

Registered No: 04416252

# Rothschild & Co Wealth Management UK Limited (formerly Rothschild Wealth Management (UK) Limited)

Report of the Directors for the 12 months ended

31 December 2018



# Rothschild & Co Wealth Management UK Limited

---

## Report of the Directors and Financial Statements for the 12 months ended 31 December 2018

Strategic Report	3
Report of the Directors	5
Statement of Directors' Responsibilities in Respect of the Report of the Directors and the Financial Statements	6
Independent Auditor's Report to the Members of Rothschild & Co Wealth Management UK Limited	7
Statement of Comprehensive Income	9
Statement of Changes in Equity	9
Statement of Financial Position	10
Cash Flow Statement	11
Notes to the Accounts	12

## Business model

Rothschild & Co Wealth Management UK Limited ("R&CoWMUK" or the "Company") continues to provide a comprehensive range of wealth management services to some of the world's wealthiest and most successful families, entrepreneurs, foundations and charities. Our investment philosophy is built around real wealth preservation and we have developed an approach that helps us to preserve clients' capital, smoothing returns and dampening risk across the market cycle.

## Strategic objectives

Our key objectives are to continue to enhance our proposition to clients and improve profitability by increasing revenue and assets under management ("AUM"). We aim to be the best financial partner for successful families.

## Business update & key performance indicators

The Company considers its key performance indicators to be revenue, profitability and AUM. The Company has had a strong period, with revenue for the 12 months to 31 December 2018 of £68m which compares positively to the £40m that was generated for the 9 months to 31 December 2017. The revenue growth has been driven by a number of factors including a general growth in the business, with AUM increasing by £158m over the 12 month period to £8,556m. Net new assets won for the year remained strong although market performance was negatively impacted in Q4 due to generally poor market conditions.

In addition to the above, revenue has been positively impacted by increased revenue generated from the private client lending business. The Company also received approximately £1m from introducing business to an affiliated company (9 months to December 2017: £nil).

The above factors have been the main contributors to the increase in profit before tax to £15.3m (9 months to December 2017: £7.9m), which enabled the Company to make an interim dividend payment in July 2018 of £5.9m (October 2017: £4m).

As of 1 January 2018, R&CoWMUK commenced recognising the revenue and costs of the Rothschild & Co Real Estate Debt Management ("REDM") business. This REDM business has two significant investment management mandates with large listed insurance companies which total £591m and generate a strong recurring management fee and co-investment income stream. Good relationships have been developed with the existing R&CoWMUK wealth management business with which there are clear synergies relating to the underlying borrower profile, enabling client referrals across the two businesses.

## Principal risks and uncertainties

The principal risks of the Company are market, credit, legal, reputational and operational risks. Risk management policies and procedures for the Company are set and managed by the Board of Directors in line with Rothschild & Co Group practices.

The Board is ultimately responsible for the Company's risk management and internal control systems. It determines the nature and extent of the significant risks considered appropriate in pursuit of the Company's strategic objectives. Accountability for identifying and managing business risks lies with line management, subject to Board oversight. The risks are mitigated through a combination of segregation of duties, diversification of business, employing experienced staff and a robust internal control system.

The potential impact of Brexit has been considered carefully by the Board. Due to the ongoing uncertainty surrounding the future UK-EU relationship, the Board has initiated a plan to incorporate a wholly-owned, and appropriately licensed, subsidiary in Milan into which the existing activities of the Milan branch could be transferred if required.

# Strategic Report (Continued)

For the 12 months ended 31 December 2018

Rothschild & Co Wealth Management Italy SIM SpA, a fully owned subsidiary of R&CoWMUK, was incorporated on 17 December 2018. An application for a SIM (Società di Intermediazione Mobiliare) licence was submitted to the regulator, CONSOB, on 21 December 2018.

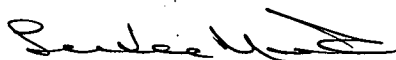
The key focus for the first half year in 2019 is to finalise the future operating model for the new Italian entity, with the objective of retaining as much of the status quo as possible.

In addition to the planning for the future of the Milan branch, the Board has also considered the impact of Brexit on the rest of the business, including the impact on client investment portfolios, EU resident clients and also the investment management delegation of EU open-ended Funds operated in Luxembourg.

We do not believe there will be any impact on the provision of existing services to existing EU resident clients. For future EU resident clients R&CoWMUK would rely on reverse solicitation, this approach limits R&CoWMUK's ability to grow an EU client base, but that does not pose a threat to the current business strategy which is to focus on the UK Wealth Management sector.

The Board assessed several alternatives should UK based entities no longer be able to manage portfolios for Collective Investment Schemes based in the EEA. However, in February 2019 ESMA announced that they and European securities regulators had agreed Memorandum of Understanding with the FCA which will allow delegation of investment management by counterparties in the EEA. Accordingly, the Company has put its contingency planning on hold for this aspect of its Brexit plan.

By order of the Board



Alexander MacPhee  
Director  
Rothschild & Co Wealth Management UK Limited  
New Court, St. Swithin's Lane, London EC4N 8AL  
4 March 2019

# Report of the Directors

---

The Directors present their report and the audited financial statements for the year ended 31 December 2018.

Please note that the comparative period for this set of financial statements is for the 9 month period ended 31 December 2017.

## Principal activities

The Company provides wealth management services for its private clients. The Company has a branch in Milan.

As discussed in the strategic report plans are in place to transfer the business of the branch into a newly incorporated entity, if required as a result of Brexit.

## Going concern

The Company's business activities, together with the principal risks and uncertainties, are set out in the strategic report. In addition, note 20 to the financial statements sets out the strategy and processes for managing the Company's capital and financial risks and provides details of its exposures to credit, market and liquidity risk. The Company and the Rothschild & Co. SCA group of companies has considerable financial resources and continues to generate new profitable business. It is well placed to manage its business risk for the foreseeable future despite an uncertain economic outlook.

There is, therefore, a strong expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

The Directors have considered the impact on going concern of Brexit and believe firstly, that the existing plan will not be materially impacted by any Brexit scenario and secondly, that where the business is potentially effected there are sufficiently strong plans in place to mitigate any potential downside.

## Regulatory disclosures

As prescribed by the Financial Conduct Authority ("FCA"), disclosures relating to the capital adequacy and remuneration policy for the Group are available on the website of the Rothschild & Co. Group.

On 31 October 2018 the Company resolved to change its name to Rothschild & Co Wealth Management UK Limited.

## Directors

The names of the Directors who have served during the year are:

Christopher Coleman,  
Alexander MacPhee  
Gary Powell  
Helen Watson  
Jonathan Westcott  
Gareth Johnson (resigned 8 March 2018)  
John Malik (appointed 27 February 2019)

## Directors' Indemnity

The Company has provided qualifying third party indemnities for the benefit of its Directors. These were provided throughout the year and remain in force at the date of this report.

## Dividends

During the year to December 2018, the Company declared and paid an interim dividend of £5,900,000 (9 months to December 2017: £4,000,000).

## Political and charitable donations

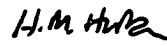
The Company made £670 of charitable donations during the year (2017 £1,000).

## Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are 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 are aware of that information.

## Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

Helen Horton   
For and on behalf of  
N.M. Rothschild & Sons Limited  
Secretary  
4 March 2019

Registered office:  
New Court, St. Swithin's Lane, London EC4N 8AL  
Registered Number 04416252

# Statement of Directors' Responsibilities in Respect of the Strategic Report, Report of the Directors and the Financial Statements

---

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# Independent Auditor's Report to the Members of Rothschild & Co Wealth Management UK Limited

## Opinion

We have audited the financial statements of Rothschild & Co Wealth Management UK Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

## Going concern

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

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

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

## Strategic report and directors' report

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

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

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

## Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

## Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities

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

# Independent Auditor's Report to the Members of Rothschild & Co Wealth Management UK Limited (Continued)

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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



Paul McKechnie (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square,  
London  
E15 5GL  
4 March 2019



# Statement of Comprehensive Income

For the year ended 31 December 2018

		12 months ended 31 December 2018	9 months ended 31 December 2017
	Note	£ 000	£ 000
Revenue	2	68,398	40,013
Administrative expenses		(53,001)	(32,076)
Depreciation		(35)	(24)
Operating profit		15,362	7,913
Other interest (payable)/receivable and similar income	6	(75)	26
Profit on ordinary activities before taxation		15,287	7,939
Tax credit / (charge) on loss on ordinary activities	7	(3,007)	(1,709)
Profit on ordinary activities after taxation		12,280	6,230
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
- exchange differences on translation of foreign operations		732	(312)
Total comprehensive income		13,012	5,918

The notes on pages 12 to 25 form an integral part of these financial statements.

There were no other gains or losses other than those referred to above, which arose in continuing operations. All amounts are from continuing operations.

## Statement of Change in Equity

For the year ended 31 December 2018

		Share Capital	Currency translation reserve	Retained Earnings	Total
	Note	£ 000	£ 000	£ 000	£ 000
As at 1 April 2017		12,020	4	6,203	18,227
Dividends paid	23	-	-	(4,000)	(4,000)
Total comprehensive income		-	(312)	6,230	5,918
As at 31 December 2017		12,020	(308)	8,433	20,145
As at 1 January 2018		12,020	(308)	8,433	20,145
Dividends paid	23	-	-	(5,900)	(5,900)
Total comprehensive income		-	732	12,280	13,012
As at 31 December 2018		12,020	424	14,813	27,257

The notes on pages 12 to 25 form an integral part of these financial statements

# Statement of Financial Position

As of 31 December 2018

	Note	31 December 2018 000's	31 December 2017 000's
<b>Non- current assets</b>			
Deferred tax	8	586	807
Other receivables	9	367	1,363
Property, plant and equipment	10	75	110
Investments	11	1,338	1,196
Investment in subsidiary	12	906	-
		<b>3,272</b>	<b>3,476</b>
<b>Current assets</b>			
Trade and other receivables	13	18,416	10,593
Other financial assets	14	359	270
Cash and cash equivalents	15	32,340	24,847
		<b>51,115</b>	<b>35,710</b>
<b>Current liabilities</b>			
Trade and other payables	16	(19,148)	(15,029)
Current tax liability		(4,154)	(1,599)
Other financial liabilities	17	(332)	(235)
		<b>(23,634)</b>	<b>(16,863)</b>
<b>Net current assets</b>		<b>27,481</b>	<b>18,847</b>
<b>Total assets less current liabilities</b>		<b>30,753</b>	<b>22,323</b>
<b>Long term liabilities</b>			
Other liabilities falling due after more than one year	18	(3,496)	(2,178)
<b>Net assets</b>		<b>27,257</b>	<b>20,145</b>
<b>Shareholder equity</b>			
Called up share capital	19	12,020	12,020
Currency translation reserve		424	(308)
Retained earnings		14,813	8,433
<b>Total shareholder equity</b>		<b>27,257</b>	<b>20,145</b>

Approved by the Board of Directors on 4 March 2019 and signed on its behalf by:



Alexander MacPhee, Director

4 March 2019

The notes on pages 12 to 25 form an integral part of the financial statements

Registered Number 04416252

# Cash Flow Statement

For the 12 months ended 31 December 2018

	12 months ended 31 December 2018 £ 000	9 months ended 31 December 2017 £ 000
<b>Cash flow used in operating activities</b>		
Profit for the year	15,287	7,939
Adjustments :		
Depreciation charge	35	24
Finance income	75	(26)
Dividend income	(29)	(12)
Fair value adjustment of investments	(28)	(67)
Net decrease/(increase) in deferred tax	221	(28)
Net decrease in other receivables	996	267
Net (increase) in trade and other receivables	(7,823)	(1,384)
Net (increase)/decrease in other financial assets	(89)	1,054
Net increase/(decrease) in trade and other payables	4,118	(2,487)
Net increase/(decrease) in deferred bonus	1,318	(174)
Net increase/(decrease) in currency translation reserve	732	(312)
Net increase/(decrease) in other financial liabilities	97	(1,040)
<b>Cash generated from operations</b>	<b>14,910</b>	<b>3,754</b>
Tax Paid	(450)	(720)
<b>Net cash flow used in operating activities</b>	<b>14,460</b>	<b>3,034</b>
<b>Cash flow from investing activities</b>		
Purchase of investments	(1,041)	(913)
Disposal of investments	20	132
Interest received	(75)	26
Dividend income	29	12
<b>Cash flow used in investing activities</b>	<b>(1,067)</b>	<b>(743)</b>
<b>Cash flow from financing activities</b>		
Dividend Paid	(5,900)	(4,000)
<b>Cash flow used in financing activities</b>	<b>(5,900)</b>	<b>(4,000)</b>
<b>Net (decrease)/increase in cash equivalents</b>	<b>7,493</b>	<b>(1,709)</b>
Cash and cash equivalents at 31 December 2017	24,847	26,556
<b>Cash and cash equivalents as at 31 December 2018</b>	<b>32,340</b>	<b>24,847</b>

The notes on pages 12 to 25 form an integral part of the financial statements

# Notes to the Accounts

For the year ended 31 December 2018

## 1. Accounting policies

Rothschild & Co Wealth Management UK Limited (the "Company") is a private company limited by shares incorporated in England & Wales (number 04416252).

The Company is exempt by virtue of Section no. s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The following accounting policies have been applied consistently in dealing with Items which are considered material in relation to the Company's financial statements.

### a. Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, endorsed by the European Union ("EU") and with those requirements of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss and liabilities for cash-settled share-based payments. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

The principal accounting policies set out below have been consistently applied in the presentation of the financial statements. The preparation of financial statements in conformity with IFRSs 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.

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

In 2017 the Company amended its financial year end from 31 March to 31 December to align with its Parent. The comparative for these financial statements have therefore been prepared for the 9 month period from 1 April 2017 to 31 December 2017.

### b. Developments in reporting standards and interpretations

#### Standards affecting the financial statements

IFRS 9 Financial Instruments, which replaced IAS 39 Financial Instruments: Recognition and Measurement, includes revised guidance in respect of the classification and measurement of financial assets and liabilities. It also introduces additional requirements for liabilities and hedge accounting as well as a new expected credit loss model for calculating impairment on financial assets. The most significant impact for the Company is to replace the categorisation of financial assets (held-to-maturity, fair value through profit or loss, available-for-sale and loans and receivables) such that financial assets would only be measured at amortised cost or fair value, depending on the assets' contractual terms. However, due to the nature of the Company's business, this has not had an effect on the Company's financial statements.

With effect from 1 January 2018, the Company adopted IFRS 15 Revenue from Contracts with Customers, replacing IAS 18 Revenue. IFRS 15 provides a principles-based framework for determining whether, how much and when revenue is recognised and replaces existing revenue standards.

The full implications of the new standard have been assessed in note 1g and it has not had an impact on revenue recognition.

# Notes to the Accounts

## b. Developments in reporting standards and interpretations (continued)

### New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for accounting periods ending after 31 December 2018 and therefore have not been applied in preparing these financial statements. The Company is currently reviewing these new standards to determine their effects on the Company's financial reporting. Those that may have a significant effect on the financial statements of the Company are:

### Accounting standards first effective for accounting periods beginning on or after 1 January 2019

The Company is required to adopt IFRS 16 Leases from 1 January 2019. The Group has assessed the estimated impact that initial application of IFRS 16 will have on its financial statements, as described below. The actual impacts of adopting the standard on 1 January 2019 may change because the new accounting policy is subject to change until the Group presents its first financial statements that include the date of initial application.

The new standard outlines one single model for lessee accounting, in which almost all lease assets and liabilities are brought on to the company's balance sheet. This replaces IAS 17/IFRIC 4, in which leases were classed as operating or finance leases, with operating lease commitments being held off-balance sheet.

The Company will recognise a Right of Use Asset and Lease Liability (estimated €1,694k) for its operating lease Milan branch office. The nature of expenses related to this lease will now change because the Company will recognise a depreciation charge for Right of Use Assets and interest expense on Lease Liabilities. R&CoWMUK is not subject to any other contracts that meet the requirements to be treated as a Right of Use Asset under IFRS 16.

The Company plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

## c. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on other assets is calculated using the straight-line method to write down the cost of assets to their residual values over their estimated useful lives, as follows:

Office equipment, fixtures and fittings     3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These gains and losses are recognised in the statement of consolidated comprehensive income.

### Impairment of property, plant and equipment

At each balance sheet date, or more frequently where events or changes in circumstances dictate, property, plant and equipment are assessed for indications of impairment. If such indications are present, these assets are subject to an impairment review.

If impaired, the carrying values of assets are written down by the amount of any impairment and the loss is recognised in the Statement of Comprehensive Income in the period in which it occurs. A previously recognised impairment loss relating to a fixed asset may be reversed when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset is only increased up to the amount that it would have been had the original impairment not been recognised.

## d. Foreign exchange

The financial statements are presented in sterling, which is the Company's functional currency. The functional currency is the currency of the primary economic environment in which the entity operates. The Milan branch's operating currency is euros, the figures of which are converted into sterling.

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions, and from the translation at period end exchange rates of monetary items that are denominated in foreign currencies, are recognised in the Statement of Comprehensive Income.

# Notes to the Accounts

## Accounting policies (continued)

### e. Pensions

The Company's post-retirement benefit arrangements are described in note 21. The Company participates in a number of pensions and other post-retirement benefit schemes, both funded and unfunded, and of the defined benefit and defined contribution types. For defined contribution schemes the contributions payable in respect of the accounting period is recognised in the Statement of Comprehensive Income.

The defined benefit scheme in which the Company participates is accounted for by the sponsoring Company (NM Rothschild & Sons Limited). The amount recognised in the sponsoring Company's balance sheet in respect of the defined benefit scheme is the difference between the present value of the defined benefit obligation at the balance sheet date, and the fair value of the plan's assets, if any. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The obligations' present value is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

As there is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to the Group, the sponsoring Company recognises the entire net defined benefit cost of the plan in its accounts. Therefore in accordance with IAS 19, the Company has accounted for its contribution to the scheme as an expense and on an accruals basis.

### f. Long term employee benefits

The Company operates long term profit share schemes for the benefit of employees. The costs of such schemes are recognised in the income statement over the period in which the services are rendered that give rise to the obligation. Where the payment of profit share is deferred until the end of a specified vesting period, the deferred amount is recognised in the income statement over the period up to the date of vesting.

The Company has entered into cash-settled share-based payment transactions as part of the long term profit share schemes. The fair value of such awards is independently measured at the date the awards are made and remeasured at each reporting date. Such awards are recognised in the income statement over the vesting period.

Share options are treated as equity-settled share-based payments. They are valued at the date they are granted to employees and that value is recognised in staff costs over the vesting period, with a corresponding adjustment to shareholders' equity. The fair value is calculated on the basis of the overall plan value at the date of grant. In the absence of any market for stock options, models are used to value the share-based payments. The only assumptions revised after the initial measurement, and hence resulting in a revaluation of the expense, are those relating to the probability that employees will leave the Rothschild & Co Group.

### g Revenue, including revenue from contracts with customers

The Company earns revenue from contracts with its customers. Under a majority of these contracts the Company has concluded that the investor/client is the customer. The Company also earns revenue from contracts with other Group companies, in these situations the Group Company is determined to be the customer. Depending on the nature of the contract and the services required by the customer, the Company may have one, or a number of performance obligations, within each contract. Revenue is recognised in accordance with IFRS 15 as the relevant performance obligations are satisfied. Further details of the Company's performance obligations are provided below.

#### Wealth Management:

The Company provides investment management services to clients on an ongoing basis. These services are deemed to be a single performance obligation that is satisfied over time once one of the following occurs:

- i) The customer consumes the benefits provided by the Group and another entity would not need to substantially re-perform the work that the Group has completed to date; or
- ii) The Company has an enforceable right to payment for performance completed to date.

#### Commissions:

The Company provides certain trading and execution services to clients which constitutes a series of discrete services, each of which satisfied at the point in time that the trade is executed or completed. The amount of fee and commission income is based on consideration specified in a legally enforceable contract. The revenue recognised for each mandated service represents a market price, and consideration received is allocated to the separately identifiable performance obligations in the contract.

#### Fee income from Group entities:

The Company arranges for certain clients to enter into mortgage relationships which it has fully risk participated to other Rothschild & Co group entities. The Company earns a commission on the interest generated on the loan for its role as introducer. This revenue is allocated to the entity which holds the entrepreneurial relationship with the underlying client.

# Notes to the Accounts

---

## Accounting policies (continued)

### **h. Interest**

Interest receivable and payable is recognised on an accruals basis.

### **i. Taxation**

Tax payable on profits is recognised in the Statement of Comprehensive Income.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax is determined using tax rates and laws that are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

The principal temporary differences arise from long term incentive payments, see note 8. Deferred tax assets are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised.

### **j. Cash and cash equivalents**

Cash and cash equivalents comprise balances with original maturities of less than three months.

### **k. Derivative financial instruments**

From time to time the Company enters into forward foreign exchange contracts in order to mitigate the foreign exchange risk for clients holding assets in non-local currencies. The Company executes forward foreign exchange contracts with its clients which are then hedged by entering into forward foreign exchange contracts with Rothschild & Co Bank AG. The derivatives are measured at fair value, with transaction costs recorded immediately in the income statement. Subsequent to initial recognition, changes in the derivatives' fair value are recognised in the income statement.

### **l. Provisions and contingencies**

Provisions are recognised only when the Company has a present obligation (legal or constructive) as a result of past events. In addition, it must be probable that a transfer of economic benefits will be required to settle the obligation, and it must also be possible to make a reliable estimate of the amount of the obligation.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed by one or more uncertain future events not wholly with the Company's control, or present obligations that are not recognised either because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be reliably estimated. Contingent liabilities are disclosed unless the possibility of a transfer of economic benefits is remote.

### **m. Financial Assets at fair value through profit or loss**

Shares held via the equity participation scheme are initially recognised at fair value, with transaction costs recorded immediately in the income statement and subsequently measured at fair value. Gains and losses arising from changes in fair value or on realisation are recognised in the income statement as other income. Dividend income from financial assets at fair value through profit or loss is recognised separately as dividend income.

### **n. Deferred tax**

Deferred tax assets, including those in relation to tax losses carried forward, are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised. As part of the assessment of recoverability of deferred tax as at the balance sheet date, and using medium-term profit forecasts, the Company has considered the period over which sufficient taxable profits would arise to utilise the deferred tax assets. The Company considers that there will be sufficient profits to utilise deferred tax assets that remain recognised on the balance sheet within a reasonable time frame.

### **o. Investment in subsidiaries**

Investments in subsidiaries are carried at cost less impairment.

# Notes to the Accounts

## Accounting policies (continued)

### p. Fair Value of Financial Assets and Liabilities

The table below analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from market data to a certain extent)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
31-Dec-18	£ '000	£ '000	£ '000	£ '000
Financial assets				
Other financial assets	-	359	-	359
Cash and cash equivalents	-	32,340	-	32,340
Trade and other receivables	-	18,416	-	18,416
Investments	1,338	-	-	1,338
<b>Fair value of financial assets</b>	<b>1,338</b>	<b>51,115</b>	<b>-</b>	<b>52,453</b>
Financial liabilities				
Other financial liabilities	-	(332)	-	(332)
Trade and other payables	-	(7,454)	-	(7,454)
<b>Fair value of financial liabilities</b>	<b>-</b>	<b>(7,786)</b>	<b>-</b>	<b>(7,786)</b>

Fair value of financial instruments				
	Level 1	Level 2	Level 3	Total
31-Dec-17	£ '000	£ '000	£ '000	£ '000
Financial assets				
Other financial assets	-	270	-	270
Cash and cash equivalents	-	24,847	-	24,847
Trade and other receivables	-	10,593	-	10,593
Investments	1,196	-	-	1,196
<b>Fair value of financial assets</b>	<b>1,196</b>	<b>35,710</b>	<b>-</b>	<b>36,906</b>
Financial liabilities				
Other financial liabilities	-	(235)	-	(235)
Trade and other payables	-	(7,092)	-	(7,092)
<b>Fair value of financial liabilities</b>	<b>-</b>	<b>(7,327)</b>	<b>-</b>	<b>(7,327)</b>

The trade and other payables balance as at 31 December 2018 is £19,148k (2017: £15,027k). However, £11,694k (2017: 7,935k) relates to accrued bonus for the period. Accrued bonuses are not treated as a financial liability as there is not a contractual obligation to deliver cash or another financial asset to another entity as per IFRS 9. Therefore, only the net balance of £7,454k (2017: £7,094k) is included within level 2 liabilities.



# Notes to the Accounts

## 2. Analysis of revenue

	12 months ended 31 December 2018	9 months ended 31 December 2017
	£ 000	£ 000
Revenue:		
Management and brokerage fees	57,513	37,510
Commission receivable and other income	10,828	2,424
Dividend income	29	12
Fair value adjustments in relation to Rothschild & Co shares	28	67
	68,398	40,013

## 2b. Segmental analysis of revenue

	R&CoWMUK London £ 000	R&CoWMUK Milan Branch £ 000
Revenue:		
12 months ended 31 December 2018	65,986	2,412
	R&CoWMUK London £ 000	R&CoWMUK Milan Branch £ 000
Revenue:		
9 months ended 31 December 2017	38,593	1,420

## 3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	12 months ended 31 December 2018	9 months ended 31 December 2017
	£ 000	£ 000
Service charges from fellow subsidiary undertakings	(13,884)	(8,019)
Auditors remuneration for the audit of the annual accounts		
Audit fees relating to the Company	(33)	(39)
Fees relating to other assurance services	(30)	(36)

## 4. Remuneration of Directors

	12 months ended 31 December 2018	9 months ended 31 December 2017
	£ 000	£ 000
Directors emoluments (excluding LTIP)	2,197	1,860
Pensions	2	5
Deferred bonus	1,558	1,371
Total remuneration	3,757	3,236
	12 months ended 31 December 2018	9 months ended 31 December 2017
Pensions		
Defined contribution pension schemes	1	1
Defined benefit pension schemes	1	1
	12 months ended 31 December 2018	9 months ended 31 December 2017
Highest paid Director		
Total remuneration (excluding LTIP)	2,246	1,892

# Notes to the Accounts

## 5. Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows:

		12 months ended 31 December 2018	9 months ended 31 December 2017
Wealth Management		143	127
	Note	12 months ended 31 December 2018 £ 000	9 months ended 31 December 2017 £0
Wages and Salaries		27,783	17,542
Social Security costs		3,697	2,370
Other pension costs	21	1,564	878
		<b>33,044</b>	<b>20,790</b>

## 6. Other interest receivable on ordinary activities

	12 months ended 31 December 2018 £ 000	9 months ended 31 December 2017 £ 000
(Payable)/Receivable to/from a fellow subsidiary undertakings	(75)	26

## 7. Taxation

	12 months ended 31 December 2018 £ 000	9 months ended 31 December 2017 £ 000
Current tax charge		
Current year	(2,672)	(1,592)
Adjustments for prior years	(35)	(164)
Origination and reversal of temporary differences	(250)	47
Change in rates	(50)	-
<b>Total tax charge</b>	<b>(3,007)</b>	<b>(1,709)</b>
<i>Profit on ordinary activities before taxation</i>	<b>15,287</b>	<b>7,939</b>
Tax credit using the UK corporation tax of 19% (17/17 : 19%)	(2,905)	(1,509)
Adjustments for prior years	(35)	(164)
Non- deductible expenses	(17)	(36)
Change in rates	(50)	-
<b>Total tax charge</b>	<b>(3,007)</b>	<b>(1,709)</b>

# Notes to the Accounts

## 8. Deferred tax

Deferred taxes are calculated on all temporary differences under the liability method using tax rates that have been substantively enacted at the balance sheet date and that are expected to apply when the temporary difference is realised. The current UK corporation tax rate is 19 per cent (9 months to December 2017: 19 per cent) although reductions in the rate to 17 per cent from April 2020 had been substantially enacted at the balance sheet date.

The movement on the deferred tax account is as follows:

	31 December 2018	31 December 2017
	£ 000	£ 000
At 31 March	807	779
Origination and reversal of temporary differences	(250)	47
Prior year	79	(19)
Change in rates	(50)	-
At 31 December	586	807

Deferred tax assets less liabilities are attributable to the following items:

	31 December 2018	31 December 2017
	£ 000	£ 000
Accelerated tax depreciation	-	26
Deferred profit share arrangements	586	781
	586	807

## 9. Other receivables

	31 December 2018	31 December 2017
	£ 000	£ 000
Other receivables	367	1,363

Other receivables relate to the pre-funded element of the bonus scheme. As part of its variable pay strategy, the Rothschild & Co Group operates long term incentive schemes for the benefit of employees. These schemes consist of deferred cash bonuses and, for certain key staff, various deferred share-based payment awards.

During the period the prepayment in relation an element of the Long Term Incentive Plan ("LTIP") scheme was cancelled and re-invested in other Rothschild & Co long term benefit schemes. The LTIP amount was transferred into another existing long term benefit scheme and thus reduced the amount on the statement of financial position as the amount invested into existing long term benefit scheme was significantly less than the original LTIP and was then amortized to the statement of comprehensive income at a faster rate.

# Notes to the Accounts

## 10. Property, plant and equipment

	31 December 2018	31 December 2017
	Office Equipment, fixtures and fittings £ 000	Office Equipment, fixtures and fittings £ 000
<b>Cost</b>		
At the beginning of period	354	354
Additions	-	-
<b>At end of period</b>	<b>354</b>	<b>354</b>
<b>Depreciation</b>		
At the beginning of period	(244)	(220)
Additions	-	-
Charged in the period	(35)	(24)
<b>At end of period</b>	<b>(279)</b>	<b>(244)</b>
<b>Net book value</b>		
At the beginning of period	110	134
<b>At end of period</b>	<b>75</b>	<b>110</b>

## 11. Investments

	31 December 2018	31 December 2017
	£ 000	£ 000
Fair value of Rothschild & Co shares as at 1 January 2018	1,196	348
Rothschild & Co share disposals during the year	(20)	(132)
Rothschild & Co share acquisitions during the year	134	913
Fair value adjustments	28	67
<b>Fair value of Rothschild &amp; Co shares as at 31 December 2018</b>	<b>1,338</b>	<b>1,196</b>

During the year the Company acquired and disposed of shares in Rothschild & Co SCA to hedge the liability deriving from an equity participation scheme for senior staff. The participation is designated at fair value through profit and loss taking the market value at year end.

## 12. Investment in Subsidiary

	31 December 2018	31 December 2017
	£ 000	£ 000
Opening balance as at 1 January 2018	-	-
Additions during the year	906	-
Impairments during the year	-	-
<b>Closing balance as at 31 December 2018</b>	<b>906</b>	<b>-</b>

On 18 December 2018 the Company invested in a newly incorporated company, Rothschild & Co Wealth Management Italy Società Di Intermediazione Mobiliare ("Milan SIM"). The Milan SIM has been created with 1,000,000 nominal shares of a value of 1 Euro per share. The Milan SIM has not commenced trading so only consists of share capital and cash.

# Notes to the Accounts

## 13. Trade and other receivables

	31 December 2018	31 December 2017
	£ 000	£ 000
Due within one year		
Amounts owed by fellow subsidiary undertaking	11,819	8,857
Other receivables, prepayments and accrued income	6,597	1,736
	<b>18,416</b>	<b>10,593</b>

## 14. Other financial assets

	31 December 2018	31 December 2017
	£ 000	£ 000
Financial assets at fair value through profit and loss	359	270

From time to time the Company enters into forward foreign exchange contracts in order to mitigate the foreign exchange risk for clients holding assets in non-local currencies by executing forward foreign exchange contracts with its clients which are then hedged by entering into forward foreign exchange contracts with Rothschild & Co Bank AG. The derivatives are measured at fair value, with transaction costs recorded immediately in the income statement. Subsequent to initial recognition, changes in the derivatives' fair value are recognised in the income statement.

The nominal value of these contracts as at the 31 December 2018 was £91,019,556 (2017: £85,749,751).

## 15. Cash and cash equivalents

	31 December 2018	31 December 2017
	£ 000	£ 000
Cash held with a fellow subsidiary undertakings	32,148	24,607
Cash held with third parties	192	240
	<b>32,340</b>	<b>24,847</b>

# Notes to the Accounts

## 16. Trade and other payables

	31 December 2018	31 December 2017
	£ 000	£ 000
Trade payables	20	65
Amounts owed to fellow subsidiary undertakings	5,844	2,896
Accruals and deferred income	13,284	12,068
	19,148	15,029

## 17. Other financial liabilities

	31 December 2018	31 December 2017
	£ 000	£ 000
Financial liabilities at fair value through profit and loss	332	235

From time to time the Company enters into forward foreign exchange contracts in order to mitigate the foreign exchange risk for clients holding assets in non-local currencies by executing forward foreign exchange contracts with its clients which are then hedged by entering into forward foreign exchange contracts with Rothschild & Co Bank AG. The derivatives are measured at fair value, with transaction costs recorded immediately in the income statement. Subsequent to initial recognition, changes in the derivatives' fair value are recognised in the income statement.

The nominal value of these contracts as at the 31 December 2018 was £91,019,556 (2017: £85,749,751).

## 18. Other liabilities falling due after more than one year

	31 December 2018	31 December 2017
	£ 000	£ 000
Amounts due under long term incentive plan	3,496	2,178

As part of its variable pay strategy, the Rothschild & Co Group operates long term incentive schemes for the benefit of employees. These schemes consist of deferred cash bonuses and, for certain key staff, various deferred share-based payment awards.

The awards are paid one, two and three years after the year of the award, and the expense is recognised over the two, three and four year periods from the start of the year of the award to the date of payment. These awards are paid on the condition that the recipient is still an employee of the Rothschild & Co Group.

## 19. Called up share capital

	31 December 2018	31 December 2017
	£ 000	£ 000
Allotted, called up and fully paid Ordinary shares of £1 each	12,020	12,020

The issued share capital of the Company comprised 12,019,774 £1 ordinary shares at 31 December 2018 (2017: 12,019,774 £1 ordinary shares).

# Notes to the Accounts

## 20. Management of financial risk

### a. Financial risk

Exposure to credit, interest rate and liquidity risk arises in the normal course of the Company's business. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the period.

### b. Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. The Company's only credit exposure is to debtors, which are frequently monitored for size and age. Balances with other companies within the Rothschild group are short term and considered as having low credit risk.

Included in the debtors as at 31 December 2018, are balances of £69,000 (2017: £46,000) which are past due at the reporting date but not impaired because the Company expects to recover these balances in full and has historical analysis to support the recovery profile. The aged analysis of the debtors is as follows:

	31 December 2018	31 December 2017
	£ 000	£ 000
Not overdue	18,348	10,547
Past due by up to: 30 days	69	2
30-90 days	-	44
Over 90 days	-	-
	18,417	10,593

### c. Interest rate risk

Bank interest on deposits held is the only source of interest exposure. The effective interest during the year to December 2018 was 0.46% (9 months to December 2017: 0.22%) and all balances mature within 1 year.

### d. Liquidity risk

Liquidity risk is defined as the risk that an entity cannot meet its cash obligations as they fall due. Liquidity risk arises principally from the mismatch of contractual maturities of assets and liabilities inherent in the business, including contingent liabilities. The Company's policy is to ensure that it has sufficient resources to meet its financial commitments as they are expected to fall due and this is monitored on a regular basis. The Company ensures it maintains sufficient liquidity in line with FCA regulations. This is overseen by the finance team with formal oversight from the Board where required. As at the period end date the Company had cash balances, all maturing in less than 3 months, which were in excess of the total liabilities balance. The Company also has the support of the wider Rothschild & Co Group of Companies if liquidity issues were to arise.

### e. Currency Risk

The Company has a currency risk to income based on assets denominated in currencies other than sterling, in particular in relation to its Milan branch. The Company has a proportion of its costs denominated in Swiss Francs, however to mitigate risk the Company arranges payment of these costs on a regular basis.

The table below summarises net exposure to foreign currency exchange rate risk measured by reference to the foreign currency exposures of monetary assets and liabilities after taking account of positions in derivatives. The net exposure reflects timing differences between the recognition of foreign currency revenues and subsequent hedging transactions.

	31 December 2018	31 December 2017
	£ 000	£ 000
US	358	1,409
Euro	7,976	(2,143)
Other	(2,080)	2,500

Fall in value of these currencies by 5 per cent against sterling: there would be a post-tax charge to the income statement of £313,000 (31 December 2017: post tax charge £72,000). There would be no material impact on equity.

Increase in value of these currencies by 5 per cent against sterling: there would be a post-tax credit to the income statement of £313,000 (31 December 2017: post tax credit £72,000). There would be no material impact on equity.

# Notes to the Accounts

## 21. Pension Scheme

The Company participates in a group scheme, the NMR Pension Fund ('NMRP'), which is operated by NM Rothschild & Sons Limited for the benefit of employees of certain Rothschild & Co group companies in the United Kingdom. The Fund comprises a defined benefit section, which closed to new entrants in April 2003, and a defined contribution section established with effect from April 2003. The assets of the Fund are held separately from those of the Group and are administered by the trustee.

As at 31 December 2018, there was a surplus of £9m in the Fund under IAS 19. As there is no contractual agreement or stated policy for charging the net defined benefit cost to participating Rothschild & Co Group companies, the Company recognises in its accounts the contributions it makes during any given financial period.

The Company's total pension charge in the period amounted to £1,563,651 (9 months to December 2017: £877,839) of which £345,992 (9 months to December 2017: £158,069) related to the above defined benefit section and £1,126,498 (9 months to December 2017: £719,770) related to the defined contribution section. Participating employers in the Fund have agreed to pay 46.6% of in-service members' pensionable salaries in respect of future accruals.

## 22. Transactions with related parties

### a. Key management personnel

Details of transactions with key management personnel (and their connected persons) of the Group are as follows:

- Key management personnel are the Directors of the Company and of parent companies.
- The remuneration of the directors of the Company is disclosed in note 4. The remuneration of directors of the parent companies is disclosed within the relevant company accounts.

### b. Other related party transactions

Amounts recognised in the Income Statement of the Company in respect of related party transactions are as follows:

	12 months ended 31 December 2018	9 months ended 31 December 2017
	£ 000	£ 000
Net fees and commissions receivable/ (payable)	7,695	1,380
Dividend income	29	12
Operating expenses	(13,884)	(8,019)
	(6,160)	(6,627)

### c. Other related party balances

All related party balances relate to balances with fellow subsidiary undertakings. The operating expenses represent the management charge and the recharge of services provided by a fellow subsidiary.

	31 December 2018	31 December 2017
	£ 000	£ 000
Cash and cash equivalents	32,148	24,607
Receivables	11,819	8,857
Payables	4,996	2,896

All related party balances relate to balances with fellow subsidiary undertakings.



# Notes to the Accounts

## 23. Dividend

	12 months ended 31 December 2018	9 months ended 31 December 2017
Amounts recognised as distributions to equity holders in the year:	£'000	£'000
Interim dividend for the 12 months ended 31 December 2018 of 49.0858p (9 months to 31 December 17: 33.2785p) per share	5,900	4,000

## 24. Parent company and ultimate holding company

The largest group in which the results of the Company are consolidated is that headed by Rothschild & Co Concordia SAS, incorporated in France with registered office address 23Bis Avenue de Messine Paris 75008.

The immediate parent company is Rothschild & Co Holding AG registered in Zurich, Switzerland. The consolidated financial statements of this group may be obtained from Zollikerstrasse 181, 8034 Zurich, Switzerland.

The Company's registered office is located at New Court, St Swithin's Lane, London, EC4N 8AL.