Rothschild & Co Wealth Management UK Limited

Report of the Directors for the 12 months ended 31 December 2020

Registered No: 04416252

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Strategic Report

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 goal is to preserve and grow the real value of clients' wealth, with a focus on generating attractive investment returns and avoiding large losses along the way.

Strategic objectives

Our key objectives are to meet our clients' investment objectives, provide exceptional client service and continue to enhance our proposition to clients. By doing this, we will improve profitability by increasing revenue and assets under management ("AUM").

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 2020 of £79.3m which compares positively to the £74.9m that was generated for the 12 months to 31 December 2019. The revenue growth has been driven by a number of factors including a general growth in the business, with AUM increasing by £2,716m over the 12 month period to £12,178m thanks to net new asset growth being ahead of expectations and strong market performance and foreign exchange movements. In 2020, £1.1bn assets were moved from assets under custody ("AUC") to AUM following the implementation of a new definition of AUM in accordance with Group requirements. Revenue has also been positively impacted by an increase in fees from the real estate debt management business.

The above factors have been the main contributors to the increase in profit before tax to £21.7m (12 months to December 2019: £19.9m), which enabled the Company to make total dividend payments of £17.0m. (This included £7.0m in March 2020 and £5.0m in July 2020. An advance payment from 2020 profit after tax ("PAT") of £5.0m was paid in November 2020) (2019: total dividend payments of £16.0m).

2019 results include six-month results of the Milan branch up until 30 June 2019. On 1 July 2019, the assets and trading results of the Milan branch were transferred to the Milan SIM.

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 ("the 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 Board has considered the impact of Brexit on the business, including the impact on client investment portfolios, EU resident clients and also the investment management delegation from EU open-ended funds operated in Luxembourg. We do not believe there will be a material impact on the provision of existing services to existing EU resident clients.

While this approach limits R&CoWMUK's ability to grow an EU client base, it does not pose a threat to the current business strategy that focuses principally on the UK Wealth Management sector.

S172 statement

The Board has a duty under s172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole and in doing so, to have regard (amongst other matters) to:

a) the likely consequences of any decision in the long term,
b) the interests of the Company's employees,
c) the need to foster the Company's business relationships with suppliers, clients and others,
d) the impact of the Company's operations on the community and the environment,
e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
f) the need to act fairly as between members of the Company.

During the year the Board has considered its duties under s172 and how it fulfils its obligations thereof in respect to the following key stakeholder groups:

Shareholders

The Board is appointed by the shareholders to oversee, govern and make decisions on their behalf and so is directly responsible for protecting and managing their interests in the Company, such as approving the payment of dividends by the Company. It does this by setting the strategies, policies and corporate governance structures described elsewhere in these financial statements. As part of the wider Rothschild & Co Group ("R&Co", or, "the Group"), some of these responsibilities are managed at a Group level and described in greater detail in the R&Co Group financial statements that are available on www.rothschildandco.com/en/investor-relations/.

Employees and pension funds

The Company champions equal opportunities and inclusion throughout all aspects of the employee lifecycle, including but not limited to recruitment, annual appraisals and opportunities for promotion. R&CoWMUK expects its employees to treat each other fairly and with respect, regardless of age, disability, gender identity, marital status and civil partnership status, pregnancy and maternity, paternity, race, ethnicity, national, religion and belief and sexual orientation.

Both R&CoWMUK and the wider Group complies with all laws regarding non-discrimination, harassment and victimisation and human rights in the jurisdictions in which it operates. The Company takes discrimination and harassment very seriously and will make every effort to provide a working environment free from harassment, intimidation, victimisation and discrimination, all of which it considers unacceptable behaviour.

In order to help create and maintain a balanced, inclusive and supportive environment, which enables all employees to achieve their personal and professional aspirations and also to provide long-term opportunities for growth, the Company has established a number of networks as part of a Balance & Inclusion initiative.

Numerous activities have been undertaken throughout the year in order to both engage with and support employees, including:

- Regular virtual seminars relating to family, mental, physical and financial wellbeing
- Initiatives to support Black History Month, including a webinar on talking to children about race
- Initiatives to support International LGBT Pride Month
- Events to support International Women's Day
- A fitness challenge open to all Group employees to encourage fitness during global lockdowns and to aid mental health, as well as offering an opportunity to fundraise for a variety of charities
- The launch of a new mental wellbeing tool, Unmind, which provides support to employees to boost wellbeing by focusing on areas such as sleep, relaxation, focus and energy
- Resources made available to support working from home, in order to help employees adjust and continue to work in healthy, efficient and collaborative ways
- Group-wide survey for all employees to gather an understanding of concerns regarding the return to office process during the current global pandemic
- An alumni network to connect former employees of the Group

The recruitment, training, career development and promotion of less abled persons are fully and fairly considered having regard to the aptitudes and abilities of each individual. Efforts are made to enable employees who become less able during employment to continue their career with the Company, and, if necessary, appropriate training is provided.

The Company offers training and development opportunities, including technical training, personal development and eLearning, to help employees reach their full potential and equip them to deliver the best possible solutions for our clients. The Learning & Development team builds and develops learning programmes in-house, as well as organising external courses for employees at all levels within the organisation.

The R&Co Group Health & Safety Policy, which is published on the Group's intranet site, guides the Company's direction and approach to responsible health and safety management. To ensure a consistent approach to maintaining the health, safety and well-being of all persons who might be affected by the activities within an office, all locations commit to implementing the conformance standard by setting procedures listed within the Group Health & Safety requirements (HSRs) prescribed in the Policy.

The Company's focus throughout the COVID-19 crisis has been and remains the safety and welfare of our colleagues, with a wide variety of information available on the intranet for all employees to access, covering off personal protection measures, on-going developments on secure office arrangements and location specific return to office risk assessments.

The Company also provides support to current and former members of staff who are members of the Group's defined benefit pension plans by agreeing with the trustees of those plans a contribution plan aimed to eliminate the funding deficit by 2023. The Company also offers a defined contribution scheme for those who are not members of the defined benefit scheme. These pension schemes are explained further in note 20 to the accounts.

At a Group level, the Remuneration and Nomination Committee is responsible for, amongst other things, setting the principles and parameters of remuneration policy for the Group as a whole and periodically reviewing the policy's adequacy and effectiveness taking into account all factors which it deems necessary including the Group strategy from time to time. The policy has been updated in 2020 to reflect clawback becoming legally enforceable for Material Risk Takers and the Group Malus Policy has been updated to include clawback provisions.

Further details of staff policies and practices are contained in the "Human resources and social information" section of the R&Co Group financial statements.

Clients

The Company's clients are vital to the success of the business and it is important that we deliver with integrity the best possible service and advice. We are aligned with, and focused on, our clients' success, and care about their wealth preservation and growth. We know that long lasting relationships depend on this and is an important indicator of client satisfaction.

Throughout the COVID-19 crisis, the Company's focus has remained aligned with the needs of our clients. During the year, our teams of experienced client advisors have been working extensively with clients to support them on their financial needs. Alongside this, all our teams have been focused on maintaining active dialogues with existing and potential clients in order to offer our assistance and advice in supporting them through this difficult period.

We also understand the impact that all clients can have on our business, for example from a reputational, corruption, tax-avoidance or money laundering perspective, and all new clients are subject to thorough due diligence before being accepted.

Suppliers

The Company has developed a responsible UK purchasing policy to include consideration of items such as environment, diversity, health and safety and the modern slave trade. Further details are contained in the "Corporate conduct" section of the R&Co Group financial statements.

We are committed to countering modern slavery in all its forms and we are taking proportionate measures to ensure that slavery and human trafficking are not taking place in our business or in our supply chains. This includes the formation of a Modern Slavery Working Group in the UK, which works throughout the year to consider any modern slavery risks and the ways in which we can seek to mitigate them on a pragmatic, risk-assessed basis. The Company publishes an annual statement describing the steps taken to combat modern slavery within their businesses. This joint statement (with NM Rothschild & Sons Limited) can be found on the R&Co Group website.

Equally, we expect the suppliers to R&CoWMUK to adhere to the same high standards of respect for the individual as we adhere to ourselves. If a supplier is considered a high risk from a modern slavery perspective, then we request their adherence to our Anti-Slavery Policy. In addition, we may also draft supplementary modern slavery protections into a contract with a supplier who operates in a sector which is assessed to be high risk.

It is the Company's intention to agree appropriate terms of payment with suppliers and to abide by those terms based on the timely submission of valid invoices. In the absence of agreed terms, the Company's policy is to pay within 30 days from receipt of a valid invoice. The Company is required to report to HMRC twice a year on its payment practices and performance, including the average time taken to pay supplier invoices.

Regulators and tax authorities

The Company insists on the highest standards of professionalism and integrity from our employees who are expected to refrain from any conduct or behaviours that could be perceived unfavourably. This extends to dealing honestly and openly with regulators and tax authorities and in compliance with all relevant laws and regulations.

During the year, the Company implemented the Senior Managers & Certification Regime, which is designed by the FCA to improve trust in financial services by making the individuals accountable for their decisions. Employees were required to attend training on the FCA's Conduct Rules during the year and an attestation was included as part of the year end review process.

In order to maintain these high standards of practice, the Group also publishes policies, procedures and guidance on the intranet for easy access by employees. This includes policies on financial crime compliance, whistleblowing, market abuse and inside information, and business line specific documents.

The Company also ensures that employees undertake regular training through both mandatory online assessments and real-time training sessions and seminars, covering matters of professional competence, regulatory compliance and risk. These help to ensure that everyone has a common understanding of the legal and regulatory requirements of the Group.

The UK tax strategy, which sets out how the Company defines and manages any tax risks and is approved by the Board annually, is in line with the overall approach of the Group to taxation matters. The full strategy is published on the R&Co Group website

The wider community and the environment

The Company's approach to business includes a deeply held sense of responsibility to the environment and the communities in which we operate.

Community Investment

The Group has a long heritage in recognising that the business's position in society carries with it a special responsibility towards the communities we are part of.

A focus has been given to helping overcome barriers to success in life for young people. That is why, for the last few years, the Group's community investment mission across all offices and businesses has been to make a meaningful difference to children and young people whose opportunities in life are restricted through disadvantage.

The Group pursues this community investment mission via three priority engagement activities:

- Providing financial support to charities and social enterprises, as well as to individuals
- Offering professional expertise to charities and social enterprises, helping them to drive change for young people
- Encouraging employees to volunteer, using their skills to help young people to succeed in life

Community investment initiatives are driven by local offices, and governed by the Global Community Investment Committee, which reports directly to the Group Executive Committee.

Times of crisis highlight more than ever the responsibility for businesses to support local communities in need. In the extraordinary circumstances of 2020, the Group took the decision to extend community investment support beyond the scope of the community investment mission in order to facilitate a rapid response to the crisis. Local community investment committees identified a range of causes where the Group's support could make a meaningful difference and launched a targeted COVID-19 matched-giving campaign.

This global campaign mobilised employees to donate with company matching to charities and medical establishments operating on the frontline of the health crisis, as well as those working to mitigate many of the issues affecting vulnerable people during lock-down: from food poverty to mental health and supporting the needs of at-risk children. Overall, through a combination of employee and company contributions, the Group contributed to the work of 138 charities in 16 countries.

In addition, funds were raised in the UK to equip 60 students with laptops to ensure they were able to access the benefits of home learning during lockdown, and volunteers have continued to tutor disadvantaged young people virtually, in partnership with The Access Project and Innovations for Learning, a web-based reading programme. This support has been even more important than usual during a time in which many young people have missed out on large periods of time learning at school.

At the heart of the Group's community investment programme is its Pro-bono Advisory initiative, which aims to increase organisational resilience and support entrepreneurship in the social sector, leading to sustained and scaled social impact for individuals and communities. The Group offers support to NGOs, charities and social enterprises over the long-term to increase their effectiveness, reach and revenues, and to reduce costs.

Projects typically focus on one or more of:

- Financial modelling to provide financial clarity
- Navigating the process of mergers, de-mergers or re-structuring
- Support in preparing marketing materials to maximise impact and reach

While charities across the board experienced a significant shortfall in income due to a fall in donations and fundraising activities this year, demand on their services was greatly increased.

R&Co teams in the UK worked on Pro-bono Advisory project mandates addressing some of the most pressing challenges facing charities. Several projects helped to address the common challenge of needing to review long-term strategy and operational models and identify opportunities for potential consolidation, thereby improving efficiency of service delivery. In addition, UK volunteers were able to support 138 charities through pro-bono advisory webinars, including one focusing on the HR challenges posed by COVID-19 and another on the future of the UK retail landscape for those charities with a significant high street presence.

Environment

The Group has committed to contributing to a more environmentally sustainable economy by maximizing our positive environmental impact. The Company's goal for environmental management is to add value to both our and our clients in a sustainable, environmentally responsible way, and to conserve and protect the world's natural resources through our operations, products and services.

The Company has engaged in several initiatives to raise employee awareness of environmental issues, including, for example, recycling and reducing unnecessary single-use plastics. During the pandemic, awareness programmes have highlighted the potential environmental damage of reverting to SUP items, such as disposable food packaging and cutlery. During the year, in order to maintain an office free from unnecessary single-use plastic items, biodegradable cutlery packs and coffee cups were provided to the limited number of employees attending the office.

Moreover, the Group procures renewable electricity. Currently this covers 56% of the total electricity consumption and we are targeting 100% globally by 2025. As a further measure to take responsibility of the group operational greenhouse gas emissions we have set an internal carbon price (ICP). The ICP places a monetary value on greenhouse gases and aims to influence employee behaviour to limit them. The financial support stream generated can be used to develop further small-scale carbon reduction opportunities and sustainability projects in line with our selected Sustainable Development Goals.
Some of these responsibilities are managed at Group level and described in greater detail in the Corporate Social Responsibility section of the R&Co Group financial statements.

S385 Greenhouse Gas Emissions

During 2020, the Group's UK offices consumed 8,072 MWh of energy, comprising 4,075 MWh of electricity, 3,654 MWh of biogas and 343 MWh of natural gas, which led to 3,218 tCO2e of greenhouse gas emissions or 8.52 tCO2e per employee. The GHG assessment was carried out in accordance with the World Business Council for Sustainable Development and World Resources Institute's Greenhouse Gas Protocol. This protocol is considered current best practice for corporate or organisational greenhouse gas emissions reporting

By order of the Board

Helen Watson
Director
Rothschild & Co Wealth Management UK Limited
New Court, St. Swithin's Lane, London EC4N 8AL
8 March 2021

Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal activities

The Company provides wealth management services for its private clients.

Going concern

The Company's business activities, together with the principal risks and uncertainties, are set out in the strategic report. In addition, note 19 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 financial, credit, interest rate, liquidity and currency risk.

The Board of Directors has considered the resilience of the Company, considering its current financial position, and the principal and emerging risks facing the business including the impact of COVID-19 on global markets and potential implications for the Group's financial performance. The Board reviewed liquidity forecasts for a period of 12 months from the date of signing the accounts which indicate that, taking into account downsides which could be reasonably anticipated, the Company will have enough funds to meet its liabilities as they fall due for that period. The Board considered the impact of COVID-19 by applying a stressed scenario, including severe but plausible downside assumptions, and the impact on assets under management, profitability of the Company and known commitments. The stressed scenario, (which assumes a significant reduction in revenue) for the entire forecast period, show that the Company will continue to operate profitably and meet their liabilities as they fall due for a period of a least 12 months from the date of signing the accounts.

The Directors are satisfied that, at the time of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, as a result, the Directors continue to adopt the going concern basis in preparing the financial statements.

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 Group.

Directors

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

Christian Bouet
Christopher Coleman
Alexander MacPhee
John Malik
Gary Powell
Helen Watson
Jonathan Westcott

Since the year end, Warwick Newbury was appointed as a Director with effect from 18 January 2021.

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 2020, the Company made total dividend payments of £17.0m. (This included £7.0m in March 2020 and £5.0m in July 2020. An advance payment from 2020 profit after tax ("PAT") of £5.0m was paid in November 2020) (2019: total dividend payments of £16.0m).

Political and charitable donations

The Company made £109,761 of charitable donations during the year (2019: £24,183).

Corporate and social responsibilities

The Company's employment, corporate and social responsibility policies are included in the strategic report with further information provided in the Group financial statements.

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 H.M. Horton
For and on behalf of
N.M. Rothschild & Sons Limited
Secretary
8 March 2021

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 accounting standards in conformity with the requirements of the Companies Act 2006 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 international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2020 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 2020 and of its profit 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.

Basis for opinion

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

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any usual or unexpected relationships.
- We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management / brokerage fees are overstated or recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment of intangibles.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included material post year end closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience ,and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering, market abuse regulations, financial services regulations including Client Assets, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

Auditor’s responsibilities

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

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

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

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

Neil Palmer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London
E14 5GL
10 March 2021

Statement of Comprehensive Income

For the year ended 31 December 2020

	Note	For the year ended 31 December 2020 £'000	For the year ended 31 December 2019 £'000
Revenue	2	79,337	74,960
Administrative expenses		(57,633)	(55,187)
Depreciation		-	(75)
Operating profit		**21,704**	**19,698**
Other interest receivable and similar income	6	15	163
Profit on ordinary activities before taxation		**21,719**	**19,861**
Tax charge on profit on ordinary activities	7	(4,031)	(4,033)
Profit on ordinary activities after taxation		**17,688**	**15,828**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
-Exchange differences on translation of foreign operations		-	430
Total comprehensive income		**17,688**	**16,258**

The notes on pages 16 to 29 are an integral part of these financial statements. All activities related to continuing activities.

Statement of Change in Equity

For the year ended 31 December 2020

	Note	Share Capital	Currency translation reserve	Retained earnings	Total
		£ '000	£ '000	£ '000	£ '000
As at 1 January 2019		12,020	424	14,813	**27,257**
Dividends paid	22	-	-	(16,000)	**(16,000)**
Total comprehensive income		-	430	15,828	**16,258**
As at 31 December 2019		**12,020**	**854**	**14,641**	**27,515**
As at 1 January 2020		12,020	854	14,641	**27,515**
Dividends paid	22	-	-	(17,000)	**(17,000)**
Total comprehensive income		-	-	17,688	**17,688**
As at 31 December 2020		**12,020**	**854**	**15,329**	**28,203**

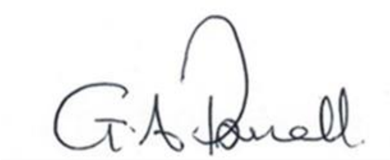
The notes on pages 16 to 29 are an integral part of these financial statements. All activities related to continuing activities.

Statement of Financial Position

As at 31 December 2020

	Note	31 December 2020 £'000	31 December 2019 £'000
Assets			
Non-current assets			
Deferred tax	8	1,903	1,355
Other receivables	9	538	464
Property, plant and equipment	10	-	-
Intangibles	11	240	265
Investments	12	2,383	1,307
Investments in subsidiary	13	7,232	7,232
		12,296	**10,623**
Current assets			
Trade and other receivables	14	17,374	19,248
Cash and cash equivalents	15	24,911	26,216
		42,285	**45,464**
Total assets		**54,581**	**56,087**
Liabilities			
Current liabilities			
Trade and other payables	16	(17,768)	(19,401)
Current tax liability		(4,550)	(7,166)
		(22,318)	**(26,567)**
Non-current liabilities			
Other liabilities falling due after more than one year	17	(4,063)	(2,005)
Total assets less current liabilities		**32,265**	**29,520**
Net assets		**28,203**	**27,515**
Equity			
Called up share capital	18	12,020	12,020
Currency translation reserve		854	854
Retained earnings		15,329	14,641
Total shareholders' equity		**28,203**	**27,515**

Approved by the Board of Directors on 8 March 2021 and were signed on its behalf by:



Gary Powell, Director

The notes on pages 16 to 29 are an integral part of these financial statements. All activities related to continuing activities.

Registered number: 04416252

Cash Flow Statement

As at 31 December 2020

	31 December 2020 £'000	31 December 2019 £'000
Cash flow from operating activities		
Profit for the year	**21,719**	**19,861**
Adjustments:		
Depreciation charge	-	75
Amortisation charge	58	-
Finance expense	(15)	(163)
Dividend income	-	(51)
Fair value adjustment of investments	(324)	322
Net (increase) in deferred tax	(548)	(769)
Net (increase) in other receivables	(74)	(1,300)
Net decrease/(increase) in trade and other receivables	1,874	(832)
Net decrease in other financial assets	-	357
Net (decrease)/increase in trade and other payables	(170)	2,847
Net increase/(decrease) in deferred bonus	595	(1,490)
Net increase in currency translation reserve	-	430
Net (decrease) in other financial liabilities	-	(332)
Cash generated from operations	**23,115**	**18,955**
Tax paid and other tax movements	(6,901)	(1,020)
Net cash flow from operating activities	**16,214**	**17,935**
Cash flow used in investing activities		
Purchase of intangibles	(33)	(265)
Purchase of investments	(759)	(8,235)
Disposal of investments	258	227
Interest received	15	163
Dividend income	-	51
Net cash flow used in investing activities	**(519)**	**(8,059)**
Cash flow from financing activities		
Dividend paid	(17,000)	(16,000)
Net cash flow used in financing activities	**(17,000)**	**(16,000)**
Net (decrease) in cash equivalents	**(1,305)**	**(6,124)**
Cash and Cash equivalents at 31 December 2019	**26,216**	**32,340**
Cash and Cash equivalents at 31 December 2020	**24,911**	**26,216**

The notes on pages 16 to 29 are an integral part of these financial statements. All activities related to continuing activities.

Notes to the Accounts

For the period ended 31 December 2020

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. s401 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 of the financial statements

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, in conformity with the 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: 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.

Going concern

The Board of Directors has considered the resilience of the Company, considering its current financial position, and the principal and emerging risks facing the business including the impact of COVID-19 on global markets and potential implications for the Group's financial performance. The Board reviewed liquidity forecasts for a period of 12 months from the signing date of the account which indicate that, taking into account downsides which could be reasonably anticipated, the Company will have enough funds to meet its liabilities as they fall due for that period. The financial statements have therefore been prepared on a going concern basis.

The Board considered the impact of COVID-19 by applying a stressed scenario, including a 25% reduction in management fee revenue. The stressed scenario, for the entire forecast period, show that the Company will continue to operate profitably and meet its liabilities as they fall due for a period of a least 12 months from the date of signing the accounts.

Furthermore, the Board has considered:

- The historical trading and operational resilience of the Company, which has been profitable for the last 7 years;
- The type of business of the Company. A material portion of revenue is recurring, it is not reliant on one-off fees or transactions;
- 2021 budgets do not give rise to any areas of concern for the future profitability of the Company;
- The 2020 ICAAP and a review of the regulatory capital results which do not give rise to concern about the future capital requirements of the Company;
- The Company has no external debt; and
- As of the date of signing the accounts, there are no legal proceedings against the Company that would give rise to an obligation.

b. Developments in reporting standards and interpretations

Standards affecting the financial statements

IFRS 16 Leases

IFRS 16, Leases, which replaced IAS 17, Leases, was applied with effect from 1 January 2019, using the modified retrospective approach. IFRS 16 introduced a single lessee accounting model whereby the classification of leases as either operating or financial leases is no longer relevant. Instead, the standard requires a lessee, subject to a few limited exemptions, to recognise a right-of-use asset representing the right to use the underlying asset and lease liability to represent the obligations to make lease payments.

Notes to the Accounts

Cont. Developments in reporting standards and interpretations

The Company applied an explicit recognition and measurement exemption for leases for which the term ends within 12 months or fewer of the date of initial application to account for those leases as short-term leases and, as such, R&CoWMUK is not subject to any contracts that meet the requirements to be treated as a Right of Use Asset under IFRS 16.

New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for accounting periods ending after 31 December 2020 and therefore have not been applied in preparing these financial statements. The Company has reviewed these new standards to determine their effects on the Company's financial reporting. None of these are expected to have a significant effect on the Company's financial statements.

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 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. Intangible assets

Intangible assets include software and intellectual property rights related to Client Relationship Management ("CRM").

CRM is a web-based digital workflow and collaboration solution, intended for internal use. R&CoWMUK has incurred significant expenditure to develop CRM. A portion of these costs have been capitalised as permitted under IAS 38. An asset will be carried at historical cost less amortisation, if any, and less any accumulated impairment losses.

CRM has been recognised as an intangible asset during development with amortisation commenced in June 2020 (date it became operational).

Amortisation will be calculated using the straight-line method to write down the cost of the asset to their residual value over their estimated useful lives, as follows:

Software development costs	3 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 Comprehensive Income.

Impairment of intangible assets

At each balance sheet date, or more frequently where events or changes in circumstances dictate, intangible assets 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 an intangible asset may be reversed when a change in circumstances leads to a change in the estimates used to determine the intangible asset's recoverable amount. The carrying amount of the intangible asset is only increased up to the amount that it would have been had the original impairment not been recognised.

e. 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. 2019 results include six-month results of the Milan branch up until 30 June 2019. 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.

f. Pensions

The Company's post-retirement benefit arrangements are described in note 20. 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.

g. 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 Statement of Comprehensive Income 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 Statement of Comprehensive Income 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 Statement of Comprehensive Income 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 Group.

h. Revenue, including revenue from contracts with customers

The Company earns revenue from contracts with its customers. For the 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.

Notes to the Accounts

h. Revenue, including revenue from contracts with customers (continued)

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 lending relationships which it has fully risk participated to other 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.

Performance fees:

For certain clients, the business will receive a performance fee in addition to other fund servicing fee structures. Under IFRS 15, performance fees are recognised as revenue on the basis that the revenue is measurable and that at the time of sale or the rendering of the service it would not be unreasonable to expect complete collection.

i. Interest

Interest receivable and payable is recognised on an accruals basis.

j. 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.

k. Cash and cash equivalents

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

Notes to the Accounts

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. 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.

n. Investment in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

o. 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).

Notes to the Accounts

q. Fair Value of Financial Assets and Liabilities (continued)

31 Dec 20	Level 1 £ '000	Level 2 £ '000	Level 3 £ '000	Total £ '000
Financial assets	-	-	-	-
Other financial assets	-	-	-	-
Cash and cash equivalents	-	24,911	-	24,911
Trade and other receivables	-	17,374	-	17,374
Investments	2,383	-	-	2,383
Fair value of financial assets	**2,383**	**42,285**	**-**	**44,668**
Financial liabilities	-	-	-	-
Other financial liabilities	-	-	-	-
Trade and other payables	-	(4,697)	-	(4,697)
Fair value of financial liabilities	-	**(4,697)**	**-**	**(4,697)**

31 Dec 19	Level 1 £ '000	Level 2 £ '000	Level 3 £ '000	Total £ '000
Financial assets	-	-	-	-
Other financial assets	- -	-	- -	-
Cash and cash equivalents	- -	26,216	- -	26,216
Trade and other receivables	- -	19,248	- -	19,248
Investments	1,307	- -	- -	1,307
Fair value of financial assets	**1,307**	**45,464**	- -	**46,771**
Financial liabilities	-	-	- -	-
Other financial liabilities	- -	-	- -	-
Trade and other payables	- -	(6,504)	- -	(6,504)
Fair value of financial liabilities	- -	**(6,504)**	- **-**	**(6,504)**

The trade and other payables balance as at 31 December 2020 is £17,768k (2019: £19,401k). However, £13,072k (2019: £12,897k) 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 £4,697k (2019: £6,504k) is included within level 2 liabilities.

Notes to the Accounts

2. Analysis of revenue

	12 months ended 31 December 2020	12 months ended 31 December 2019
	£ '000	£ '000
Revenue:		
Management and brokerage fees	64,834	62,181
Commission receivables and other income	14,179	13,050
Dividend income	-	51
Fair value adjustments in relation to Rothschild & Co shares	324	(322)
	79,337	**74,960**

2a. Segmental analysis of revenue

The audited financial statements for the year ended 31 December 2019 include six-month results of the Milan branch up until 30 June 2019.

	R&Co WMUK London	R&Co WMUK Milan Branch
	£ '000	£ '000
Revenue:		
12 months ended 31 December 2020	79,337	-
Revenue:		
12 months ended 31 December 2019	73,589	1,371

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	12 months ended 31 December 2020	12 months ended 31 December 2019
	£'000	£ '000
Service charges from fellow subsidiary undertakings	(16,480)	(15,564)
Auditors remuneration for the audit of the annual accounts		
Audit fees relating to the Company	(42)	(38)
Fees relating to other assurance services	(49)	(35)

4. Remuneration of Directors

	12 months ended 31 December 2020	12 months ended 31 December 2019
	£'000	£'000
Directors emoluments (excluding LTIP)	2,520	3,367
Pensions	87	80
Deferred bonus	1,118	478
Total remuneration	**3,725**	**3,925**
Pensions		
Defined contributions pension scheme (number of Directors)	1	1
Defined benefit pension scheme (number of Directors)	1	1
Highest paid Director		
Total remuneration (Inc. emoluments, pension & deferred bonus)	**1,944**	**1,968**

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 2020	12 months ended 31 December 2019
Wealth Management		163	152

	Note	12 months ended 31 December 2020 £'000	12 months ended 31 December 2019 £'000
Wages and Salaries		27,491	27,250
Social Security Costs		3,672	3,939
Other pension costs	20	2,316	2,117
Total		**33,479**	**33,306**

6. Other interest receivables on ordinary activities

	12 months ended 31 December 2020 £ '000	12 months ended 31 December 2019 £ '000
Receivable from a fellow subsidiary undertakings	15	163

7. Taxation

	12 months ended 31 December 2020 £ '000	12 months ended 31 December 2019 £ '000
Current tax charge		
Current year	(4,550)	(4,209)
Adjustments for prior years	20	(92)
Origination and reversal of temporary differences	339	377
Changes in rates	159	(109)
Total tax charge	**(4,031)**	**(4,033)**
Profit on ordinary activities before taxation	**21,719**	**19,861**
Tax credits using the UK corporation tax of 19%	(4,126)	(3,774)
Adjustments for prior years	20	(92)
Non- deductible expenses	(84)	(58)
Changes in rates	159	(109)
Total tax charge	**(4,031)**	**(4,033)**

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 (12 months to December 2019: 17 per cent).

The movement on the deferred tax account is as follows:

	31 December 2020 £ '000	31 December 2019 £ '000
At 31 December	1,355	586
Origination and reversal of temporary differences	339	378
Prior year	50	500
Changes in rates	159	(109)
At 31 December	**1,903**	**1,355**

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

	31 December 2020 £ '000	31 December 2019 £ '000
Deferred profit share arrangements	1,903	1,355

9. Other receivables

	31 December 2020 £ '000	31 December 2019 £ '000
Other receivables	538	464

Other receivables relate to the pre-funded element of the bonus scheme. As part of its variable pay strategy, the 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.

10. Property, plant and equipment

Office Equipment, Fixtures and Fittings	31 December 2020 £ '000	31 December 2019 £ '000
Cost		
At the beginning of period	-	354
Additions	-	-
At the end of period	-	**354**
Depreciation		
At the beginning of period	-	(279)
Additions	-	-
Charged in the period	-	(75)
At the end of period	-	**(354)**
Net book value		
At the beginning of period	-	**75**
At the end of period	-	-

Notes to the Accounts

11. Intangible assets

Computer software development costs	31 December 2020 £ '000	31 December 2019 £ '000
Cost		
At the beginning of period	265	-
Additions	33	265
At the end of period	**298**	**265**
Amortisation		
At the beginning of period	-	-
Additions	-	-
Charged in the period	(58)	-
At the end of period	**(58)**	-
Net book value		
At the beginning of period	265	-
At the end of period	**240**	**265**

Client Relationship Management (CRM) is a web-based digital workflow and collaboration solution, intended for internal use. R&CoWMUK has incurred significant expenditure to develop CRM. A portion of these costs have been capitalised as permitted under IAS 38. An asset will be carried at historical cost less amortisation, if any, and less any accumulated impairment losses.

CRM has been recognised as an intangible asset during development with amortisation commenced in June 2020 (date it became operational).

12. Investments

	31 December 2020 £ '000	31 December 2019 £ '000
Fair value of Rothschild & Co shares as at 1 January	1,307	1,338
Rothschild & Co share disposals during the year	(258)	(227)
Rothschild & Co share acquisitions during the year	759	518
Prior year correction	251	-
Fair value adjustments	324	(322)
Fair value of Rothschild & Co shares as at 31 December	**2,383**	**1,307**

Total number of shares as at 31 December 2020 was 102,362 (31 December 2019: 71,569).

13. Investment in Subsidiary

	31 December 2020 £ '000	31 December 2019 £ '000
Opening balance as at 1 January	7,232	906
Additions during the year	-	6,326
Impairments during the year	-	-
Closing balance as at 31 December	**7,232**	**7,232**

On 18 December 2018 the Company invested in a newly incorporated company, Rothschild & Co Wealth Management Italy Societa' Di Intermediazio ne mobilares ("Milan SIM"). The Milan SIM has been created with 1,000,000 nominal shares of a value of 1 Euro per share. On 1 July 2019 the Milan SIM became operational and a further 6,332,000 nominal shares of a value of 1 Euro per share were subscribed to by R&CoWMUK.

Notes to the Accounts

14. Trade and Other receivables

	31 December 2020 £ '000	31 December 2019 £ '000
Amounts owed by fellow subsidiary undertaking	10,094	11,400
Other receivables, prepayments and accrued income	7,280	7,848
Total	**17,374**	**19,248**

15. Cash and cash equivalents

	31 December 2020 £ '000	31 December 2019 £ '000
Cash held with a fellow subsidiary undertakings	23,769	24,932
Cash held with third parties	1,142	1,284
Total	**24,911**	**26,216**

16. Trade and other payables

	31 December 2020 £ '000	31 December 2019 £ '000
Trade payables	204	81
Amounts owed to fellow subsidiary undertakings	4,116	4,357
Accruals and deferred income	13,448	14,963
Total	**17,768**	**19,401**

17. Other liabilities falling due after more than one year

	31 December 2020 £ '000	31 December 2019 £ '000
Amounts due under long term incentive plan	**4,063**	**2,005**

As part of its variable pay strategy, the 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 Group.

18. Called up share capital

	31 December 2020 £ '000	31 December 2019 £ '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 2020 (2019: 12,019,774 £1 ordinary shares)

Notes to the Accounts

19. 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 Group are short term and considered as having low credit risk.

Included in the debtors are amounts 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 2020	**31 December 2019**
		£ '000	£ '000
Not overdue		15,955	17,943
Past due by up to:	30 days	972	1,078
	30- 90 days	447	143
	Over 90 days	-	179
		17,374	**19,343**

c. Interest rate risk

Bank interest on deposits held is the only source of interest exposure. The effective interest during the year to 31 December 2020 was 0.18% (12 months to December 2019: 0.65%) 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 current liabilities balance. The Company also has the support of the wider Group of Companies if liquidity issues were to arise.

Notes to the Accounts

e. Currency risk

The Company has a currency risk to income based on assets denominated in currencies other than sterling. 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 2020	31 December 2019
	£ '000	£ '000
US	1,614	750
Euro	(101)	1,258
Other	(2,897)	(2,690)

If the value of these currencies fell by 5 per cent against sterling, then there would be a post-tax charge to the Statement of Comprehensive Income of £63,000 (2019: charge of £34,000). There would be no material impact on equity.

If the value of these currencies rose by 5 per cent against sterling, then there would be a post-tax credit to the Statement of Comprehensive Income of £63,000 (2019: credit of £34,000). There would be no material impact on equity.

20. 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 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 2020, there was a deficit of £60.3m (31 December 2019: deficit of £2.9m) in the Fund under IAS 19. As there is no contractual agreement or stated policy for charging the net defined benefit cost to participating 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 £2,316,376 (31 December 2019: £2,117,488) of which £1,039,930 (31 December 2019: £890,116) related to the above defined benefit section and £1,276,446 (31 December 2019: £1,227,372) related to the defined contribution section. Participating employers in the Fund have agreed to pay 55.2% (31 December 2019 55.2%) of in-service members' pensionable salaries in respect of future accruals.

21. 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.

Notes to the Accounts

b. Other related party transactions

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

	31 December 2020 £ '000	31 December 2019 £ '000
Net fees and commissions receivable	8,315	7,936
Dividend	-	51
Operating expenses	(16,480)	(15,564)
Total	**(8,165)**	**(7,577)**

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 2020 £ '000	31 December 2019 £ '000
Cash and cash equivalents	23,769	24,932
Receivables	10,094	11,400
Payables	4,116	4,357

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

22. Dividend

Amounts recognised as distributions to equity holders in the year:	31 December 2020 £ '000	31 December 2019 £ '000
Dividends for the 12 months ended 31 December 2020 of £1.4143p per share (12 months to 31 December 2019: £1.3311 per share)	**17,000**	**16,000**

23. 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 Continuation Holdings AG registered in Zurich, Switzerland. The financial statements of this group may be obtained from Baarerstrasse 95 6300 Zug Switzerland.

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

24. Subsequent Events

Management have evaluated subsequent events through to March 8, 2021, which is the date the financial statements were signed. As of that date, there were no subsequent events that required disclosure in these financial statements, nor would have impact on the 2020 results of the Company.