Day Slavery and other corporate social responsibility issues. This is done through proactive communication, onsite visits, and supplier summit events.

The VMO produces a quarterly report for the directors' review and challenge and all strategically important new supplier relationships are approved by the board of directors.

Communities and Environment

The directors recognise that the Company has a responsibility to operate safely and in an environmentally friendly way within the communities it shares and to support these communities.

Communities

SEI Cares is a corporate sponsored employee-led programme which promotes philanthropy within the Company's community and beyond. The programme allows employees to participate in charitable activities and organised events to raise money for various charities, as well as hosting fundraising events. *SEI Cares* also maintains an ongoing commitment to partner with and support students at local schools based in socio-economically restricted areas, for example, through CV workshops and interview sessions.

Environment

The Company endeavors to advance sustainability by considering environmental matters throughout its business and operations. The Company believes that environmental improvements foster a sustainable future and lead to social and economic advances, with long-term benefits both for the community and the Company as a constituent of that community. The Company's environmental policy recognises that as a major services provider, the physical commerce that it operates from and the processes adopted by its suppliers could have a sizeable impact on the environment. The Company works with its suppliers to measure environmental data and seek to reduce that environmental impact.

SEI Investments (Europe) Ltd

Strategic report for the year ended 31 December 2019 (continued)

The *Green Team* initiative aims to share information with employees to raise awareness of environmental impacts on the community and in the workplace, to develop solutions to minimise the Company's global footprint and promote the purchase and consumption of environmentally sound products.

Regulators

The Company is regulated by the FCA in the UK and is in regular and close communication with the Company's FCA supervisor at management level and there is also a certain level of engagement directly between the FCA and the directors themselves. The directors view the relationship with the FCA as a constructive engagement and recognise that cooperating with regulators in an open manner, including in terms of significant strategic decisions, will help to ensure the long-term success of the Company, in the interests of its customers and the wider market.

Members

The Company is a wholly owned subsidiary of SEI Investments Company, which is represented at the board of directors level, to ensure decisions of the Company are made in a manner which is consistent with overall Group strategy. The Company adopted a dividend policy in 2019 to facilitate the making of distributions to its parent when the board of directors determines that it is appropriate to do so.

Brexit

The Company continuously monitors the political, legal and regulatory landscapes and statements and publications emanating from the UK government, the European Union (the "EU"), the FCA and other key European competent authorities in order to assess how they may impact the Company's services, products, clients, suppliers and employees, following Brexit, through the implementation period and beyond. The Company is developing contingency plans to ensure arrangements will be in place to avoid potential adverse impacts on the very small percentage of the Company's clients and employees who are EU based. The Company does not have any critical EU based outsourcing suppliers who would be unable to provide services to the Company as a result of no deal being agreed between the UK government and the EU by 31 December 2020, when the implementation period is due to expire.

As the global distributor of SEI's Irish UCITS fund range, the Company has already completed a notification to the FCA to ensure that it can continue to sell its funds in the UK after Brexit under the Temporary Permissions Regime. In due course, the Company will firm up its ability to continue distribution of its funds in the UK by completing the requisite applications following the FCA's guidance.

Coronavirus and Other Catastrophic Events

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic or other widespread health emergency (or concerns over the possibility of such an emergency), could create economic and financial disruptions, and could lead to operational difficulties that could impair the Company's ability to manage its businesses. The Company became aware that in December 2019, a novel strain of coronavirus (COVID-19 virus) was identified in Wuhan, China and since that time it has spread globally, including in the UK, leading the World Health Organization to declare the COVID-19 virus outbreak a global pandemic in March 2020.

In March 2020, the Company (in conjunction with its parent company and other affiliates upon whom it relies for outsourced services) executed upon its business process contingency plans. To date, the Company's remote capabilities have proven to be effective during the disruption caused by the COVID-19 virus with almost the entire workforce working remotely, with only a very limited number of on-site activities continuing to be performed, and for those staff the Company continues to seek to establish alternative arrangements to also allow them to be performed remotely. The Company has been able to rely on a range of cross training and other flexible arrangements across the workforce to maintain operational integrity during this health crisis.

SEI Investments (Europe) Ltd

Strategic report for the year ended 31 December 2019 (continued)

To the extent that critical government or infrastructure functions upon which the Company relies (e.g. postal services) are suspended, or in the event the Company was unable to have personnel in the office for an extended period, in order to process mail, the Company would need to seek alternative arrangements to mitigate those issues. This could have an impact on the Company's ability to provide a number of services to its clients, including: client statements and contract notes, to the extent they need to be physical (as opposed to electronic) documents. However, it should be noted that the majority of the Company's Wealth Investment Processing and Asset Management and Distribution clients offer online access to accounts and documents to their customers.

The Company is closely monitoring the international landscape for changes in governmental measures both in the UK and in the locations where we rely on critical outsourced services, including India and the State of Pennsylvania, USA. Each location is interpreting 'essential services' somewhat differently and the restrictions on staff attending worksites are particularly stringent in India. The Company is working closely with its partners in India to assess and manages the impact of the current lockdown and the Company, in conjunction with the other member of the SEI Group, has already implemented plans to triage and prioritise offshore work for repatriation to its onshore locations i.e. the UK and the US. The Company has experienced some service disruption while it redeploys resources, but there has not been a material impact on our operations, to date.

Further to the Company's normal processes and measures for the purpose of cyber threat monitoring, the SEI Group's security operations' team has established additional components as measures related to cyber threat monitoring.

The Company continues to be in regular contact with regulators, clients and vendors to confirm the measures it is taking to continue operating during this crisis, taking into consideration the latest UK Government announcements.

A majority of the Company's revenues are earned based on the value of assets invested in investment products that it manage or processes on behalf of clients. The Company has not, however, experienced a significant increase in redemptions in the Asset Management businesses, to date. While client portfolios are typically very well diversified, many client portfolios have suffered from declining asset values and volatility in line with markets. The Company continues to closely monitor market conditions and make decisions in the best interest of clients.

The extent to which the spread of the COVID-19 virus impacts SIEL's business, financial condition, and results of operations will depend on future developments. Should the COVID-19 virus grow in scope or intensify in severity, the health crisis may continue to adversely affect the financial markets, resulting in an economic downturn. These events, could result in a period of business disruption, and reduced sales and profitability.

Key Performance Indicators (KPI's)

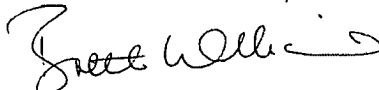
The Company's businesses are managed by three senior executives, each of whom provide the directors with the performance or position of their respective business lines. KPI's include factors such as client retention, assets under management or administration, revenue and cost targets. Furthermore, quarterly management accounts are prepared for the directors by the Company's finance function, which help record the Company's position or performance against these factors.

SEI Investments (Europe) Ltd

Strategic report for the year ended 31 December 2019 (continued)

SEI Investments (Europe) Ltd
The Alphabeta Building
1st Floor
14-18 Finsbury Square
London
EC2A 1BR

On behalf of the Board,

A handwritten signature in black ink, appearing to read 'Brett Williams', with a horizontal line underneath it.

Brett Williams
Director
20 April 2020

SEI Investments (Europe) Ltd

Directors' report for the year ended 31 December 2019

Registered number: 3765319

The directors present their financial statements on the affairs of SEI Investments (Europe) Ltd, together with the independent auditor's report, for the year ended 31 December 2019.

The Company is a private company limited by shares.

Remuneration code disclosure

The Company's policy is designed to ensure that it complies with the FCA Remuneration Code ("RemCode") disclosure requirements and the Company's compensation arrangements:

1. are consistent with and promote sound and effective risk management;
2. do not encourage excessive risk taking;
3. include measures to avoid conflicts of interest; and
4. are in line with the Company's business strategy, objectives, values and long-term interests.

Proportionality

Enshrined in the EU remuneration regulatory framework is the principle of proportionality. The FCA have sought to apply proportionality in the first instance by categorising firms into 3 tiers. The Company falls within the FCA's third proportionality tier and as such this disclosure is made in line with the FCA's guidance for a proportionality level 3 firm.

Application of the requirements

The Company is required to disclose certain information on at least an annual basis regarding its Remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the Company. Disclosure is made in accordance with the size, internal organisation and the nature, scope and complexity of the Company's activities.

- The Company's policy is in line with the Remuneration Code principles laid down by the FCA.
- The Company's policy and procedures will be reviewed as part of an annual process, or following a significant change to the business requiring an update to its internal capital adequacy assessment.
- The Company's ability to pay bonuses is based on the performance and profitability of the Company and then measured against individual targets designed to reward exceptional accomplishment.

Aggregate quantitative information on remuneration, for staff whose actions have a material impact on the risk profile of the Company

Code Staff	Aggregate compensation expense in 2019 / fiscal year
Senior management	£3,055,000
Other code staff	£2,065,000

SEI Investments (Europe) Ltd

Directors' report for the year ended 31 December 2019 (continued)

Pillar 3

In accordance with the rules of the Financial Conduct Authority, the Company has published information on its risk management objectives and policies and on its regulatory capital requirements and resources. This information is available on the Company's website (<http://www.seic.com/enUK/about.htm>).

EU Capital Requirements Directive IV ("CRD IV") disclosure

Article 89 of CRD IV requires institutions to report the following information by member state and third countries in which it has an establishment:

- a) Nature of activities and geographical location (see 'Principal activities and review of business' in the Strategic Report);
- b) Turnover (see disclosure note 2);
- c) Number of employees on a full time equivalent basis (see disclosure note 6);
- d) Profit and loss before taxation (see disclosure note 5);
- e) Tax on profit or loss (see disclosure note 5).

Directors

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

Patrick Disney
William Doran
Robert Goldspink
N. Jeffrey Klauder

Robert Nesher
Diane Seymour-Williams
Brett Williams

Statement as to disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that so far as they each are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Results and dividends

The audited financial statements for the year ended 31 December 2019 are set out on pages 18 to 30. The profit for the financial year was £15,293,000 (2018: profit of £18,171,000).

The directors did not recommend any dividend payments to be made for the year (2018: £nil).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG LLP will therefore continue in office.

Employee Engagement and Business Relationships

Statements regarding how the directors have engaged with employees and have had regard to (i) employee interests and (ii) the need to foster business relationships, in making principal decisions during the year ended 31 December 2019, are set in the Strategic Report reflecting the directors view that such matters are of strategic importance and necessary to ensure the long-term success of the Company.

SEI Investments (Europe) Ltd

Directors' report for the year ended 31 December 2019 (continued)

Third party indemnity

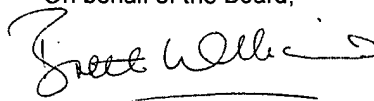
The Company maintains liability insurance for its directors and officers. Following shareholder approval the Company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

The qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

Political donations

There were no political donations made in 2019 (2018: £nil).

SEI Investments (Europe) Ltd
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1st Floor
14-18 Finsbury Square
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On behalf of the Board,

Brett Williams
Director
20 April 2020

SEI Investments (Europe) Ltd

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

Registered number: 3765319

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

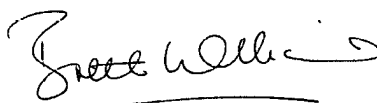
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

SEI Investments (Europe) Ltd
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EC2A 1BR

On behalf of the Board,



Brett Williams
Director
20 April 2020

SEI Investments (Europe) Ltd

Independent auditor's report to the members of SEI Investments (Europe) Ltd

Opinion

We have audited the financial statements of SEI Investments (Europe) Ltd ("the Company") for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the balance sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

SEI Investments (Europe) Ltd

Independent auditor's report to the members of SEI Investments (Europe) Ltd (continued)

Strategic report and directors' report (continued)

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 14, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

SEI Investments (Europe) Ltd

Independent auditor's report to the members of SEI Investments (Europe) Ltd (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



Neil Palmer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
23 April 2020

SEI Investments (Europe) Ltd

Statement of Income and Retained Earnings

(all amounts rounded to the nearest thousand)

	Notes	Year ended 31 Dec 2019 £	Year ended 31 Dec 2018 £
Turnover	2	87,673,000	90,307,000
Cost of Sales		<u>(18,183,000)</u>	<u>(20,076,000)</u>
Gross Profit		69,490,000	70,231,000
 Administrative Expenses		 <u>(53,156,000)</u>	 <u>(50,228,000)</u>
Operating Profit	3	16,334,000	20,003,000
 Interest income	4	 959,000	 632,000
Profit before taxation		<u>17,293,000</u>	<u>20,635,000</u>
Tax on profit	5	<u>(2,000,000)</u>	<u>(2,464,000)</u>
Profit for the financial year		<u>15,293,000</u>	<u>18,171,000</u>
 Retained profit at 1 January		 <u>20,810,000</u>	 <u>2,639,000</u>
Retained profit at 31 December		<u>36,103,000</u>	<u>20,810,000</u>

All activities derive from continuing operations.

The Company has no recognised or unrecognised gains or losses in either the current or prior years other than those included within the profit and loss account, and as such a separate statement of comprehensive income is not prepared.

The accompanying notes on pages 20 to 30 are an integral part of these financial statements.

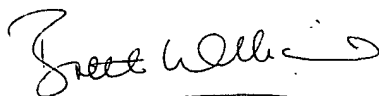
SEI Investments (Europe) Ltd

Balance sheet as at 31 December 2019

(all amounts rounded to the nearest thousand)

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	8	7,568,000	8,859,000
Current assets			
Debtors and other assets	9	40,272,000	42,619,000
Cash at bank and in hand		89,468,000	90,867,000
Total current assets		129,740,000	133,486,000
Creditors: Amounts falling due within one year	10	(16,145,000)	(36,475,000)
Net current assets		113,595,000	97,011,000
Total assets less current liabilities		121,163,000	105,870,000
Capital and reserves			
Called-up share capital	11	85,060,000	85,060,000
Profit and loss account		36,103,000	20,810,000
Total shareholders' funds		121,163,000	105,870,000

The financial statements on pages 18 to 30 were approved by the Board of directors on 20 April 2020 and signed on its behalf by:



Brett Williams
Director

Company registered number: 3765319

The accompanying notes on pages 20 to 30 are an integral part of these financial statements.

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019

(all amounts rounded to the nearest thousand)

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the prior year.

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention unless stated otherwise, and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102), *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* and the Companies Act 2006. The presentation currency of these financial statements is Sterling. All amounts have been rounded to the nearest £1,000 in the financial statements.

SEI Investments (Europe) Ltd. is a wholly-owned subsidiary of its immediate parent SEI Global Investments Corporation, a company incorporated in the United States of America. SEI Global Investments Corporation is, in turn, a wholly-owned subsidiary of SEI Investments Company, the Company's ultimate parent company. The Company's ultimate parent company includes the Company in its consolidated financial statements. The consolidated financial statements of SEI Investments Company are prepared in accordance with accounting principles generally accepted in the United States of America and are available to the public and may be obtained from:

Investor Relations
SEI Investments Company
1 Freedom Valley Drive
Oaks, PA 19456

In these financial statements, the Company is considered to be a qualifying entity for the purposes of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

As the consolidated financial statements of SEI Investments Company included the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26, *Share-Based Payments*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

(all amounts rounded to the nearest thousand)

Going Concern

The directors have completed an assessment of the Company's going concern taking into account the Company's performance up to the date of the approval of these financial statements and the Company's outlook. The going concern assessment considered the impact of the Coronavirus pandemic and the associated economic crisis, and included an evaluation of the Company's operational and financial resilience.

The Company's operational resilience since the start of the Coronavirus pandemic is outlined in detail in the Strategic report on pages 8 to 9. The directors have concluded that the business is able to continue to operate for the foreseeable future.

The Company's financial resilience has been assessed by the directors by reviewing updated projected financial forecasts and the Company's liquidity and capital requirements.

The extent to which the spread of the COVID-19 impacts the Company's business, financial condition, and results will depend to an extent on uncertain future developments. Should the COVID-19 virus grow in scope or intensify in severity, the health crisis may continue to adversely affect the financial markets, resulting in an economic downturn. These events could result in a period of business disruption, and reduced sales and profitability.

A majority of the Company's revenues are earned based on the value of assets invested in investment products that it manages or processes on behalf of clients. The Company has not, however, experienced a significant increase in redemptions in the Asset Management businesses, to date. While client portfolios are typically very well diversified, many client portfolios have suffered since the start of the Coronavirus pandemic from declining asset values and volatility in line with markets.

The Company's directors have reviewed the Company's projected cash flows under a pessimistic stress scenario that incorporates a significant downturn in the value of assets under management and reduced revenue, and they expect the Company will be able to satisfy all of its liquidity and minimum regulatory capital requirements for at least the next twelve months from the date of this report. As of the date of approval of these financial statements, the directors are not aware of any need in the next 12 months to rely on its parent for liquidity or capital.

The SEI Group is the Company's most critical supplier for both asset management programmes and technology infrastructure support. The Asset Management business model relies on the Group's UCITS funds and TRUST3000 platform. The SWP business process relies on the Group's SWP platform.

As a result of this assessment, the directors consider that it is appropriate to adopt the going concern basis of accounting in preparing the Company financial statements.

Turnover

Turnover represents the value of asset management and investment transaction processing services provided to its clients and is recognised on an accrual basis. Turnover is primarily based on (i) a percentage of average assets under management for investment management services, and (ii) a percentage of assets under administration processed on the SEI Wealth Platform for investment transaction processing.

Cost of sales

Cost of sales primarily represents fees for the management of client assets invested in open ended investment companies by third party investment advisors and SEI Investments Management

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

(all amounts rounded to the nearest thousand)

Company, a wholly-owned subsidiary of SEI Investments Company. Cost of sales is recognised on an accrual basis.

Administrative expenses

Administrative expenses includes personnel costs, third party vendor costs and any other corporate overhead expenses. Expenses are recognised on an accrual basis.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer equipment	3 years
Software	5 years
Office furniture	5 years
Leasehold improvements	Lease term

The Company assesses at each reporting period whether tangible fixed assets are impaired when the recoverable value is less than the carrying value.

Cash and cash equivalents

The Company considers investment instruments purchased with an original maturity of three months or less to be cash equivalents.

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost less any impairment losses in the case of trade debtors.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

(all amounts rounded to the nearest thousand)

Share based compensation

Stock Purchase Plan

Following completion of eligibility requirements, the Company's employees are able to participate in the SEI Employee Stock Purchase Plan ("the Plan"). The Plan provides for offering of common stock to eligible employees at a price equal to 85% of the fair value at the end of the stock purchase period, as defined.

Share Options

SEI Investments Company operates a share option scheme (the 2014 Omnibus Equity Compensation Plan) to its employees where employees of the Company can be awarded shares in SEI Investments Company (the ultimate parent company) in accordance with the share option scheme. This arrangement is accounted for as an equity settled, share-based compensation scheme for the employees of the Company. The award of shares is recognised as an expense of the Company with a corresponding charge to the Amount due to parent account and is settled by the Company periodically. The total amount to be expensed over the vesting period is determined by reference to the fair value of the awards granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest.

Currently, only stock options have been granted to its employees. Stock options are granted with an exercise price equal to the fair market value of SEI Investments Company's common stock on the date of the grant and expire ten years from the date of grant. The determination of the financial vesting target excludes the impact of stock-based compensation expense and are established at time of grant. The targets are measured annually on 31 December. All outstanding stock options have performance-based vesting provisions that vest at a rate of 50 percent when a specified financial target is achieved, and the remaining 50 percent when a second, higher-specified financial target is achieved. Options do not vest due to the passage of time. Options granted in December 2017 and thereafter include a service condition which requires a minimum two or four year waiting period from the grant date along with the attainment of the applicable financial vesting target. The amount of stock-based compensation expense recognised in the period is based upon management's estimate of when the financial targets may be achieved. Any change in management's estimate could result in the remaining amount of stock-based compensation expense to be accelerated, spread out over a longer period, or reversed.

Pension costs and other post retirement benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

Leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

(all amounts rounded to the nearest thousand)

receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

2. Turnover

	2019	2018
	£	£
Asset Management Services	51,332,000	53,275,000
Investment Processing Services	36,341,000	37,032,000
Total Turnover	<u>87,673,000</u>	<u>90,307,000</u>

In 2019, the Company derived approximately 24 percent of its asset management revenues from a single client and had outstanding receivables from this client of £3,037,000 as at 31 December 2019. In 2018, the Company derived approximately 32 percent of its asset management revenues from two clients and had outstanding receivables from these clients of £3,980,000 as at 31 December 2018.

In 2019, the Company derived approximately 48 percent of its investment processing revenues from two clients and had outstanding receivables from these clients of £4,752,000 as at 31 December 2019. In 2018, the Company derived approximately 60 percent of its investment processing revenues from three clients and had outstanding receivables from these clients of £9,375,000 as at 31 December 2018.

All Turnover is derived in the UK.

3. Operating profit

Operating profit is stated after charging:

	2019	2018
	£	£
Operating lease charges:		
- Other	2,309,000	2,850,000
Depreciation (note 8)	1,362,000	1,426,000
Exchange loss (gain) on foreign currency transactions	893,000	(1,267,000)
Change in allowance for doubtful accounts	58,000	—
Auditor remuneration for audit services	84,000	84,000
Amounts receivable by auditors for other assurance services	<u>275,000</u>	<u>118,000</u>

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued) (all amounts rounded to the nearest thousand)

4. Interest income

	2019	2018
	£	£
Interest on bank balances	959,000	632,000

5. Tax on profit

a. Tax on profit comprised:

	2019	2018
	£	£
Profit for the year	17,293,000	20,635,000
Total tax expense	2,000,000	2,464,000

	2019	2018
	£	£
Current Tax		
UK Corporation Tax	3,400,000	2,920,000
Adjustment in respect of prior periods (current and inter-co)	(359,000)	(530,000)
Total current tax charge	3,041,000	2,390,000
Deferred Tax		
Origination and reversal of timing differences	(136,000)	74,000
Adjustments in respect of prior periods	(905,000)	—
Total deferred tax charge	(1,041,000)	74,000
Tax on Profit on ordinary activities	2,000,000	2,464,000

The standard rate of corporation tax in the UK is 19% (2018: 19.00%). The differences are explained below:

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

(all amounts rounded to the nearest thousand)

Factors affecting tax charge for the year

	2019 £	2018 £
Profit before taxation	17,293,000	20,635,000
Profit before taxation multiplied by the UK standard corporation tax rate of 19.00% (2018: 19.00%)	3,286,000	3,921,000
Effects of tax rates in foreign jurisdictions	1,000	9,000
Non-deductible expenses	9,000	16,900
Stock Compensation	104,000	(918,000)
Over provided in prior years	(359,000)	(539,000)
Current year losses for which no deferred tax asset was recognised	—	—
Recognition of deferred tax asset on stock option expense and other	(1,041,000)	(25,900)
UK current tax charge for the year	2,000,000	2,464,000

b. Factors that may affect future tax charges

As of 31 December 2019 there is a book tax difference on depreciation of £72,000 (2018: £62,000). As of 31 December 2019 there is a book tax difference on stock option expense of £905,000 (2018: £0).

6. Staff charges

The average monthly number of employees (including executive directors) during the years were:

	2019	2018
Investment management	16	14
Sales and service	82	83
Operations and administration	161	172
	<u>259</u>	<u>269</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	25,378,000	24,943,000
Share-based compensation cost	1,091,000	1,058,000
Social security costs	3,544,000	4,398,000
Other pension costs (Note 12)	1,775,000	1,807,000
	<u>31,788,000</u>	<u>32,206,000</u>

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued) (all amounts rounded to the nearest thousand)

7. Directors' remuneration and transactions

Remuneration

The remuneration of the directors included in staff costs above was as follows:

	2019	2018
	£	£
Directors' emoluments	<u>1,172,000</u>	<u>1,559,000</u>

Stock Options

The number of directors who exercised share options during the year was 3 (2018: 6). The highest paid director did not exercise options during 2018 and 2019.

Pensions

There were 2 directors who were members of the defined contribution pension schemes during the year (2018: 1).

Highest-paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2019	2018
	£	£
Directors' emoluments	<u>828,000</u>	<u>742,000</u>

The aggregate emoluments of the highest paid director noted above includes amounts receivable of the highest paid director for £253,000 (2018: £295,000). Amounts receivable of the highest paid director relate to cash bonuses for services rendered during the year but are actually paid in the following year.

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

(all amounts rounded to the nearest thousand)

8. Tangible fixed assets

	Computer equipment £	Software £	Leasehold improvement £	Office furniture £	Total £
Cost or valuation					
At 1 January 2019	1,621,000	512,000	10,882,000	935,000	13,950,000
Additions	56,000	—	—	15,000	71,000
Retirements	—	—	—	—	—
At 31 December 2019	<u>1,677,000</u>	<u>512,000</u>	<u>10,882,000</u>	<u>950,000</u>	<u>14,021,000</u>
Accumulated depreciation					
At 1 January 2019	1,212,000	506,000	2,742,000	631,000	5,091,000
Charge for the year	267,000	6,000	938,000	151,000	1,362,000
Retirements	—	—	—	—	—
At 31 December 2019	<u>1,479,000</u>	<u>512,000</u>	<u>3,680,000</u>	<u>782,000</u>	<u>6,453,000</u>
Net book value					
At 31 December 2018	<u>409,000</u>	<u>6,000</u>	<u>8,140,000</u>	<u>304,000</u>	<u>8,859,000</u>
At 31 December 2019	<u>198,000</u>	<u>—</u>	<u>7,202,000</u>	<u>168,000</u>	<u>7,568,000</u>

9. Debtors and other assets

	2019 £	2018 £
Trade debtors	33,877,000	37,181,000
Other debtors	3,347,000	3,427,000
Amounts due from group undertakings	1,038,000	—
Deferred tax asset	895,000	—
Prepayments and accrued income	1,115,000	2,011,000
	<u>40,272,000</u>	<u>42,619,000</u>

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued) (all amounts rounded to the nearest thousand)

10. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	—	12,479,000
Other creditors including taxation and social security	2,300,000	1,965,000
Rebates due to clients	137,000	134,000
Accruals and deferred income	13,708,000	21,897,000
	<u>16,145,000</u>	<u>36,475,000</u>

11. Called-up share capital

	2019 £	2018 £
<i>Authorised</i>		
100,000,000 ordinary shares of £1 each	<u>100,000,000</u>	<u>100,000,000</u>
<i>Allotted, called-up and fully-paid</i>		
85,060,000 (2018: 85,060,000) ordinary shares of £1 each	<u>85,060,000</u>	<u>85,060,000</u>

12. Pension arrangements

The Company operates a number of defined contribution schemes for which the pension cost charge for the year amounted to £1,775,000 (2018: £1,807,000).

At 31 December 2019, there were no prepaid or accrued defined contribution charges on the Balance Sheet.

13. Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	2019 £	2018 £
Less than one year	2,731,000	2,731,000
Between one and five years	10,926,000	13,657,000
More than five years	6,829,000	7,511,000
	<u>20,486,000</u>	<u>23,899,000</u>

During the year 2019, £2,309,000 was recognised as an expense in the profit and loss account in respect of operating leases (2018: £2,850,000).

SEI Investments (Europe) Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

(all amounts rounded to the nearest thousand)

14. Related party transactions

As a subsidiary undertaking of SEI Investments Company, the Company has taken advantage of the exemption in Section 33 "Related party disclosures" from disclosing transactions with other members of the group headed by SEI Investments Company. Apart from intergroup transactions, no related parties transactions were entered into.

15. Subscription Agreement

The directors of the Company have executed and approved a Subscription Agreement, dated 3 December 2014, which superseded the previous Subscription Agreement, dated 8 August 2012, in which SEI Investments Company, which controls the Company, will fund all on-going capital subscriptions necessary through 31 December 2020 to maintain the regulatory capital requirement as stipulated by the United Kingdom Financial Conduct Authority.

16. Subsequent events

The Company performed an evaluation of subsequent events through 20 April 2020 which is the date the financial statements were made available to be issued. The Company determined that based on its evaluation there were no items that would affect the reported amounts in the financial statements as of 31 December 2019.

The Coronavirus pandemic is classified as a non-adjusting post-balance sheet event for the 2019 financial statements. The overall impact of the Coronavirus pandemic, including the associated global economic crisis on the Company's financial performance and position cannot be reliably measured at this time although a significant reduction in the revenue and profitability of the Company over the next 12-18 months is within the realistic range of possible future scenarios. There are no other significant changes as a result of the Coronavirus pandemic on the Company's reported financial position since 31 December 2019 that require additional disclosure in these financial statements. The impact of this post balance sheet event on the directors' assessment of the Company's going concern position is included in note 1 to these financial statements.

The Company continues to monitor the status of Brexit and the Coronavirus and the potential impact on its business. For further information, see the Brexit and Coronavirus and Other Catastrophic Events sections of the Strategic Report included within this report.