Aventicum Real Estate Ltd
(formerly Aventicum Capital Management (UK) I Holding Ltd)
Annual Report 2020

COMPANY REGISTRATION NUMBER: 08804092

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COMPANY INFORMATION

Board of Directors

Stephen Foster (Non-Executive Chairman)
Kevin Studd (Independent Non-Executive Director)
Ferenc Schnitzer

Company Secretary

Paul Hare

Registered Office

One Cabot Square
London E14 4QJ
United Kingdom

Registration number

08804092

Independent Auditors

PricewaterhouseCoopers LLP
Statutory Auditors
7 More London Riverside
London SE1 2RT

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present the Strategic report for the year ended 31 December 2020.

Background

Aventicum Real Estate Ltd, formerly Aventicum Capital Management (UK) I Holding Ltd (the 'Company'), is a wholly-owned subsidiary of Aventicum Capital Management Holding AG ('ACMH'), which was established in December 2012 as a joint venture between Credit Suisse Asset Management International Holdings Ltd ('CSAMI') and Qatar Holding LLC. Doha ('QH'). The Company is a Corporate Member of Aventicum Capital Management (UK) LLP ('ACM LLP') and Aventicum Advisers LLP, formerly Aventicum Real Estate LLP ('RE LLP').

Principal Activities

The Company is an investment holding company, having an investment in ACM LLP, whose business was to provide investment advice and/or investment management services including acting as an Alternative Investment Fund Manager ('AIFM') as defined under Directive 2011/61/EU on Alternative Investment Fund Managers and any related services. The principal intention of the ACM LLP was to launch funds with seed capital provided by Qatar Investment Authority and Credit Suisse First Boston (Latam Holdings) LLC and to engage in active marketing for external investors to participate in the funds. However, in Q4 2020, the shareholders decided to discontinue the business and ACM LLP will be wound up in H2 2021.

In addition, the Company is an investment holding company, having an investment in RE LLP, whose business was to provide sub-advisory services to fellow members of the Aventicum Capital Management Holding AG joint venture in connection with real estate investments across Europe and any related services or activities necessary to, incidental to, or arising out of the provision of such services. The Real Estate Business was moved from RE LLP to the Company in Q1 2021; the intention is to liquidate RE LLP in H2 2021.

Principal Risks and Uncertainties

The Company is a holding company and the main risk facing the Company is the impairment of its investments. The Company followed global Credit Suisse policies and procedures and was subject to Credit Suisse risk management oversight. The Company's financial risk management objectives and policies are outlined in Note 14 – Financial risk management.

Business Review

Key performance indicators ('KPIs')

The Company uses the following KPIs to measure its performance:

	2020 £000	2019 £000	Change £000	Change %
Cash at bank	62	87	(25)	(29)
Total equity	235	2,150	(1,915)	(89)

Cash balances and capital of the Company are reviewed to ensure continued support for the Company's investment in both LLPs.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Current year performance

The loss attributable to shareholders for the year was £2,240k (2019: profit of £39k). As at 31 December 2020, the Company had total assets of £372k (2019: £2,218k) and total equity of £235k (2019: £2,150k). The negative return on total assets for the year was 602%, defined as the ratio of the loss/profit attributable to equity holders of the Company to Total assets (2019: positive 2%).

Future Developments

The rapid spread of COVID-19 across the world in early 2020 led to the introduction of tight government controls and travel bans, as well as the implementation of other measures, which quickly closed down activity and increased economic disruption globally throughout 2020. The ongoing situation has resulted a minimal disruption to the activities however the Company is closely monitoring the impact of COVID-19 on its operations and business.

The Board intends to liquidate its Investment in both ACM LLP and Aventicum Advisers LLP (formerly Aventicum Real Estate LLP'). The business from Aventicum Advisers LLP including the employees was transferred into the Company on 31 March 2021.

On behalf of the Board

S Foster.

Stephen Foster

One Cabot Square
London E14 4QJ
United Kingdom

27 May 2021

Company registration number: 08804092

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

International Financial Reporting Standards

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

The financial statements were authorised for issue by the Directors on 27 May 2021.

Dividends

No dividends were paid or proposed for the year ended 31 December 2020 (2019: £Nil).

Political Donations

There were no political donations made or political expenditure incurred for the year ended 31 December 2020 (2019: £Nil).

Directors

The Directors who held office during the year and up to the date of this report were as follows:

Stephen Foster (Non-Executive Chairman)
Kevin Studd (Independent Non-Executive Director)
Ferenc Schnitzer

There was no change in Board composition during the year, although Stephen Foster became a Non-Executive Director in June 2020. Prior to June 2020, Stephen Foster held the position of Chairman.

Risk and Capital

Details of Capital are set out in Note 11 – Share capital. The way in which risks are managed is detailed in the Strategic Report, and the risks are detailed in Note 14 – Financial risk management.

Disclosure of information to Auditors

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

Independent Auditors

During 2020, the Board approved PricewaterhouseCoopers LLP ('PwC') as the new statutory auditors for the Company, effective for the fiscal year ending 31 December 2020.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Future Developments

The Board intends to liquidate its Investment in both ACM LLP and Aventicum Advisers LLP (formerly Aventicum Real Estate LLP'). The business from Aventicum Advisers LLP including the employees was transferred into the Company on 31 March 2021.

Subsequent Event - Change of Name

On 27 April 2021, Aventicum Capital Management (UK) I Holding Ltd changed its name to 'Aventicum Real Estate Ltd' as part of the Board's intention to reorganise Aventicum Real Estate business activities.

On behalf of the Board

Stephen Foster

One Cabot Square
London E14 4QJ
United Kingdom

27 May 2021

Company registration number: 08804092

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Independent auditors' report to the members of Aventicum Real Estate Ltd (formerly 'Aventicum Capital Management (UK) I Holding Ltd')

Report on the audit of the financial statements

Opinion

In our opinion, Aventicum Real Estate Ltd (formerly 'Aventicum Capital Management (UK) I Holding Ltd')'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2020; the statement of profit or loss, the statement of changes in equity and statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential for manual journal entries being recorded in order to manipulate financial performance. Audit procedures performed by the engagement team included:

- Enquiring of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading relevant governance committee minutes to identify any significant or unusual transactions;
- Identifying and, where relevant, testing journal entries; and
- Incorporating unpredictability into the nature, timing and extent of audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Amena Shaista

Amena Shaista (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 June 2021

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Share of partnership profit		17	75
Total income		**17**	**75**
General and administrative expenses	4	(33)	(35)
Impairment of investment in the LLPs	9	(2,188)	–
Total operating expenses		**(2,221)**	**(35)**
(Loss)/Profit before tax		**(2,204)**	**40**
Income tax expense	7	(36)	(1)
(Loss)/Profit after tax		**(2,240)**	**39**
(Loss)/Profit attributable to equity holders of the Company		**(2,240)**	**39**

There were no items of other comprehensive income during the year.

Results for the year are from continuing operations.

The notes on pages 16 to 28 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	**2020** **£000**	**2019** **£000**
Assets			
Non-current assets			
Investment in LLPs	9	—	2,131
Current assets			
Cash at Bank	8	62	87
Amounts owed by CS group companies		17	—
Investment in LLPs	9	293	—
Total assets		**372**	**2,218**
Liabilities			
Current liabilities			
Other liabilities	10	103	67
Current tax payable		34	1
Total liabilities		**137**	**68**
Total equity			
Share Capital	11	6,750	6,750
Capital contribution reserve		325	—
Accumulated losses		(6,840)	(4,600)
Total equity		**235**	**2,150**
Total liabilities and total equity		**372**	**2,218**

The financial statements on pages 12 to 28 were approved by the Board of Directors on 27 May 2021 and signed on its behalf by:

S Foster.

Stephen Foster
Director

COMPANY REGISTRATION NUMBER: 08804092

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Capital contribution reserve	Accumulated losses	Total equity
	£000	£000	£000	£000
Balance as at 1st January 2020	6,750	—	(4,600)	2,150
Total loss recognised for the year	—	—	(2,240)	(2,240)
Additional capital contributed during the year	—	325	—	325
Balance as at 31st December 2020	**6,750**	**325**	**(6,840)**	**235**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Capital contribution reserve	Accumulated losses	Total equity
	£000	£000	£000	£000
Balance as at 1st January 2019	6,500	—	(4,639)	1,861
Total profit recognised for the year	—	—	39	39
Additional capital contributed during the year	250	—	—	250
Balance as at 31st December 2019	**6,750**	**—**	**(4,600)**	**2,150**

The notes on pages 16 to 28 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		£000	**£000**
Cash flows from operating activities			
(Loss)/Profit before tax for the year		(2,204)	40
Adjustments to reconcile net (loss)/profit to net cash used in operating activities			
Share of partnership profit on investing activities		–	(75)
Impairment of investment in LLPs	9	2,188	–
Cash used before changes in operating assets and liabilities		**(16)**	**(35)**
Increase in amounts owed by CS group companies	12	(17)	–
Increase/(decrease) in other liabilities	10	36	(132)
Net increase/(decrease) in operating assets and liabilities		**19**	**(132)**
Income taxes (paid)/refund		(3)	125
Net cash used in operating activities		**–**	**(42)**
Cash flows from investing activities			
Investments in LLP	9	(350)	(200)
Share of partnership profit received		–	75
Net cash used in investing activities		**(350)**	**(125)**
Cash flows from financing activities			
Share capital issued	11	–	250
Capital contribution received		325	–
Net cash generated from financing activities		**325**	**250**
Net (decrease)/increase in cash and cash equivalents		**(25)**	**83**
Cash and cash equivalents at the beginning of the year	8	87	4
Cash and cash equivalents at the end of the year	8	62	87

Cash and cash equivalents at the end of the year comprise:

	Note	2020	2019
		£000	**£000**
Cash at bank	8	62	87
Cash and cash equivalents at the end of the year		**62**	**87**

The notes on pages 16 to 28 form an integral part of these financial statements.

Notes to financial statements **Page no.**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General

Aventicum Real Estate Ltd (formerly 'Aventicum Capital Management (UK) I Holding Ltd') is a Company domiciled in the United Kingdom. The address of the Company's registered office is One Cabot Square, London E14 4QJ. The financial statements were authorised for issue by the Board of Directors on 27 May 2021.

2. Accounting policies

a) Statement of compliance

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

b) Basis of preparation

The financial statements are presented in Great British Pounds ('£' or 'GBP'), rounded to the nearest thousand. They are prepared on the historical cost basis. The accounting policies set out below have, unless otherwise stated, been consistently applied to all the years presented in these financial statements.

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Critical accounting estimates and judgements applied to these financial statements are set out in Note 3 – Critical accounting estimates and judgements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision has a significant effect on both current and future years.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In considering going concern, and due to the market developments during the year, caused by COVID-19, the directors reassessed these components and have concluded the going concern basis is still appropriate.

Credit Suisse AG continues to provide confirmation that it will provide sufficient funding to the Company to ensure that it maintains a sound financial situation and is in a position to meet its debt obligations for the foreseeable future. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Standards and Interpretations effective in the current year

The Company has adopted the following amendments in the current year:

- **Amendment to definition of Business (IFRS 3):** In October 2018, the IASB issued 'Definition of a Business' (Amendments to IFRS 3) to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. The Company adopted the Amendments to IFRS 3 on 1 January 2020. The adoption had no impact to the Company's financial position, results of operation or cash flows.

- **Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform:- Phase 1:** In September 2019, the IASB issued 'Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform' (Amendments to IFRS 9, IAS 39 and IFRS 7) in order to address the financial reporting consequences of the interest rate benchmark reform in the period before the replacement of an existing interest rate benchmark with an alternative reference rate. The amendments are effective for annual periods beginning on or after 1 January 2020. The Company adopted the Amendments to IFRS 9, IAS 39 and IFRS 7 on 1 January 2020. The adoption had no impact to the Company's financial position, results of operation or cash flows.

Standards and Interpretations endorsed by the EU and not yet effective

The Company is not yet required to adopt the following standards and interpretations which are issued by the IASB but not yet effective and have been endorsed by the EU.

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform:- Phase 2:** In August 2020, IASB issued 'Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform- Phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) in order to address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues).

  The amendments are effective for business combinations occurring in reporting periods starting on or after 1 January 2021. Earlier application is permitted. The amendments will not have an impact to the Company's financial position, results of operation or cash flows.

c) Impairment of financial assets

The impairment requirements apply primarily to financial assets measured at amortised cost and fair value through other comprehensive income The impairment requirements have changed from an incurred loss model under IAS 39 to an expected credit loss ('ECL') model under IFRS 9 by incorporating reasonable and supportable forecasts of future economic conditions available at the reporting date. This requires considerable judgement over how changes in economic factors affect ECLs, which is determined on a probability-weighted basis.

d) Cash at bank

For the purpose of preparation and presentation of statement of cash flows, cash and cash equivalents comprise the components of cash at bank that are short term, highly liquid instruments with original maturities of three months or less which are subject to an insignificant risk of change in their fair value, and that are held or utilised for the purpose of cash management.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

e) Income tax

Income tax recognised in the Statement of Profit or Loss for the year comprises current tax and deferred tax.

Income tax is recognised in the Statement of Profit or Loss except to the extent that it relates to items recognised directly in equity, in which case the income tax is recognised in equity. For items initially recognised in equity and subsequently recognised in the Statement of Profit or Loss, the related income tax initially recognised in equity is also subsequently recognised in the Statement of Profit or Loss.

Current tax is the expected tax payable on the taxable income for the year and includes any adjustment to tax payable in respect of previous years. Current tax is calculated using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax-base. The amount of deferred tax recognised is based on the amount at which it is expected to recover or settle the carrying amount of assets and liabilities in the Statement of Financial Position, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Information as to the calculation of income tax on the profit or loss for the years presented is included in Note 7.

f) Investment in the LLPs

Investment in the LLPs is carried at cost and is reviewed for impairment on an annual basis to determine whether there is any indication that the carrying amount may no longer be recoverable. If such an indication exists, the carrying amount of the investment is written down to its recoverable amount (i.e. the higher of the fair value less costs to sell and the value in use). Management uses a discounted cash flow model to estimate the value in use.

Any charges relating to the impairment of investment in the LLPs are recognised in the Statement of Profit or Loss in the year in which the impairment occurs. When an investment is disposed, the profit or loss resulting from the disposal is recognised in the Statement of Profit or Loss.

Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

g) Foreign currency

The Company's functional currency is GBP. Transactions denominated in currencies other than GBP are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to GBP at the foreign exchange rate ruling at that date. Foreign exchange differences arising from translation are recognised in the Statement of Profit or Loss. Non-monetary assets and liabilities denominated in foreign currencies at Statement of Financial Position date are not revalued for movements in foreign exchange rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

h) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date. The fair value measurement guidance establishes a single authoritative definition of fair value and sets out a framework for measuring fair value. Fair value can be based on quoted market prices (unadjusted); observable inputs other than quoted prices or unobservable inputs. The inputs that are used to calculate the fair value determine which level of the fair value hierarchy the instrument is categorised in.

3. Critical accounting estimates and judgements

In order to prepare the financial statements in accordance with IFRS, management is required to make certain accounting estimates to ascertain the value of assets and liabilities. These estimates are based upon judgement and the information available at the time, and actual results may differ materially from these estimates. Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent, reasonable and consistently applied.

COVID-19 has dramatically altered the day to day functioning of organisations across the global economy. The Company was closely monitoring the COVID-19 situation and the effects on its subsidiaries. The medium- to long-term impacts of the outbreak cannot be estimated precisely and could impact the assessment of certain accounting estimates, such as the valuation of the Company's investments.

Impairment for the investments in the LLPs

Investments in ACM LLP and RE LLP are recorded at cost in the financial statements and are assessed for impairment each year.

Key Judgements
Impairment needs to be recorded if the carrying amount is higher than the recoverable amount through use or sale of the asset. Please see Note 9 - Investment in the LLPs for more information.

Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements.

4. General and administrative expenses

	2020 £000	2019 £000
Directors' fees	(20)	(21)
Social security cost	(2)	(2)
Auditors' remuneration - audit services*	(7)	(5)
Legal fees	—	(2)
VAT expenses	(1)	(2)
Other outsourced services	(3)	(3)
Total general & administrative expenses	**(33)**	**(35)**

*Auditors' remuneration relates to statutory audit fees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

5. Allowance for credit losses

The additional allowance for credit losses on Cash and Due from Bank is £0.01k (2019: £0.03k)

6. Employees

The Company did not have any employees during the year (2019: Nil). The Company receives a range of administrative services from related companies within the Credit Suisse Group. Credit Suisse Group companies have borne the cost of these services.

7. Taxation

	2020 £000	2019 £000
Current tax		
Current tax charge for the period	(26)	—
Adjustment in respect of previous periods	(10)	(2)
Total current tax expense	**(36)**	**(2)**
Income tax expense	**(36)**	**(2)**
Loss/(Profit) before tax	**2,204**	**(40)**
Loss/(profit) before tax multiplied by the UK statutory rate of corporation tax at the rate of 19%	418	(8)
Tax effect of income from LLP	(29)	(9)
(Recognition)/derecognition of deferred tax asset on tax losses	—	17
Non-deductible impairment of investment in LLP	(415)	—
Adjustments to current tax in respect to previous periods	(10)	(2)
Income tax expense	**(36)**	**(2)**

Deferred tax assets of £nil have not been recognised as at 31 December 2020 (2019: £nil).

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023.

8. Cash at bank

	2020 £000	2019 £000
Cash at bank	62	87
Total cash at bank	**62**	**87**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

9. Investment in the LLPs

Name of the LLPs	**Nature of business**
Aventicum Capital Management (UK) LLP	Asset Management
Aventicum Advisers LLP (formerly 'Aventicum Real Estate LLP')	Investment Advisory

	2020	**2019**
	£000	**£000**
Carrying value as at 1 January	2,131	1,931
Add: Investment made during the year	350	200
Less: Impairment recognised	(2,188)	—
Carrying value as at 31 December	**293**	**2,131**

The Company is a Corporate Member of both LLPs and has contributed 50% towards the Members' equity in each LLP, which as at 31 December 2020 amounted to £6.85m in ACM LLP and £0.15m in Aventicum Advisers LLP (formerly 'Aventicum Real Estate LLP'), respectively.

The members of ACM LLP and Aventicum Advisers LLP (formerly 'Aventicum Real Estate LLP') intend to liquidate the LLPs in the next 12 months and therefore do not consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements. Accordingly the financial statements of LLPs have been prepared on a basis other than going concern.

In 2020, the Net Asset Value ('NAV') at 31 December 2020 was considered to determine the recoverable amount for the investment in ACM LLP and Aventicum Advisers LLP (formerly 'Aventicum Real Estate LLP').

Based on the impairment assessment in 2020, the recoverable amount of the investment in Aventicum Advisers LLP (formerly 'Aventicum Real Estate LLP') was higher than its carrying value and no impairment has therefore been recognised for the year ended 31 December 2020. The carrying amount of the investment in ACM LLP was £2,331k. As the recoverable amount of £143k is lower than the carrying amount, the impairment of £2,188k has been recognised for the investment in ACM LLP for the year ended 31 December 2020.

10. Other liabilities

	2020	**2019**
	£000	**£000**
Amount payable for audit services	8	5
Amounts owed to CS group companies	95	62
Total other liabilities	**103**	**67**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

11. Share capital

	2020		2019	
	No. of shares	**£000**	**No. of shares**	**£000**
Allotted, called up and fully paid:				
Ordinary shares of £1 each	6,750,001	6,750	6,750,001	6,750
Total allotted, called up and fully paid share capital	**6,750,001**	**6,750**	**6,750,001**	**6,750**

The authorised capital of the Company is unlimited.

Capital management

The Board's policy is to maintain an adequate capital base so as to enable smooth operation of the Company's activities. The capital structure of the Company consists of equity attributable to equity holders of the Company comprising issued capital, capital contribution reserve and accumulated losses. The Company funds its operations and growth through equity. This includes assessing the need to raise additional equity where required. During 2020, the Company made a capital contribution of £325k into ACM LLP.

12. Related party transactions

The Company is wholly owned by Aventicum Capital Management Holding AG, incorporated in Switzerland. The ultimate parent company is Credit Suisse Group AG, which is incorporated in Switzerland. Copies of Group financial statements of Credit Suisse AG and Credit Suisse Group AG, which are those of the smallest and largest groups in which the results of the Company are consolidated, are available to the public and may be obtained from Credit Suisse Group AG, Paradeplatz 8, 8070 Zurich, Switzerland and UK Companies House, Crown Way, Cardiff CF14 3UZ, United Kingdom.

The Company has an investment in ACM LLP and RE LLP and the results of the LLPs are consolidated into the Credit Suisse Group AG Financial Statements. The registered office address for ACM LLP is 4 Sloane Terrace, London SW1X 9DQ, United Kingdom. The registered office address for RE LLP is 16 Berkeley Street, London, England, W1J 8DZ, United Kingdom.

The LLP did not have any guarantees given and received from the related parties. All related party transactions are based on pre-existing business arrangements. The following table sets forth the Company's related party balances and transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

a) Related party assets and liabilities

		2020 £000
	LLPs	**Fellow group Companies**
Assets		
Cash at bank	—	62
Investment in the LLPs	293	—
Amounts owed by CS group companies*	17	—
Total assets	**310**	**62**
Liabilities		
Amounts owed to CS group companies	93	2
Total liabilities	**93**	**2**

*Relates to receivable from Aventicum Advisers LLP (formerly 'Aventicum Real Estate LLP') in respect of its share of partnership profits.

		2019 £000
Assets	**LLPs**	**Fellow group Companies**
Cash at bank	—	87
Investment in the LLPs	2,131	—
Total assets	**2,131**	**87**
Liabilities		
Amounts owed to CS group companies	62	—
Total liabilities	**62**	**—**

b) Remuneration of Directors

Refer to note 4 for the aggregate amount of remuneration paid to or receivable by the Independent Director in respect of qualifying services. Based on an assessment of the effort and time commitment required, the Executive Director does not receive emoluments for their role as a director of Aventicum Real Estate Ltd (formerly 'Aventicum Capital Management (UK) I Holding Ltd'). The Executive Director is an employee of a related company and the Company does not reimburse this related company for the services rendered by the Director. Directors' fees for the non-executive chairman are paid on behalf of the company by Aventicum Capital Management (UK) LLP, and the company does not reimburse this related undertaking for the services rendered by the Director.

c) Loans and advances to Directors

There were no loans or advances made to Directors during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

13. Financial instruments

The disclosure of the Company's financial instruments below includes the following sections:

- Analysis of financial instruments by categories; and
- Fair value of financial instruments not carried at fair value.

a) Analysis of financial instruments by categories

Financial instruments are measured on an ongoing basis either at fair value or at amortised cost. The following table sets out the carrying amounts and fair values of the Company's financial instruments.

The following table presents the financial assets and liabilities by categories.

2020	Other amortised cost (Total carrying amount)	Fair Value
	£000	£000
Financial assets		
Cash at bank	62	62
Amounts owed by CS group companies	17	17
Total	**79**	**79**
Financial liabilities		
Other liabilities	103	103
Total	**103**	**103**

2019	Other amortised cost (Total carrying amount)	Fair Value
	£000	£000
Financial assets		
Cash at bank	87	87
Total	**87**	**87**
Financial liabilities		
Other liabilities	67	67
Total	**67**	**67**

Fair value hierarchy

The financial instruments carried at fair value were categorised under the three levels of the fair value hierarchy as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include: (i) quoted prices for similar assets or liabilities in active markets;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

(ii) quoted prices for identical or similar assets or similar liabilities in markets that are not active, that is, markets in which there are few transactions for the asset and liability, the prices are not current or price quotations vary substantially either over time or among market makers, or in which little information is publicly available; (iii) input other than quoted prices that are observable for the asset or liability; or (iv) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). These inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available in the circumstances, which include the Company's own data. The Company's own data used to develop unobservable inputs is adjusted if information indicates that market participants would use different assumptions.

b) Fair value of financial instruments not carried at fair value

IFRS requires the disclosure of the fair value of financial instruments not carried at fair value in the Statement of Financial Position. IFRS also requires the disclosure of the fair values of these financial instruments within the fair value hierarchy.

The following table presents the carrying value of the financial instruments that are not held at fair value across the three levels of the fair value hierarchy.

As at 31 December 2020

£000	**Level 1**	**Level 2**	**Level 3**	**Total at fair value**
Financial assets				
Cash at bank	62	—	—	62
Amounts owed by CS group companies	—	17	—	17
Total financial assets at fair value	**62**	**17**	**—**	**79**

	Level 1	**Level 2**	**Level 3**	**Total at fair value**
Financial liabilities				
Other liabilities	—	103	—	103
Total financial liabilities at fair value	**—**	**103**	**—**	**103**

As at 31 December 2019

£000	**Level 1**	**Level 2**	**Level 3**	**Total at fair value**
Financial assets				
Cash at bank	87	—	—	87
Total financial assets at fair value	**87**	**—**	**—**	**87**

	Level 1	**Level 2**	**Level 3**	**Total at fair value**
Financial liabilities				
Other liabilities	—	67	—	67
Total financial liabilities at fair value	**—**	**67**	**—**	**67**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

14. Financial risk management

a) Overview

The Company is part of Credit Suisse Group ('CS Group'). The Company's risk management process is designed to ensure that there are sufficient independent controls to measure, monitor and control risks in accordance with the Company's control framework and in consideration of industry best practices.

Risk governance

The Company's risk management framework is based on transparency, management accountability and independent oversight. As a consequence of the increased complexity of risks, the Company has defined its risk perspective broadly. Risk management plays an important role in the Company's business planning process and is strongly supported by senior management and the Board of Directors. The primary objectives of risk management are to protect the Company's financial strength and reputation, while ensuring that capital is well deployed to support business activities and grow shareholder value.

Risk organisation

Risks arise in all of CS Group business activities and cannot be completely eliminated, but they are managed through its internal control environment. CS Group risk management organisation reflects the specific nature of various risks in order to ensure that risks are managed within limits set in a transparent and timely manner. The Company has exposure to the following financial risks:

- Credit risk; and
- Liquidity risk.

b) Credit risk

Overview

Credit risk is the possibility of loss incurred as a result of a borrower or counterparty failing to meet its financial obligations or as a result of deterioration in the credit quality of the borrower or counterparty. The Company only deposits cash with other CS Group entities.

Maximum exposure to credit risk:	**2020**	**2019**
	£000	**£000**
Cash at bank	62	87
Amounts owed by CS group companies	17	—
Total financial assets	**79**	**87**

No collateral or credit enhancements are held against cash and cash equivalents. The amounts in the above table are based on carrying value.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when there is evidence that one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Maximum exposure to credit risk and credit quality analysis-

Cash and cash equivalents

The cash and cash equivalents of £62k at 31 December 2020 (2019: £87k) with provision for credit losses of £0.15k (2019: £0.13k) at Stage 1 are held with financial institution counterparties with a rating of A.

c) Liquidity risk

Liquidity risk is the risk that a Company is unable to fund assets and meet obligations as they fall due under both normal and stressed market conditions. Liquidity, as with funding, capital and foreign exchange exposures, is centrally managed by Treasury. The ultimate responsibility for the liquidity and funding strategy resides with the Board of Directors. The implementation and execution of the funding and liquidity strategy is managed by Treasury for adherence to the funding policy and the efficient coordination of the secured funding desks. The liquidity and funding profile is regularly reported to the Board of Directors, which defines the Company's risk tolerance and sets parameters for the balance sheet usage of the business.

The following table sets out details of the remaining undiscounted contractual maturities for financial liabilities.

As at 31 December 2020

£000	**On demand**	**Due between 3 and 12 months**	**Total**
Other liabilities at amortised cost	95	8	103
Total financial liabilities	**95**	**8**	**103**

As at 31 December 2019

£000	**On demand**	**Due between 3 and 12 months**	**Total**
Other liabilities at amortised cost	62	5	67
Total financial liabilities	**62**	**5**	**67**

15. Subsequent events

On 27 April 2021, Aventicum Capital Management (UK) I Holding Ltd changed its name to 'Aventicum Real Estate Ltd'.

In April 2021, the Company made a capital contribution into ACM LLP of £300k.

The business from Aventicum Advisers LLP including the employees was transferred into the Company on 31 March 2021.

In the UK budget announcement of 3 March 2021, the UK government announced its intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023.