Annual Report and Consolidated and Company Financial Statements

31 December 2019

LGT Private Debt (UK) Ltd. (formerly LGT European Capital Limited)

Registered Number: 08755484

Contents

Board of directors and other information

Directors

R. Paganoni (Dutch)

W. von Baum (German)

O. de Perregaux (Swiss)

J.C. Morales Cortes (Spanish, American – appointed 16 October 2019)

M. Gordon Clark (British – appointed 16 October 2019)

M.B.E White (British – resigned 16 October 2019)

Secretary

G. Rechsteiner (appointed on 4 September 2019)

C. Loiseau (resigned on 4 September 2019)

Registered office

1 St James's Market
London
SW1Y 4AH

Independent auditors

Ernst & Young LLP
PO Box 9
Royal Chambers
St. Julian's Avenue
St. Peter's Port
Guernsey
GY1 4AF

Group strategic report

The directors present their strategic report for the year ended 31 December 2019.

Review of business and key performance indicators

The principal activity of the European Capital Group ("the Group") (see Directors' report page 6 for Group members) is to provide marketing, investment management and advisory services to a small number of debt focused Alternative Investment Funds ("AIF").

The key financial and other performance indicators for the Group during the year were as follows:

	2019 EUR '000	2018 EUR '000
Revenue	20,487	15,693
Operating profit	1,608	1,006
Profit attributable to the Company's equity holder	184	2,712
Equity shareholder's funds	7,028	5,839

The directors feel that business has performed broadly in line with expectations with regards to its fundraising activities.

LGT Private Debt (UK) Ltd.'s ("LGT PD" or the "Company") principal activity is to provide marketing, investment management and advisory services to a number of debt focused funds which include registered AIFs. LGT PD is currently the manager of six funds ("the Funds") which include 8 AIF entities, namely:

- European Capital UK SME Debt Fund LP (AIF)
- European Capital Private Debt Fund LP (AIF)
  - European Capital Private Debt Feeder FPS (AIF)
  - European Capital Private Debt Investment Co. FPCI (AIF)
- European Capital Private Equity 1 SCSp (AIF)
- Crown European Private Debt II SCSp (AIF)
  - Crown European Private Debt II Feeder S.A. SICAV-RAIF (AIF)
- Crown European Private Debt II (LEV) SCSp (AIF)
- Marina Bay Fund LP

European Capital UK SME Debt Fund LP has £100 million of capital commitments focused on providing credit solutions for UK Sponsored transactions for businesses with less than £100 million in revenue. The European Capital Private Debt Fund LP has in place subscription agreements for a total of €473 million in commitments. The European Capital Private Equity 1 SCSp Fund has total commitments of €100 million. The Crown European Private Debt II SCSp Fund had its final close in June 2019 as at 31 December 2019 has €1,126 million of capital commitments. The Crown European Private Debt II (LEV) SCSp Fund had its final close in June 2019 and as at 31 December 2019 has €223 million of capital commitments. Marina Bay Fund LP had its first close in September 2018 and as at 31 December 2019 has €130 million of capital commitments.

On the 30th of June 2019, the French branch of LGT PD (previously LGT EC) was converted into a subsidiary of the Company and is now known as LGT Private Debt (France) SAS. In July 2019, an application was accepted by the AMF (Autorité des marchés financiers) for a new licence in France for the new subsidiary.

During 2019 a new office space in Paris was identified for the French subsidiary, LGT Private Debt (France) SAS. An agreement was reached in July 2019 to lease office space at 43 Avenue de Friedland with an external third party and a deposit was paid. The date of handover of this office space was 02 January 2020 when fit out works also started. As part of the fit out down payments were paid at the end of 2019 for the works to begin and have been reflected as a prepayment in the financial statements. The move in date has currently been delayed to the end of Q2 2020 and will continue to depend on the COVID-19 pandemic situation as well as the progress of the fit out works.

The principal risks and uncertainties to which the Group is exposed are those of business and operational risks. Business and operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events.

The Group maintains systems of controls that it believes are reasonably designed to provide management and the directors with timely and accurate information about the operations of the Group.

The COVID-19 global pandemic has presented the Group and the Company with additional risks which are under constant monitoring and assessment by the Directors. Please refer to the Events after the reporting year section of the Directors' report on page 9 for further information.

A more specific business risk facing the Group is its ability to launch its next fund relatively quickly. With the high levels of deployment in existing funds, a new fund will need to be launched in 2020 to ensure an uninterrupted flow of deployable capital. Work has begun with a target launch date of Q4 2020.

Furthermore, the Group is exposed to the risks associated with managing funds. The revenue of the Group depends on six LGT funds. However, this fee income from funds depends either on capital commitments or rechargeable expenses to the funds, rather than on fund performance, thus mitigating these risks.

With the successful deployment of the Group's existing fund commitments, the new fund will be needed to grow and maintain the Group's potential investment management income, by increasing assets under management ("AUM") while replacing assets as they are realised in the existing Funds. The Group's fund activity continued to grow in 2019 with total commitments increasing to €2,169 million (2018: €1,844 million) and AUM totalling €1,526 million as at 31 December 2019 (2018: €1,147 million).

On behalf of the Board

R. Paganoni, Director	**W. Von Baum, Director**

30 April 2020

Directors' report

For the year ended 31 December 2019

The Directors present their report and audited consolidated financial statements of LGT PD, registered number 08755484, and the Group for the year ended 31 December 2019. The Group consists of:

LGT Private Debt (UK) Ltd.
LGT Private Debt (France) SAS
LGT Private Debt (Germany) GmbH
LGT European Capital UK SME Debt 1 Limited
LGT European Capital UK SME Debt 2 Limited
LGT European Capital UK SME GP LLP
LGT European Capital UK SME Carry GP LLP
LGT European Capital Private Debt 1 Limited
LGT European Capital Private Debt 2 Limited
LGT European Capital Private Debt GP LLP
LGT European Capital Private Debt Carry GP LLP

Information regarding the companies disclosed above can be found on page 20.

A number of items stated in this Directors' Report have also been included in the Strategic Report outlined on pages 3 to 5.

Principal activities

The principal activity of the Group is to provide marketing, investment management and advisory services to a small number of debt focused AIFs.

On 16 July 2014 LGT PD was granted authorisation from the Financial Conduct Authority ("FCA") with the registration number 611379. This authorisation was further enhanced on 8 September 2014, when the FCA granted authorisation to LGT PD to act as an Alternative Investment Fund Manager ("AIFM") and to conduct cross border marketing of Alternative Investment Funds to professional investors in other EEA states. In response to Brexit, the Company has established a registered subsidiary in France, LGT Private Debt (France) SAS, since 30th of June 2019. Prior to that date the company operated in France via a French branch of LGT EC (now LGT PD), which ceased operation on 30th of June 2019 due to the branch becoming a subsidiary.

Review of the development of the business

The Board of Directors (the "Board"), in accordance with good corporate governance principles, remains ultimately responsible for the implementation of, and compliance with, the Company's obligations as set out under the licenses and the relevant regulations. The Board has ultimate responsibility for management functions under the AIFM license including the oversight of reporting to the Financial Conduct Authority.

The company name changed on the 24th of June 2019 to LGT Private Debt (UK) Ltd.

As of 31 December 2019, the Company has been appointed as the investment manager on behalf of 6 (2018: 6) alternative investment funds comprising the total assets under management amount of EUR 1,526 million (2018: EUR 1,147 million) and which are domiciled in either Luxembourg or the UK.

Future development of the business

A new fund is to be launched in 2020, with a target launch date of Q4 2020. It is expected that the business will grow accordingly.

The Company is currently exploring the option to transfer a number of the funds under management over to the French subsidiary, LGT Private Debt (France) SAS, to be managed under its own AIFM licence in France.

The Directors do not propose any changes to the current strategy and objectives of the Company.

Results for the year and state of affairs at 31 December 2019

The statement of comprehensive income and statement of financial position are set out on pages 15 and 16 respectively. After accounting for a profit for the financial year of EUR 184,000 (31 December 2018: profit of EUR 2,712,000), amounts attributable to the equity shareholder were EUR 7,028,000 at 31 December 2019 (31 December 2018: EUR 5,839,000).

Dividends

The Directors do not recommend the payment of a dividend for 2019 (2018: Nil).

Going concern

The financial statements have been prepared on a going concern basis and the Directors believe that the Company is a going concern. The Directors consider that the Company has sufficient liquid resources to satisfy its upcoming commitments. The LGT Group (LGT Group Foundation and its subsidiaries) is committed to the success of the Company and has contributed additional capital to the Company when required, while a letter of support from LGT Group is also in place.

In light of the COVID-19 pandemic, the Directors of the Company are actively monitoring the situation and do not foresee the pandemic adversely affecting the going concern of the Company, refer to the Events after the reporting year section on page 9.

Creditor payment policy

For all trade creditors, it is the Group's policy to:
- agree the terms of payment at the start of business with that supplier;
- ensure that suppliers are aware of the terms of payment; and
- pay in accordance with its contractual and other legal obligations.

In 2019, the majority of the invoices the Group incurred were recharges from entities under common control.

Risk management policy

The Group's financial risk management policy and objectives are detailed in note 3 of the consolidated and company financial statements.

Directors

The names of the Directors of LGT PD at any time during the year ended 31 December 2019 and subsequently are as follows: R. Paganoni, W. von Baum, O. de Perregaux, J.C. Morales Cortes (appointed 16 October 2019), M. Gordon Clark (appointed 16 October 2019) and M.B.E. White (resigned 16 October 2019).

The Directors and the Secretary had no interest in the share capital of the Company for the years ended 31 December 2019 and 31 December 2018.

Directors' responsibility statement

The Directors are responsible for preparing the annual report and consolidated and company financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare consolidated and company financial statements for each financial year. The directors have prepared the financial statements in accordance with IFRS as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Group and LGT PD and of the profit or loss of the Group and LGT PD for the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- ensure that all these financial statements comply with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and the directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Events after the reporting year

The reporting period of 2020 to date has seen a sharp increase in the volatility of all financial markets due to the COVID-19 pandemic. The Directors of the Company are actively monitoring the situation and, with the support of LGT Group, continue to manage the activities of the business accordingly.

As part of the ongoing monitoring, the Directors of the Company have assessed the main revenue and expense streams at an underlying fund level in order to ensure that management fees, the main revenue source for the Company, will continue to be received, and on a timely basis. Management fees are calculated on a committed capital basis which enables accurate forecasting of fee income. An analysis of the liquidity position of the underlying funds shows a similar result. The underlying funds have substantial credit facilities and undrawn committed capital, both of which could be used if required. The total expense base of the funds, excluding management fee expenses, is immaterial and will not detrimentally effect the overall liquidity position of the funds.

From an operational perspective, the existing business continuity policy and procedures have allowed for a seamless transition to a remote working environment with minimal business disruption. All staff employed directly by the Company, or those of other LGT entities providing services to other Group companies, have been equipped with remote working solutions, ensuring that business continues as normal.

LGT Group are committed to providing any support that is necessary to any entity within the LGT Group, including the Company. This support further guarantees the Company's status as a going concern.

Given the details contained heretofore, the Directors do not foresee the pandemic adversely affecting the going concern of the Company. The Directors will continue to review the situation in order to navigate the Company through this period of heightened uncertainty.

LGT Private Debt (France) SAS will be moving into a new office space in 2020 on an initial 9-year lease with a break clause after 6 years. The move in date has currently been delayed to the end of Q2 2020, it will continue to depend on the COVID-19 pandemic situation as well as the progress of the fit out works.

There are no other events after the reporting year.

Capital requirements

The Directors confirm that the Group and Company was fully compliant with all its regulatory capital requirements during the year.

Independent Auditors

Ernst & Young LLP have indicated their willingness to continue in office.

On behalf of the Board

Roberto Pagani

R. Paganoni, Director

W. Von Baum, Director

30 April 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LGT Private Debt (UK) Ltd.

Opinion

We have audited the financial statements of LGT Private Debt (UK) Ltd. ('the Parent company') and its subsidiaries (together, the 'Group') for the year ended 31 December 2019 which comprise Consolidated and company statement of comprehensive income, Consolidated and company statement of financial position, Consolidated and company statement of changes in shareholder's equity, Consolidated and company statement of cash flows and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 December 2019 and of the Group's and Parent company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

We have nothing to report in this regard.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 8 and 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Ernst & Young LLP

Andrew Jonathan Dann, FCA (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Guernsey, Channel Islands
Date: 30 April 2020

Consolidated and company statement of comprehensive income

For the year ended 31 December 2019

	Note	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Revenue		20,487	15,693	15,636	15,684
Administrative expenses		(18,879)	(14,687)	(14,219)	(14,671)
Operating profit		**1,608**	**1,006**	**1,417**	**1,013**
Foreign exchange gain/(loss)		22	(91)	24	(91)
Gain/(loss) on derivative financial instruments		(39)	30	(39)	30
Net profit for the year before taxation		**1,591**	**945**	**1,402**	**952**
Taxation on operating activities	15	(1,407)	1,767	(1,331)	1,770
Net profit and total comprehensive profit for the year		**184**	**2,712**	**71**	**2,722**

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations. The accompanying notes on pages 18 to 36 form an integral part of these consolidated and company financial statements.

R. Paganoni, Director

W. Von Baum, Director

30 April 2020

Consolidated and Company Statement of Financial Position

As at 31 December 2019

	Note	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Assets					
Non-current assets					
Investments in affiliates	4	47	-	3,141	-
Tangible assets	6	900	78	863	78
Deferred tax assets	15	439	1,767	439	1,770
Total non-current assets		**1,386**	**1,845**	**4,443**	**1,848**
Current assets					
Trade and other receivables	7	11,907	10,649	9,069	8,458
Amounts due from entities under common control	8	312	282	1,728	2,462
Cash and cash equivalents	9	8,590	5,291	5,013	5,170
Derivative financial instruments		-	30	-	30
Total current assets		**20,809**	**16,252**	**15,810**	**16,120**
Total assets		**22,195**	**18,097**	**20,253**	**17,968**
Liabilities					
Current liabilities					
Loans less than one year	14	7,400	4,800	4,800	4,800
Trade and other payables	11	848	1,003	848	1,003
Other liabilities	12	6,910	6,455	7,778	6,420
Derivative financial instruments		9	-	9	-
Total liabilities		**15,167**	**12,258**	**13,435**	**12,223**
Capital and reserves					
Ordinary shares	10	15,667	14,667	15,667	14,667
Foreign exchange reserve		(2)	(7)	(1)	(3)
Accumulated losses		(8,637)	(8,821)	(8,848)	(8,919)
Total equity shareholder's funds		**7,028**	**5,839**	**6,818**	**5,745**
Total equity and liabilities		**22,195**	**18,097**	**20,253**	**17,968**

The accompanying notes on pages 18 to 36 form an integral part of these consolidated and company financial statements. The financial statements on pages 14 to 36 were approved by the Board of Directors on 30 April 2020, and signed on its behalf by

Roberto Paganoni

R. Paganoni, Director

30 April 2020

W. Von Baum, Director

Consolidated and Company Statement of changes in shareholder's equity

For the year ended 31 December 2019

Group	Note	Ordinary shares EUR '000	Accumulated loss EUR '000	Foreign exchange EUR '000	Total equity EUR '000
As at 1 January 2018		**14,667**	**(11,533)**	**(5)**	**3,129**
Profit for the year		-	2,712	-	2,712
Foreign exchange consolidation reserve		-	-	(2)	(2)
As at 31 December 2018		**14,667**	**(8,821)**	**(7)**	**5,839**
Issue of shares	10	1,000	-	-	1,000
Profit for the year		-	184	-	184
Foreign exchange consolidation reserve		-	-	5	5
As at 31 December 2019	**10**	**15,667**	**(8,637)**	**(2)**	**7,028**

Company

Company	Note	Ordinary shares EUR '000	Accumulated loss EUR '000	Foreign exchange EUR '000	Total equity EUR '000
As at 1 January 2018		**14,667**	**(11,641)**	**(1)**	**3,025**
Profit for the year		-	2,722	-	2,722
Foreign exchange consolidation reserve		-	-	(2)	(2)
As at 31 December 2018		**14,667**	**(8,919)**	**(3)**	**5,745**
Issue of shares	10	1,000	-	-	1,000
Profit for the year		-	71	-	71
Foreign exchange consolidation reserve		-	-	2	2
As at 31 December 2019	**10**	**15,667**	**(8,848)**	**(1)**	**6,818**

The accompanying notes on pages 18 to 36 form an integral part of these consolidated and company financial statements.

Consolidated and Company Statement of cash flows

For the year ended 31 December 2019

	Note	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Cash generated from/(used) in operations	13	**670**	**(1,460)**	**2,769**	**(1,479)**
Investment in affiliates		-	-	(3,141)	-
Purchase of fixed assets		(872)	(17)	(863)	(17)
Net cash used in investing activities		**(872)**	**(17)**	**(4,004)**	**(17)**
Fixed term loan received	14	7,400	4,800	4,800	4,800
Fixed term loan paid	14	(4,800)	(900)	(4,800)	(900)
Proceeds from issue of share capital		1,000	-	1,000	-
Net cash generated from financing activities		**3,600**	**3,900**	**1,000**	**3,900**
Net change in cash and cash equivalents		**3,398**	**2,423**	**(234)**	**2,404**
Cash and cash equivalents at start of year		5,291	2,964	5,170	2,859
Unrealised foreign exchange (gain)/ loss on cash and cash equivalents		(99)	(96)	77	(93)
Cash and cash equivalents at the end of the year		**8,590**	**5,291**	**5,013**	**5,170**

The accompanying notes on pages 18 to 36 form an integral part of these consolidated and company financial statements.

Notes to the Consolidated and Company financial statements

1. General information and accounting policies

LGT Private Debt (UK) Ltd. provides marketing, investment management and advisory services to a small number of debt focused alternative investment funds ("AIF").

The Company is a limited liability company incorporated under the Companies Act 2006 and domiciled in the United Kingdom. The Company registration number is 08755484 and the address of its registered office is 1 St James's Market, London, SW1Y 4AH.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA") (under reference number 611379). Permissions were granted to the Company on 16 July 2015.

Basis of preparation

The consolidated and company financial statements of the Group and the Company have been prepared in accordance with IFRS as adopted by the EU and the Companies Act 2006. The consolidated and company financial statements have been prepared under the historical cost convention.

The preparation of the consolidated and company financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated and company financial statements, are disclosed in note 2.

Numbers within the financial statements are in thousands, unless otherwise indicated.

(a) Standards and interpretations that have been adopted

- IFRS 16 Leases

The new standard introduces new classification and measurement requirements for leases to be accounted for on balance sheet with exemptions for short term leases and leases of low value assets. The standard has been adopted in 2019 but its impact was not material.

(b) Standards and interpretations that have not yet been adopted

Based on initial analyses, the following new and revised standards and interpretations which have to be applied for financial years beginning on or after 1 January 2020 are not expected to have any significant impact on the reported results or financial position of the Group or the Company:

- CF – Conceptual Framework for Financial Reporting (effective 1 January 2020, early adoption permitted)

- Amendments to IFRS 3 Business Combinations – Definition of a business (effective 1 January 2020, early adoption permitted)
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material (effective 1 January 2020, early adoption permitted)
- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures – Interest rate benchmark reform (effective 1 January 2020, early adoption permitted)
- IFRS 17 Insurance contracts (effective 1 January 2021 but now may be deferred to 1 January 2022, early adoption permitted)

Notes to the Consolidated and Company financial statements

Consolidation

Subsidiaries are all entities over which LGT PD has the power to govern the financial and operating policies and obtain benefits as a result. The consolidated financial statements of the Group include the financial statements of the following:

Subsidiary	Subscribed capital	Ownership %	Country of incorporation	Principal activity	Capital & reserves at 31 December 2019	Profit / (Loss) for the year 2019	Registered address
LGT Private Debt (France) SAS *	€3,000,000	100	France	Investment advisory services	€3,270,021	€136,719	37 Avenue Pierre 1er de Serbie, 75008 Paris
LGT Private Debt (Germany) GmbH **	€25,000	100	Germany	Investment advisory services	€25,000	€0	Neue Mainzer Strasse 6-10, 60311 Frankfurt am Main
LGT European Capital UK SME Debt 1 Limited *	£1	100	United Kingdom	Corporate Partner to General Partner	€17,815	-€3,233	1 St James's Market, London, SW1Y 4AH
LGT European Capital UK SME Debt 2 Limited *	£1	100	United Kingdom	Corporate Partner to General Partner	€17,641	-€3,233	1 St James's Market, London, SW1Y 4AH
LGT European Capital UK SME GP LLP **		100	United Kingdom	General Partner	-€19	€0	1 St James's Market, London, SW1Y 4AH
LGT European Capital UK SME Carry GP LLP **		100	United Kingdom	General Partner	€6,006	-€1,121	50 Lothian Road, Festival Square, Edinburgh, EH3 9 WJ
LGT European Capital Private Debt 1 Limited *	£1	100	United Kingdom	Corporate Partner to General Partner	€14,718	-€3,173	1 St James's Market, London, SW1Y 4AH
LGT European Capital Private Debt 2 Limited *	£1	100	United Kingdom	Corporate Partner to General Partner	€14,875	-€3,173	1 St James's Market, London, SW1Y 4AH
LGT European Capital Private Debt GP LLP **		100	United Kingdom	General Partner	€70	€0	1 St James's Market, London, SW1Y 4AH
LGT European Capital Private Debt Carry GP LLP **		100	United Kingdom	General Partner	€9,908	-€887	50 Lothian Road, Festival Square, Edinburgh, EH3 9 WJ

* Direct holding

**Indirect holding

All subscribed capital interests denoted above are for ordinary shares.

Notes to the Consolidated and Company financial statements

Income

(a) Revenue from contracts with customers

The Group and the Company earn revenues by providing various services to both related party and third party customers. In accordance with IFRS 15, these revenues are recognised either over a period or on a specific date. When the control of the service has transferred to the customer and when it is sufficiently certain that the revenues can also be collected, the amount is recognised. IFRS 15 introduces a contract-based five-step analysis to determine whether, how much and when revenue is recognised. These five steps are as follows:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when the Group and the Company satisfy a performance obligation

Investment management income is measured based on the consideration specified in legally enforceable contracts. In the case of variable revenues, such as performance fees, recognition can only take place to the extent that it is highly probable that a significant reversal will not occur. The Company recharges the Funds for reimbursable expenses. Recharge income is measured based on the consideration specified in legally enforceable contracts.

(b) Interest income

The Group and the Company have not made any substantial loans and have not placed any substantial sum on deposit. Interest income is recognised on an accruals basis that materially approximates to the effective interest rate method.

Foreign currency translation

The results and financial position of the Group and the Company are measured in Euro. The functional currency of the Group and the Company is Euro. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the year end. Exchange differences arising from the re-translation of foreign currency denominated assets and liabilities together with other exchange differences arising in the year are included in the Consolidated Statement of Comprehensive Income.

Notes to the Consolidated and Company financial statements

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated on fixed assets on a straight line basis over the expected useful life as follows:

Computer/office equipment	3 years
Office furniture	5 years
EDP software	5 years

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Financial liabilities

The Group and the Company's policy is to classify its financial liabilities into one of two categories, 'fair value through profit or loss' and 'measured at amortised cost'.

Loans and advances from banks

Loans and advances from banks are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction cost incurred. Loans are subsequently stated at amortised cost, any difference between proceeds net of transactions costs and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowing using the effective interest method.

Trade and other payables

These are recognised initially at fair value and subsequently measured at amortised cost. Trade and other payables represent amounts owed to third parties, including related parties. They are non-interest bearing.

Other liabilities

Other liabilities include accrued expenses both third party and intergroup.

Notes to the Consolidated and Company financial statements

Share capital

Financial instruments issued by the Company are treated as equity only to the extent they do not meet the definition of a financial liability. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds received.

For the purposes of the disclosures given in note 3, the Company considers its capital to comprise of its ordinary share capital and accumulated comprehensive loss. No financial liabilities are considered capital and no capital items are considered financial liabilities for capital management purposes.

The Company is subject to externally imposed capital requirements as it is an Alternative Investment Fund Manager ("AIFM") authorised as a Collective Portfolio Management Investment Firm ("CPMIF") under FCA classifications. The Company ensures that it remains compliant with these requirements as described in note 3.

Taxation

The Company is deemed to have a permanent establishment and be subject to corporate income taxes in the UK. Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities.

Please see note 15 for further information.

The French subsidiary is tax resident in France and subject to corporate income taxes in that jurisdiction.

2. Critical accounting estimates and judgments

The Board of Directors continue to evaluate any requirements to make estimates and judgments in the preparation of these financial statements. Any such estimate or assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In concluding that the Company should continue to be treated as a going concern (see Events after the reporting year, note 19), certain assumptions have had to be made. The forward-looking forecasts of revenues and expenses have been made at both Company level and at the underlying fund level. Revenues due to the Company can be forecast accurately as management fee income is based on committed capital. Forecasts of expenses are based on both historic experience and any known or planned expenditure. Due to the uncertainty of the current environment, sizeable buffers have been added to expense forecasts which allow for any unforeseen expenses which may arise.

There were no other significant estimates or assumptions made that are required to be disclosed in these financial statements.

3. Financial risk management

In common with other businesses, the Group and the Company are exposed to risks that arise from using financial instruments. The Group and the Company's activities expose it to a variety of financial risks, such as market risk (including currency risk, price risk and interest rate risk), liquidity risk and credit risk. The Group and the Company's financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group and the Company's financial performance. The principal financial instruments used by the Group and the Company, from which financial risk arises, are:

- Cash and cash equivalents
- Trade and other receivables
- Loans
- Trade and other payables
- Other liabilities

(a) Market risk - foreign exchange risk

The Group and the Company operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and pounds Sterling. Foreign exchange risk may arise from future commercial transactions and recognised assets and liabilities.

Other foreign exchange risks affecting the Group and the Company are due to the Group and the Company purchasing services and assets in currencies other than Euro. These services and assets are predominately denominated in pounds Sterling, a 10% change in the exchange rate at balance sheet date would increase/decrease the net profit/loss by EUR 328,900 (2018: EUR 81,000). The total GBP exposure at the reporting date is GBP 2,226,812 (2018: GBP 696,000). The total USD exposure at the reporting date is USD 28,334 (2018: USD 50,000).

(b) Market risk - price risk

The Group and the Company is not exposed to any price risk, as it does not hold investments or other assets, which are sensitive to market prices or other significant volatility in valuation due to either external conditions or estimation techniques.

(c) Market risk - interest rate risk

The Group and the Company holds a fixed rate loan with LGT Bank AG with interest charged at market rates. The loan is drawn on a short-term basis to minimise interest rate and cash flow exposures. The last rollover was for six months. Although cash balances do attract interest income, the Group and the Company's income and operating cash flows are substantially independent of changes in market interest rates. There is no fair value interest rate risk as the fixed rate loan is at amortised cost.

Notes to the Consolidated and Company financial statements

(d) Fair value estimation

The carrying values less impairment provisions of trade receivables and payables are considered to approximate their fair values due to the short-term nature.

(e) Liquidity risk

The Group and the Company aim to mitigate liquidity risk in various ways, including maintaining high levels of liquid resources, reviewing contingency funding arrangements and incorporating tight credit control processes.

The Group and the Company monitor expected cash flows for future years. Excess cash identified in managing liquidity is invested in financial instruments exposed to insignificant risk of changes in market value, being placed on interest-bearing deposit with maturities that will allow the Group and the Company to meet its expected future cash needs. As the Company is regulated by the FCA, liquidity requirements are imposed on the Company to which it adheres.

(f) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Group or the Company by failing to discharge an obligation. The Group and the Company is exposed to the risk of credit-related losses that can occur because of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within derivative assets, short-term trade receivables, and cash and cash equivalents.

It is the Group and the Company's policy to enter into financial instruments with LGT sponsored intra-group or other reputable counterparties.

The Group and the Company's policy is to closely monitor the creditworthiness of the Group and the Company's counterparties (e.g. LGT sponsored private debt funds, Lloyds Banking Group plc) by reviewing, where applicable, their credit ratings, financial statements and press releases on a regular basis in accordance with local policies and procedures.

Cash held with banks and trade receivables are subject to the expected credit loss ("ECL") model within IFRS 9. The Group and the Company have adopted a simplified approach using historical observed losses over the expected life of the receivables adjusted for forward-looking estimates. The counterparty banks with which the Group and the Company place their cash are either with LGT Group banks (LGT Bank Ltd) or with highly rated third party banks (Lloyds Banking Group plc, Societe Generale). Under the methodology described above the calculated ECL for the Group and the Company exposures to banks is immaterial based on the credit ratings of Lloyds, Societe Generale and LGT Bank Ltd. Total cash held with banks at 31 December 2019 is EUR 8,590,350 (the Group, 2018: EUR 5,291,000) and EUR 5,013,337 (the Company, 2018: EUR 5,170,000).

All trade receivables are expected to be received in three months or less. An amount is considered to be in default if it has not been received 30 days after it is due. For the Group and the Company, the ECL assessment for trade and other receivables concludes that any ECL is immaterial. Exposures to trade and other receivables are to debtors with whom the Group and the Company have a long-standing relationship and, based on past experience, the Directors are of the opinion that the ECL is immaterial.

(g) Capital resources

The Group and the Company consider its overall capital to comprise of its ordinary share capital, other reserves less accumulated comprehensive loss. No financial liabilities are considered capital.

In managing its capital, the Group and the Company's primary objective is to ensure its ability to provide a consistent return for its equity shareholder through distributions and the possible orderly unwinding of its business if this were to happen. In order to achieve this, the Group and the Company have established a capital adequacy assessment process, whereby the Group and the Company review the total risks that face the Group and the Company and consider an appropriate amount of capital that should be held to meet these risks. The capital held reflects the capital requirements as set out by the FCA along with an appropriate buffer.

4. Investments in affiliates

During the year, the Company invested in affiliates as follows:

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
LGT Private Debt (France) SAS	-	-	3,141	-
Other	47	-	-	-

LGT Private Debt (France) SAS has been set up as a French subsidiary on the 30th of June 2019 post spin out with the previous French branch ceasing to trade. Other includes the French subsidiary purchase of an off-the-shelf company on the 11th of September 2019 for EUR 25k. It was shortly after renamed, LGT Private Debt (Germany) GmbH and started operating in February 2020. During 2019, additional member contributions were paid to four entities in the group as additional funding of EUR 22k and are included in other. Further ownership information has been provided on page 21.

Notes to the Consolidated and Company financial statements

5. Auditor remuneration

During the year the Company obtained the following services from the Company's auditor:

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Audit services	74	85	52	85

6. Tangible assets

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Cost:				
At 1 January	146	129	146	129
Transfer on cessation of branch 30 June 2019	-	-	(142)	-
Additions/disposals during the year	872	17	863	17
At 31 December	**1,018**	**146**	**867**	**146**
Depreciation:				
At 1 January	68	23	68	23
Transfer on cessation of branch 30 June 2019 – balance as at 31.12.18	-	-	(42)	-
Transfer on cessation of branch 30 June 2019 – balance for 2019	-	-	(24)	-
Depreciation charges for the year	50	45	2	45
At 31 December	**118**	**68**	**4**	**68**
Net book value at 31 December	**900**	**78**	**863**	**78**

Tangible assets include IT equipment, office furniture and EDP software. The EDP software relates to the implementation during 2019 of loan servicing software in the UK office, which came into use on the 1st of January 2020.

7. Trade and other receivables

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Trade debtors	7,263	6,434	4,708	4,244
Prepayments	4,644	4,215	4,361	4,214
	11,907	**10,649**	**9,069**	**8,458**

Prepayments include costs incurred by LGT Private Debt (France) SAS for the fit out of new office space at 43 Avenue de Friedland which is to be occupied by the Paris office at the end of Q2 2020.

8. Amounts due from entities under common control

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Due from:				
LGT European Capital UK SME GP LLP	-	-	327	590
LGT European Capital UK SME Carry GP LLP	-	-	3	3
LGT European Capital Private Debt GP LLP	-	-	1,264	1,583
LGT European Capital Private Debt Carry GP LLP	-	-	5	4
ECAS Agent S.A.S	121	15	32	15
LGT Capital Partners AG	131	197	38	197
LGT UK Holdings Limited	-	55	-	55
LGT Fund Managers (Ireland) Limited	60	15	60	15
	312	**282**	**1,729**	**2,462**

LGT Group intercompany balances are subject to framework agreements and are payable on a quarterly basis. There are no interest or security arrangements on these balances.

Notes to the Consolidated and Company financial statements

9. Cash and cash equivalents

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Unrestricted cash	8,590	5,291	5,013	5,170
Cash at bank and on hand	**8,590**	**5,291**	**5,013**	**5,170**

10. Share capital

Group and Company

Ordinary Shares	2019 Number	2019 EUR	2018 Number	2018 EUR
Issued				
Issued share capital at 1 January	12,176,465	14,667,465	12,176,465	14,667,465
Issue of shares	1,000,000	1,000,000	-	-
Issued share capital at 31 December	**13,176,465**	**15,667,465**	**12,176,465**	**14,667,465**

The Company's share capital is currently EUR 13,176,465 divided into 13,176,465 shares with a nominal value of EUR 1.00 each, all fully paid up, of the same class. On 17th of December 2019, additional shares of 1,000,000 at EUR 1.00 each were allotted to LGT EC Holding Ltd for cash. Holders of the Company's ordinary shares have no restrictions over their rights to the distribution of capital or over receipt of dividends. All shares have equal voting rights. The authorised share capital of the Company is unlimited.

11. Trade and other payables

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Due from:				
Trade and other payables	848	1,003	848	1,003
	848	**1,003**	**848**	**1,003**

12. Other liabilities

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Due to:				
Due to European Capital Asset Management Ltd	-	(2)	-	(2)
Due to European Capital Financial Services Ltd	-	18	-	18
Due to European Capital Private Debt Carry LP	-	1	-	1
Due to European Capital UK SME Debt LP	8	-	-	-
Due to LGT Financial Services AG	31	36	14	36
Due to LGT Capital Partners AG	544	336	489	336
Due to LGT Capital Partners (UK) Limited	1,159	1,531	1,109	1,531
Due to LGT Bank AG, Dublin Branch	164	177	65	177
Due to LGT Capital Partners (Liechtenstein) AG	66	170	66	170
Due to LGT Bank (Schweiz) AG	28	101	28	101
Due to LGT Bank AG	21	49	18	49
Due to LGT Bank AG, Hong Kong Branch	10	33	10	33
Due to LGT Bank (Singapore) Limited	43	124	43	124
Due to LGT Capital Partners (Asia-Pacific) Limited	6	71	6	71
Due to LGT Fund Managers (Ireland) Limited	44	-	44	-
Due to LGT Private Debt (France) SAS	-	-	3,586	-
Tax and social security	378	879	122	879
VAT payable	(146)	-	251	-
Corporation tax	75	-	-	-
Other taxes	47	-	-	-
Accrued bonuses	3,648	2,586	1,416	2,587
Other accruals	784	345	511	309
	6,910	**6,455**	**7,778**	**6,420**

LGT Group intercompany balances are subject to framework agreements and are payable on a quarterly basis. There are no interest or security arrangements on these balances.

13. Cash used in operations

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Profit/(loss) before tax	1,591	945	1,402	952
Adjustments for:				
Foreign exchange movements on operating activities	(22)	94	(24)	91
Depreciation of fixed assets*	50	45	26	45
Gain/(loss) on derivative financial instruments	39	(30)	39	(30)
Changes in working capital				
Trade and other receivables	(1,258)	(4,296)	(611)	(4,058)
Amounts due from entities under common control	(30)	(250)	734	(505)
Trade and other payables	(155)	516	(155)	516
Other liabilities	455	1,516	1,358	1,510
Cash used in operations	**670**	**(1,460)**	**2,769**	**(1,479)**

* The balance for the Company reflects the amount of depreciation for LGT Private Debt (UK) Ltd of EUR 2,000 plus the depreciation for the first six months of 2019 for LGT EC Limited, French branch of EUR 24,000 (note 6). The fixed assets of LGT EC Limited, French branch transferred to the French subsidiary on 30 June 2019 and therefore do not appear in the Company numbers in note 6.

14. Reconciliation of financing liabilities

	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Fixed term loan as at 1 January	**4,800**	**4,800**	**4,800**	**4,800**
Repayment	(4,800)	(4,800)	(4,800)	(4,800)
Drawdowns	7,400	4,800	4,800	4,800
Fixed term loan at 31 December	**7,400**	**4,800**	**4,800**	**4,800**

The Company fixed term loan of EUR 4,800,000 is held with LGT Bank Ltd with a term of 01 October 2019 to 01 April 2020 at a market interest rate of 0.35% (2018: EUR 4,800,000 at a market rate of 0.36% from LGT Bank Ltd). The Group loans also include fixed term loans of EUR 2,600,000 held between LGT Private Debt (France) SAS and LGT Bank Ltd with a term of 03 October 2019 to 31 March 2020 at a market interest rate of 0.35%. The fixed term loans are unsecured and both will be rolled over shortly. Interest paid during 2019 totalled EUR 22,022 (2018: EUR 15,000).

15. Taxation

	Group 2019 EUR '000	**Group 2018 EUR '000**	**Company 2019 EUR '000**	**Company 2018 EUR '000**
Profit before tax	1,591	945	1,402	952
Adjustments to profit before tax	32	-	16	-
Adjusted profit before tax	1,623	945	1,418	952
At relevant UK and French combined rates of corporation tax of 19% and 33% (2018: 19% and 33%)	444	276	368	273
Effects of				
Movement in unprovided deferred tax / utilisation of prior year losses	963	(2,043)	963	(2,043)
Total tax charge / (credit)	1,407	(1,767)	1,331	(1,770)

The Group and the Company has carried forward adjusted tax losses of EUR 6,991,782 (2018: 7,786,214). As per IAS 12, deferred tax assets can only be recognised to the extent that they can be expected to unwind. The French subsidiary has applied to the French Tax Authorities to transfer the previously held deferred tax asset from the French Branch to the new company. At the year end date, no confirmation of approval had been received and so in 2019, the Group and the Company have derecognised a deferred tax asset carried forward by the French branch of EUR 843,550. As the Group and the Company expect to remain profitable into the future, the Group and the Company continue to recognise a deferred tax asset on behalf of the UK office of EUR 439,346 (2018: EUR 1,770,470).

Movement of deferred tax asset	Group 2019 EUR '000	Group 2018 EUR '000	Company 2019 EUR '000	Company 2018 EUR '000
Deferred tax asset at 1 January	**1,767**	-	**1,770**	-
Deferred tax asset prior year adjustment	114	-	114	-
Deferred tax asset – recognition / (derecognition)	(1,077)	2,043	(1,077)	2,043
Losses utilised	(365)	(276)	(368)	(273)
Deferred Tax Asset at 31 December	**439**	**1,767**	**439**	**1,770**

16. Related party transactions

Group	Revenue EUR '000	Administrative expenses EUR '000	Payable at year end EUR '000	Receivable at year end EUR '000
2019				
Entities under common control	500	5,435	9,516	6,599
2018				
Entities under common control	226	3,407	5,669	2,834

Company

2019				
Entities under common control	7,064	9,009	10,278	4,864
2018				
Entities under common control	7,825	3,407	7,428	5,014

The Company payable at year end includes a fixed term loan of EUR 4,800,000 at a market rate of 0.35%, with a maturity date of 01 April 2020 from LGT Bank Ltd (2018: EUR 4,800,000 at a market rate of 0.36% from LGT Bank Ltd). The Group payable at year end includes the same loan as well as the fixed term loans of EUR 2,600,000 provided to LGT Private Debt (France) SAS at the same rate in 2019 with maturity date of 31 March 2020 from LGT Bank Ltd.

17. Staff costs (Group and Company)

Staff costs excluding directors

	Group		Company	
	2019	2018	2019*	2018
	EUR '000	EUR '000	EUR '000	EUR '000
Salaries	6,032	6,165	4,174	6,165
Pension	502	445	397	445
Social security cost	1,433	1,409	825	1,409
	7,967	**8,019**	**5,396**	**8,019**

*In 2019 the costs for the Company reflect only six months of expenses for the French branch prior to its spin off on 30th of June 2019. The French subsidiary set up as part of the spin off is included in the Group figures for the second half of 2019.

Average number of employees excluding directors

	2019	2018
Administration	19	15
Deal team	21	19

Directors' emoluments

	2019	2018
	EUR '000	EUR '000
Aggregate emoluments paid in respect of qualifying services	1,103	-
Of which:		
Highest paid director	552	-

18. Immediate and ultimate parent controlling parties

The immediate parent of the Company is LGT EC Holding Ltd. The ultimate beneficial owner of the Company is LGT Group Foundation, Herrengasse 12, Vaduz, Principality of Liechtenstein, a foundation incorporated in the Principality of Liechtenstein. The beneficiary of LGT Group Foundation is the Prince of Liechtenstein Foundation. The beneficiary of the Prince of Liechtenstein Foundation is the reigning Prince of Liechtenstein, H.S.H. Prince Hans-Adam II. von und zu Liechtenstein. The LGT Group Foundation, incorporated in the Principality of Liechtenstein, is the parent undertaking of the smallest and largest group of which the Company is a member and for which group financial statements are prepared under IFRS, which are available for public use at their registered address of: LGT Group, Herrengasse 12, FL-9490 Vaduz, Liechtenstein.

19. Events after the reporting year

The reporting period of 2020 to date has seen a sharp increase in the volatility of all financial markets due to the COVID-19 pandemic. The Directors of the Company are actively monitoring the situation and, with the support of LGT Group, continue to manage the activities of the business accordingly.

As part of the ongoing monitoring, the Directors of the Company have assessed the main revenue and expense streams at an underlying fund level in order to ensure that management fees, the main revenue source for the Company, will continue to be received, and on a timely basis. Management fees are calculated on a committed capital basis which enables accurate forecasting of fee income. An analysis of the liquidity position of the underlying funds shows a similar result. The underlying funds have substantial credit facilities and undrawn committed capital, both of which could be used if required. The total expense base of the funds, excluding management fee expenses, is immaterial and will not detrimentally effect the overall liquidity position of the funds.

From an operational perspective, the existing business continuity policy and procedures have allowed for a seamless transition to a remote working environment with minimal business disruption. All staff employed directly by the Company, or those of other LGT entities providing services to other Group companies, have been equipped with remote working solutions, ensuring that business continues as normal.

LGT Group are committed to providing any support that is necessary to any entity within the LGT Group, including the Company. This support further guarantees the Company's status as a going concern.

Given the details contained heretofore, the Directors do not foresee the pandemic adversely affecting the going concern of the Company. The Directors will continue to review the situation in order to navigate the Company through this period of heightened uncertainty.

LGT Private Debt (France) SAS will be moving into a new office space in 2020 on an initial 9-year lease with a break clause after 6 years. The move in date has currently been delayed to the end of Q2 2020, it will continue to depend on the COVID-19 pandemic situation as well as the progress of the fit out works.

There are no other events after the reporting year.

LGT Private Debt (UK) Ltd.
1 St James's Market, London SW1Y 4AH
Phone. +44 20 7539 7000 lgt.cp@lgt.com

LGT Group is represented in more than 20 locations in Europe, Asia and the Middle East.
A complete address list can be seen at **www.lgt.com**