



Alter Domus Fund Services (UK) Limited

Registered number 8962253

Annual report and Financial Statements

**for the year ended
31 December 2018**

Table of contents

General Information	1
Directors' Report	2-4
Independent Auditor's report	5-7
Statement of Comprehensive Loss	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements for the year ended 31 December 2018	12-18

General Information

Directors:

Robert Brimeyer
Spencer Wells (appointed 03.09.18)
Andrea Williams (appointed 06.03.18; resigned 12.09.18)
Aidan Connolly (appointed 18 March 2019)
Laurent Vanderweyen (resigned 31 January 2019)
Gordon McKie (resigned 23.02.2018)

Secretary:

Alter Domus (UK) Limited
18 St Swithin's Lane
London
EC4N 8AD
United Kingdom

Registered Office:

18 St Swithin's Lane
London
EC4N 8AD
United Kingdom

Independent Auditors:

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

Company number:

8962253

Directors' Report

The directors of Alter Domus Fund Services (UK) Limited (the "Company") present the annual report of the Company for the year ended 31 December 2018.

Principal activity, review of the business and future developments

The Company was incorporated by the Registrar of Companies for England and Wales on 27 March 2014, with company number 8962253.

The Company has been established for the purpose of carrying out fund administration services in the UK. The Company is regulated by the FCA (number: 629864). Authorisation was granted on 9 March 2015 with the following permissions:

- Arranging (bringing about) deals in investments,
- Arranging safeguarding and administration of assets,
- Establishing, operating or winding up a collective investment scheme,
- Making arrangements with a view to transactions in investments,

May control but not hold client money & Assets. Exempt CAD firm (may receive & transmit orders).

The directors consider the results for the year to be satisfactory. The nature of the Company's results and activities is not expected to change materially in future years.

Results and Dividends

The Company's loss for the financial year of £367,282 (2017 loss: £392,539), as disclosed on page 8, was transferred to reserves. No dividends were paid from reserves during the period.

Financial Risk Management

The Company has limited cash balances and no external borrowings. The directors therefore believe the Company is not exposed to significant interest rate or liquidity risk.

The Company's principal financial assets and liabilities are debtors receivable and creditors' payable from / to related and non-related parties which do not represent a material exposure to credit risk.

The functional currency of the Company is GBP ("£"). The vast majority of transactions are incurred in GBP, therefore foreign exchange risk is not significant.

Principal Risks and Uncertainties

The directors are of the opinion that there are no significant risks and uncertainties in relation to this entity. Risk management is key. The directors keep up to date with their risk management, in order to reflect the risks and uncertainties that are most relevant to the achievement of strategy and business objectives.

Directors' Report (continued)

Post Balance Sheet Events

At the date of this report, the directors are not aware of any matters or circumstance which have arisen that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the year subsequent to 31 December 2018 not otherwise disclosed in this report.

Directors

The directors of the Company who held office during the period and to the date of signing are reported on page 1.

Secretary

The persons who held office as company secretary of the Company during the period and up to the date of this report are reported on page 1.

Directors' and Officers' Liability Insurance and Indemnity Agreement

The Company purchased insurance to cover directors' and officers' liability as permitted by applicable Law, as well as having professional indemnity insurance in place. There are no indemnity agreements for the directors, issued by the Company.

Going Concern

The Company's ultimate parent, Alter Domus Participations S.à r.l., has confirmed that it will continue to provide financial support to the Company for the foreseeable future. The business is in its growth period and the directors are confident that it will move towards profitability in the future. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Directors' Report (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including Financial Reporting Standard 102, 'The Financial Reporting standard applicable in the UK & Ireland') and applicable law.

Under company law, the directors are required to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under the 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

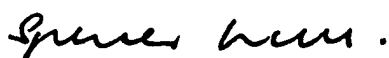
- So far as each director is aware, there is no relevant audit information of which the Company's independent auditors are unaware.
- Each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The auditors, Ernst & Young LLP have indicated their willingness to continue in office. The directors shall propose a resolution to reappoint them (under section 487 (2) of the Companies Act) subsequent to the year end.

The Company has taken advantage of the small company exemption (under section 414A (2) of the Companies Act) from preparing a Strategic Report.

By order of the board



Spencer Wells
Director, Alter Domus Fund Services (UK) Limited
23 April 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTER DOMUS FUND SERVICES (UK) LIMITED

Opinion

We have audited the financial statements of Alter Domus Fund Services (UK) Limited (the "Company") for the year ended 31 December 2018 which comprise of the Statement of Comprehensive Loss, the Statement of Financial Position, the Statement of changes in equity, the Statement of cash flows and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the 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 Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTER DOMUS FUND SERVICES (UK) LIMITED (continued)

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

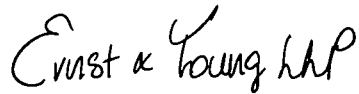
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALTER DOMUS
FUND SERVICES (UK) LIMITED (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, reading "Ernst & Young LLP".

Irene Psalti (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
23 April 2019

Statement of Comprehensive Loss

	Note	31 December 2018 £	31 December 2017 £
Turnover		953,537	758,587
Foreign exchange gains		11,390	6,795
Administrative expenses	2	(1,300,148)	(1,159,006)
Loss on ordinary activities before interest and taxation		(335,221)	(393,624)
Interest receivable		4,121	1,170
Interest payable		(20)	(85)
Other expenses	3	(36,162)	-
Loss on ordinary activities		(367,282)	(392,539)
Taxation on profit on ordinary activities	4	-	-
Loss for the financial year		(367,282)	(392,539)
Net comprehensive Loss for the year		(367,282)	(392,539)

The results above derive from continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

Statement of Financial Position

	Note	As at 31 December 2018 £	As at 31 December 2017 £
Current assets			
Debtors: amounts falling due within one year	6	1,153,826	859,612
Cash at Bank		<u>141,657</u>	<u>159,646</u>
		1,295,483	1,019,258
Current liabilities			
Creditors: amounts falling due within one year	7	<u>(1,153,922)</u>	<u>(660,415)</u>
Net current assets		141,561	358,843
		<u>141,561</u>	<u>358,843</u>
Capital and reserves			
Called up share capital	8	1,300,100	1,150,100
Profit and loss reserve		<u>(1,158,539)</u>	<u>(791,257)</u>
Total shareholder funds		141,561	358,843

The above Statement of Financial Position should be read in conjunction with the accompanying notes on pages 12 to 18.

These financial statements on pages 8 to 18 were approved by the board of directors of Alter Domus Fund Services (UK) Limited on 23 April 2019 and were signed on their behalf by:



Spencer Wells
Director, Alter Domus Fund Services (UK)
Limited

Statement of changes in equity

For the year ended 31 December 2018

	Called-up Share Capital £	Profit and Loss reserve £	Total Equity £
At 1 January 2017	650,100	(398,718)	251,382
Share issue	500,000	-	500,000
New comprehensive Loss for the year	-	(392,539)	(392,539)
At 31 December 2017	1,150,100	(791,257)	358,843

	Called-up Share Capital £	Profit and Loss reserve £	Total Equity £
At 1 January 2018	1,150,100	(791,257)	358,843
Share Issue	150,000	-	150,000
New comprehensive Loss for the year	-	(367,282)	(367,282)
At 31 December 2018	1,300,100	(1,158,539)	141,561

Statement of cash flows

For the year ended 31 December 2018

		As at 31 December 2018 £	As at 31 December 2017 £
Net cash (outflow) from operating activities	11(a)	<u>(167,992)</u>	<u>(379,115)</u>
<u>Financing activities</u>			
Issue of ordinary share capital		<u>150,000</u>	<u>500,000</u>
		150,000	500,000
Net cash flow from financing activities			
Increase / (Decrease) in cash and cash equivalents		(17,989)	120,885
Opening Cash and cash equivalents		<u>159,646</u>	<u>38,761</u>
Cash and cash equivalents as at 31 December	11(b)	<u>141,657</u>	<u>159,646</u>

Notes to the Financial Statements for the year ended 31 December 2018

1 Principal accounting policies

The following accounting policies have been applied consistently in the preparation of the Company's financial statements.

(a) Basis of preparation

The financial statements have been prepared in compliance with the Financial Reporting Standards applicable in the UK ("FRS102"), as it applies to the financial statements of the Company for the year ended 31 December 2018.

The financial statements were authorised for issue by the Board of Directors on 23 April 2019. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional and presentation currency.

The Company's ultimate parent, Alter Domus Participations S.à r.l., has confirmed that it will continue to provide financial support to the Company for the foreseeable future. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

(b) Taxation and deferred taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided fully in respect of all timing differences between the accounting and tax treatment of income and expenses at the reporting date, the anticipated reversal of which will result in a change in future liability to tax. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises based on current tax rates and law measured on a non-discounted basis. A deferred tax asset is regarded 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 timing differences can be deducted.

(c) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Sales are recognised upon performance of services, net of sales tax and discounts.

The Company recognises revenue when the amounts of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Revenue from services is generally recognised in the period the services are provided, based on the service performed to date as a percentage of the total services to be performed. Accordingly revenue is recognised by reference to the stage of completion of the transaction under the percentage of completion method.

Interest income, is recognised as interest accrues and is included in the profit or loss for the period in which they arise.

Notes to the Financial Statements for the year ended 31 December 2018

1 Principal accounting policies (continued)

(d) **Accrued income**

Administration services provided to clients in the year that were not billed have been recognised as amounts receivable from clients in the year.

(e) **Short-term creditors and debtors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

(f) **Foreign currency translation**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All gains and losses are taken to the profit and loss account.

(g) **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

(h) **Expenses**

Expenses are recognised in the profit and loss account on an accruals basis.

Notes to the Financial Statements for the year ended 31 December 2018

2 Administrative expenses

	31 December 2018 £	31 December 2017 £
Intercompany Project costs	344,586	160,890
Intercompany Occupancy costs	104,016	155,179
Intercompany IT costs	128,937	117,541
Intercompany Management costs	27,094	43,812
Intercompany Business Development costs	16,243	22,235
Personnel costs	613,947	586,415
Professional costs	9,208	9,024
Licence fees	3,256	2,478
General expenses	8,012	7,016
Marketing and travel costs	998	4,159
FX losses	8,680	18,823
Bank charges	561	664
Insurance	18,674	13,802
Total administrative expenses	1,284,212	1,142,038
Services provided by the Company's auditors:		
Fees payable for the statutory audit	12,063	13,178
Fees payable for the CASS audit	3,873	3,790
Total administrative expenses	1,300,148	1,169,006

Employees

The average number of persons employed by the Company during the year was ten (10) (2017: 9).

The following staff costs relate to the remuneration of employees who have contracts of employment with the Company (included in Personnel Costs above).

	31 December 2018 £	31 December 2017 £
Salaries, wages and bonuses	532,886	485,006
Provision for Holiday pay	-	273
Recruitment Agency Fees	-	21,600
Training, Team Building & other staff events	3,180	620
Social security costs and private medical insurance	77,881	78,916
Total	613,947	586,415

Notes to the Financial Statements for the year ended 31 December 2018

3. Other expenses

Other expenses comprises of expenses relating to recharges received from Alter Domus Participations S.à r.l.in relation to intercompany overhead recharges under the Group Transfer Pricing policy.

4. Taxation on loss on ordinary activities

a) Tax on profit on ordinary activities

The tax charge / (credit) comprises:

	31 December 2018 £	31 December 2017 £
Current Tax	-	-
Deferred Tax	-	-
Tax on profit on ordinary activities	-	-

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2017: lower) than the standard effective rate of corporation tax. The differences are explained below:

	31 December 2018 £	31 December 2017 £
(Loss) before taxation	(367,282)	(392,539)
Expected tax (credit) at 19% (2017:19.25%)	(69,784)	(75,564)
Expenses not deductible for tax purposes	-	83
Losses surrendered as group relief for no consideration	-	10,382
Loss in year where no deferred tax asset recognised	69,784	65,099
Total tax charge / (credit)	-	-

c) Deferred Tax

Deferred tax assets have not been recognised in respect of loss carry forward of £1,042,543 (2017: £674,441) as there was insufficient evidence as to their recoverability.

Notes to the Financial Statements for the year ended 31 December 2018

5 Directors' remuneration

Senior AD employees with the appropriate experience and skills can be requested to serve as directors of legal entities, and are remunerated accordingly. Each potential responsibility is not costed out separately. Accordingly, we use a market rate of £5,000 per director, per legal entity to serve as the basis for an allocation of director fees to each legal entity.

6 Debtors: amounts falling due within one year

	31 December 2018 £	31 December 2017 £
Trade Debtors	1,027,744	805,807
Receivable from related parties	58,488	7,311
Accrued Income	27,000	17,881
Deferred charges	14,478	8,387
VAT receivable	26,116	20,226
Total debtors	1,153,826	859,612

7 Creditors: amounts falling due within one year

	31 December 2018 £	31 December 2017 £
Payable to related parties	951,109	536,369
Trade payables	1,286	375
VAT Payable	111,570	86,137
Deferred income	1,942	2,503
Accruals	88,015	35,031
Total creditors	1,153,922	660,415

Holiday pay accrual

An accrual amounting to £ 4,146 (2017: £4,279) has been included in the accruals figure (above) for the short-term compensated absences, as holiday entitlement earned but not taken at the end of the financial year

Notes to the Financial Statements for the year ended 31 December 2018

8 Called up share capital

	31 December 2018 £	31 December 2017 £
Allotted and called up		
Ordinary shares	<u>1,300,100</u>	<u>1,150,100</u>

There is no authorised share capital specified in the Articles of Association.

On 29 October 2018 a further 150,000 ordinary shares were issued for £150,000 to Alter Domus Participations S.à.r.l

As at 31 December 2018, the shareholding of the Company is as follows:

Alter Domus Participations S.à r.l.	100 %
-------------------------------------	-------

9 Immediate and ultimate parent undertaking

The immediate and ultimate parent company is Alter Domus Participations S.à r.l., a company registered and incorporated in Luxembourg.

10 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with other entities which are wholly owned by the Alter Domus Group. The Company is exempt under FRS102 from disclosing related party transactions with entities that are wholly owned by the Alter Domus Group.

Notes to the Financial Statements for the year ended 31 December 2018

11 Notes to the statement of cash flows

(a) Reconciliation of loss to net cash (outflow) from operating activities

	2018 £	2017 £
Loss for the year	(367,282)	(392,539)
Adjustments to reconcile losses for the year to net cash flow from operating activities		
Working Capital movement:		
Increase in debtors	(294,217)	(311,083)
Increase in creditors	493,507	324,507
Net cash (outflow) from operating activities	(167,992)	(379,115)

(b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2018 £	2017 £
Cash at bank	141,657	38,761
Cash and cash equivalents	141,657	38,761