Rothschild & Co Wealth Management UK Limited

Report of the Directors for the 12 months ended
31 December 2021

Registered No: 04416252

Contents

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 2021 of £102.0m which compares positively to the £79.3m that was generated for the 12 months to 31 December 2020. The revenue growth has been driven by a number of factors including a general growth in the business, with AUM increasing by £1,554m over the 12 month period to £13,732m thanks to net new asset growth being ahead of expectations and strong market performance.

The above factors have been the main contributors to the increase in profit before tax to £36.4m (12 months to December 2020: £21.7m), which enabled the Company to make total dividend payments of £20.6m. (This included £8.0m in March 2021 and £4.6m in August 2021. An advance payment from 2021 profit after tax ("PAT") of £8.0m was paid in November 2021) (2020: total dividend payments of £17.0m).

During 2021 the Group progressed a project to align each of its three business lines, Global Advisory ("GA"), Merchant Banking ("MB") and Wealth & Asset Management ("WAM"), under a common holding company directly below Rothschild & Co. For the WAM entities, the holding company will be a French subsidiary, Rothschild & Co Wealth & Asset Management SAS ("WAM HoldCo"). The impact of this for the Company will be the proposed sale of the Milan SIM to the WAM Holdco for €12m, and following this sale, the Company will be sold by its current parent, Rothschild & Co Continuation Holdings AG, to the WAM Holdco. Regulatory approval has been received for both transactions, and subject to approval by the board, are expected to complete during March 2022.

Principal risks and uncertainties

The principal risks of the Company are operational, credit, market, liquidity, business and group 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 recent regrettable events in Ukraine, and consider that the direct impact on the Company is limited. However, it will continue to closely monitor the situation, particularly the increased risk of potential cyber attacks.

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 R&Co Group, some of these responsibilities are managed at a group level and described in greater detail in the R&Co 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 R&Co 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, including a Women's Network, LGBT Network, BAME Network and Family Network.
Numerous activities, initiated during the pandemic, have again 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,
- Initiatives to support International LGBT Pride Month
- Events to support International Women's Day
- The mental wellbeing tool, Unmind, which provides support to employees to boost wellbeing by focusing on areas such as sleep, relaxation, focus and energy
- An alumni network to connect former employees of the Group.
- Agile working charter which outlines a company wide approach to help employees get work done in the most appropriate and effective way through a combination of office and home working

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 R&Co Group's intranet, 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 provides support to current and former members of staff who are members of the defined benefit pension plans. 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.

Further details of staff policies and practices are contained in the "Human resources and social information" section of the R&Co 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 advice. We are aligned with, and focused on, our clients' service and 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.

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 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 meets on an ad hoc basis and 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 N M Rothschild & Sons Limited ("NMR")) can be found on the R&Co website.

Equally, we expect 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.

The Company adheres to the Senior Managers & Certification Regime, which is designed by the FCA to improve trust in financial services by making 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 Financial Conduct Authority's new prudential regime for MiFID investment firms (the Investment Firms Prudential Regime, or "IFPR") came into force on 1st January 2022. The Company is therefore now subject to the new rules under IFPR which set out requirements for, amongst other things, regulatory capital, liquidity levels, regulatory reporting and supervision of investment firms. The Board is responsible for ensuring compliance with these new requirements.

The UK tax strategy is in line with the overall approach of the R&Co Group to taxation matters. The full strategy is published on the R&Co website.

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 wider community

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

In 2020, the Group announced the launch of R&Co4Generations as a platform to further build on its long philanthropic tradition of supporting charities and social enterprises. R&Co4Generations is a dedicated philanthropic fund and programme to organise and manage associated activities across the group.

R&Co4Generations' key objective is to support future generations by giving them the means to face and adapt to the social and environmental changes that they will encounter during their lifetimes. It supports organisations working to combat the effects of inequalities and of climate change, with a special focus on projects which:

- develop skills and talents,
- cultivate entrepreneurial mindsets in young people,
- promote innovation in response to inequalities and climate change.

R&Co4Generations' primary focus lies on supporting local charities that are operating in the geographies in which Rothschild & Co has a presence. In addition, each year R&Co4Generations will support a number of global flagship projects, providing an increased level of support to selected initiatives working across geographies on issues of global significance.

In supporting such initiatives R&Co4Generations aims to make full use of the tools Rothschild & Co has at its disposal, including:

- grant funding for innovative charities and social enterprises working in the chosen fields;
- targeted fundraising campaigns with company matching to support the projects;
- social impact investing and loans to support changemakers who are developing cutting-edge solutions to some of the most pressing social and environmental challenges the world faces;
- pro-bono advisory support where the Group can share its professional knowledge and skills to strengthen resilience and sustainability of high impact and promising organisations; and
- targeted, purposeful volunteering programmes which allow colleagues to contribute directly and tangibly to causes which share the Group's objectives.

The R&Co4Generations fund is managed under the umbrella of the King Baudouin Foundation (KBF), a public utility foundation registered in Belgium. Rothschild & Co entities contribute to the fund either directly or via KBF's global network of subsidiaries and partner foundations.

The fund is governed by a Management Committee comprised of Rothschild & Co executives and independent subject matter experts. The Management Committee selects projects for support on the basis of objective criteria and tools specially designed to assist with this process. Selection criteria include: alignment with the R&Co4Generations mission; likelihood of contributing to long term, sustainable change; scalability or replicability; employee engagement opportunities including fundraising, volunteering and pro-bono advisory.

Engaging employees is central to the R&Co4Generations' mission. All Rothschild & Co colleagues are encouraged to put forward their proposals for causes to support, and to get involved in selected projects through volunteering or by joining a pro-bono advisory team. Regular updates on project selection, activities and progress are shared with employees on the group's intranet or via email.

Environment

The R&Co Group has committed to contributing to a more environmentally sustainable economy by maximising our positive environmental impact. The Company's goal for environmental management is to add value to both our and our clients' businesses 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. Moreover, the group procures renewable electricity. The London, Manchester, and Leeds offices procure renewable electricity, with the London office also procuring biogas as an alternative to natural gas. The group has a target to procure 100% renewable electricity for all its offices globally by 2025. As a further measure to take responsibility of the group operational greenhouse gas (GHG) 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 (SDGs).

S385 Greenhouse Gas Emissions

During 2021, the UK business consumed 7,209 MWh of energy, comprising 3,809 MWh of electricity, 2,640 MWh of biogas and 760 MWh of natural gas and other energy, which led to 2,065 tC02e of greenhouse gas emissions or 6.54 tC02e 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.

Some of these responsibilities are managed at R&Co Group level and described in greater detail in the Corporate Social Responsibility section of the R&Co Group financial statements.

By order of the Board

Helen Watson
Director
Rothschild & Co Wealth Management UK Limited
New Court, St. Swithin's Lane, London EC4N 8AL
1 March 2022

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

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 18 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
Warwick Newbury
Gary Powell
Helen Watson
Jonathan Westcott

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 2021, the Company made total dividend payments of £20.6m. (This included £8.0m in March 2021 and £4.6m in August 2021. An advance payment from 2021 profit after tax ("PAT") of £8.0m was paid in November 2021) (2020: total dividend payments of £17.0m).

Political and charitable donations

The Company made £193,506 of charitable donations during the year (2020: £109,761).

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.

H.M. Horton

Helen Horton
For and on behalf of
N.M. Rothschild & Sons Limited
Secretary
1 March 2022

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

Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors' Report 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 UK-adopted international accounting standards 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 UK-adopted international accounting standards;
- 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 2021 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards 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 bias in accounting estimates and judgements such as impairment of intangibles and investment in subsidiary.

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 report 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
1 March 2022

Statement of profit and loss and other comprehensive income

For the year ended 31 December 2021

	Note	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Revenue	2	102,027	79,337
Administrative expenses		(65,601)	(57,633)
Operating profit		36,426	**21,704**
Other interest receivable and similar income	6	1	15
Profit on ordinary activities before taxation		**36,427**	**21,719**
Tax charge on profit on ordinary activities	7	(6,808)	(4,031)
Profit on ordinary activities after taxation		**29,619**	**17,688**
Other comprehensive income:		-	-
Total comprehensive income		**29,619**	**17,688**

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

Balance Sheet

As at 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 £'000
Assets			
Non-current assets			
Deferred tax	8	911	1,903
Other receivables	9	545	538
Intangibles	10	404	240
Investments	11	2,502	2,383
Investments in subsidiary	12	7,232	7,232
		11,594	**12,296**
Current assets			
Trade and other receivables	13	20,121	17,374
Cash and cash equivalents	14	39,719	24,911
		59,840	**42,285**
Total assets		**71,434**	**54,581**
Liabilities			
Current liabilities			
Trade and other payables	15	(23,712)	(17,768)
Current tax liability		(6,581)	(4,550)
		(30,293)	**(22,318)**
Non-current liabilities			
Other liabilities falling due after more than one year	16	(3,883)	(4,063)
Total assets less current liabilities		**41,141**	**32,265**
Net assets		**37,258**	**28,203**
Equity			
Called up share capital	17	12,020	12,020
Currency translation reserve		854	854
Retained earnings		24,384	15,329
Total shareholders' equity		**37,258**	**28,203**

Approved by the Board of Directors on 1 March 2022 and were signed on its behalf by:

G.A. Powell

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

Statement of Changes in Equity

For the year ended 31 December 2021

	Note	Share Capital	Currency translation reserve	Retained earnings	Total
		£ '000	£ '000	£ '000	£ '000
As at 1 January 2020		12,020	854	14,641	**27,515**
Dividends paid	22	-	-	(17,000)	**(17,000)**
Issue of Share Options		-	-	-	-
Total comprehensive income		-	-	17,688	**17,688**
As at 31 December 2020		**12,020**	**854**	**15,329**	**28,203**
As at 1 January 2021		12,020	854	15,329	**28,203**
Dividends paid	22	-	-	(20,600)	**(20,600)**
Issue of Share Options		-	-	36	**36**
Total comprehensive income		-	-	29,619	**29,619**
As at 31 December 2021		**12,020**	**854**	**24,384**	**37,258**

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

Cash Flow Statement

As at 31 December 2021

	31 December 2021 £'000	31 December 2020 £'000
Cash flow from operating activities		
Profit for the year	**36,427**	**21,719**
Adjustments:		
Depreciation charge	-	-
Amortisation charge	99	58
Finance expense	(1)	(15)
Dividend income	(196)	-
Fair value adjustment of investments	(1,193)	(324)
Net (increase) in deferred tax	993	(548)
Net (increase) in other receivables	(7)	(74)
Net decrease/(increase) in trade and other receivables	(2,747)	1,874
Net decrease in other financial assets	-	-
Net (decrease)/increase in trade and other payables	5,944	(170)
Net increase/(decrease) in deferred bonus	(178)	595
Net increase in currency translation reserve	-	-
Net (decrease) in other financial liabilities	-	-
Cash generated from operations	**39,141**	**23,115**
Tax paid and other tax movements	(4,741)	(6,901)
Net cash flow from operating activities	**34,400**	**16,214**
Cash flow used in investing activities		
Purchase of intangibles	(263)	(33)
Purchase of investments	(782)	(759)
Disposal of investments	1,856	258
Interest received	1	15
Dividend income	196	-
Net cash flow used in investing activities	**1,008**	**(519)**
Cash flow from financing activities		
Dividend paid	(20,600)	(17,000)
Net cash flow used in financing activities	**(20,600)**	**(17,000)**
Net (decrease) in cash equivalents	**14,808**	**(1,305)**
Cash and Cash equivalents at 31 December 2020	**24,911**	**26,216**
Cash and Cash equivalents at 31 December 2021	**39,719**	**24,911**

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

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

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 Company financial statements have been prepared and approved by the directors in accordance with international accounting standards in accordance with UK-adopted international accounting standards ("UK-adopted 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 8 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;
- 2022 budgets do not give rise to any areas of concern for the future profitability of the Company;
- The 2021 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

New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for accounting periods ending after 31 December 2021 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. 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 profit and loss and other 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 profit and loss and other 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.

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.

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 profit and loss and other comprehensive income.

e. 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 profit and loss and other 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

As part of its variable pay strategy, the Company operates various 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 costs of such schemes are recognised in the Statement of profit and loss and other 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 profit and loss and other 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 as an expense in the Statement of profit and loss and other comprehensive income over the vesting period, with a corresponding increase in liabilities. Changes in fair value are also recognised in the statement of profit and loss and other comprehensive income.

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.

g. 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.

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.

h. Interest

Interest receivable and payable is recognised on an accruals basis.

i. Taxation and deferred taxation

Tax payable on profits is recognised in the Statement of profit and loss and other 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.

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.

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. 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.

l. Investment in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

m. 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).

2. Analysis of revenue

	12 months ended 31 December 2021	12 months ended 31 December 2020
	£ '000	£ '000
Revenue:		
Management and brokerage fees	83,815	64,834
Commission receivables and other income	16,601	14,017
Performance fee income	222	162
Dividend income	196	-
Net gains on financial instruments designated as FVTPL	1,193	324
	102,027	**79,337**

The majority of the revenues are generated within the UK.

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	12 months ended 31 December 2021	12 months ended 31 December 2020
	£'000	£ '000
Service charges from fellow subsidiary undertakings	(19,513)	(16,480)
Auditors remuneration for the audit of the annual accounts		
Audit fees relating to the Company	(42)	(42)
Fees relating to other assurance services	(49)	(49)

4. Remuneration of Directors

	12 months ended 31 December 2021	12 months ended 31 December 2020
	£'000	£'000
Directors emoluments (excluding LTIP)	3,166	2,579
Pensions	98	95
Deferred bonus	2,019	706
Total remuneration	**5,283**	**3,380**
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)	3,084	1,706

The Company has restated certain prior year numbers relating to Directors' remuneration to disclose amounts paid in the year and amounts which became receivable under long-term incentive schemes. The charge to administrative expenses in the Statement of profit and loss and other comprehensive income has continued to be recognised on an accruals basis.

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 2021	12 months ended 31 December 2020
Wealth Management		175	163

	Note	12 months ended 31 December 2021 £'000	12 months ended 31 December 2020 £'000
Wages and Salaries		31,665	27,491
Social Security Costs		4,231	3,672
Other pension costs	20	2,364	2,316
Total		**38,260**	**33,479**

6. Other interest receivables on ordinary activities

	12 months ended 31 December 2021 £ '000	12 months ended 31 December 2020 £ '000
Receivable from a fellow subsidiary undertakings	1	15

7. Taxation

	12 months ended 31 December 2021 £ '000	12 months ended 31 December 2020 £ '000
Current tax charge		
Current year	(6,610)	(4,550)
Adjustments for prior years	28	20
Origination and reversal of temporary differences	(350)	339
Changes in rates	124	159
Total tax charge	**(6,808)**	**(4,032)**
Profit on ordinary activities before taxation	**36,426**	**21,719**
Tax credits using the UK corporation tax of 19%	(6,921)	(4,126)
Adjustments for prior years	28	20
Non- deductible expenses	(39)	(84)
Changes in rates	124	159
Total tax charge	**(6,808)**	**(4,031)**

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 2020: 17 per cent).

The movement on the deferred tax account is as follows:

	31 December 2021 £ '000	31 December 2020 £ '000
At 31 December	1,903	1,355
Origination and reversal of temporary differences	(342)	339
Prior year	(757)	50
Changes in rates	107	159
At 31 December	**911**	**1,903**

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

	31 December 2021 £ '000	31 December 2020 £ '000
Deferred profit share arrangements	911	1,903

9. Other receivables

	31 December 2021 £ '000	31 December 2020 £ '000
Other receivables	545	538

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. Intangible assets

Computer software development costs	31 December 2021 £ '000	31 December 2020 £ '000
Cost		
At the beginning of period	240	265
Additions	263	33
At the end of period	**503**	**298**
Amortisation		
At the beginning of period	-	-
Additions	-	-
Charged in the period	(99)	(58)
At the end of period	**(99)**	**(58)**
Net book value		
At the beginning of period	240	265
At the end of period	**404**	**240**

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).

11. Investments

	31 December 2021 £ '000	31 December 2020 £ '000
Fair value of Rothschild & Co shares as at 1 January	2,383	1,307
Rothschild & Co share disposals during the year	(1,856)	(258)
Rothschild & Co share acquisitions during the year	782	759
Prior year correction	-	251
Fair value adjustments	1,193	324
Fair value of Rothschild & Co shares as at 31 December	**2,502**	**2,383**

Total number of shares as at 31 December 2021 was 73,898 (31 December 2020: 102,362).

12. Investment in Subsidiary

	31 December 2021 £ '000	31 December 2020 £ '000
Opening balance as at 1 January	7,232	7,232
Additions during the year	-	-
Impairments during the year	-	-
Closing balance as at 31 December	**7,232**	**7,232**

The Company has the following investment in subsidiaries:

	Registered office address	Class of shares held	Ownership
Rothschild & Co Wealth Management Italy Societa' Di Intermediazio ne mobilares	Passaggio Centrale 3 20123 Milano Italy	Nominal	100%

Investment in Subsidiary (cont).

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.

13. Trade and Other receivables

	31 December 2021	31 December 2020
	£ '000	£ '000
Amounts owed by fellow subsidiary undertaking	10,924	10,094
Other receivables, prepayments and accrued income	9,197	7,280
Total	**20,121**	**17,374**

14. Cash and cash equivalents

	31 December 2021	31 December 2020
	£ '000	£ '000
Cash held with a fellow subsidiary undertakings	35,259	23,769
Cash held with third parties	4,460	1,142
Total	**39,719**	**24,911**

15. Trade and other payables

	31 December 2021	31 December 2020
	£ '000	£ '000
Trade payables	228	204
Amounts owed to fellow subsidiary undertakings	6,516	4,116
Accruals and deferred income	16,968	13,448
Total	**23,712**	**17,768**

16. Other liabilities falling due after more than one year

	31 December 2021	31 December 2020
	£ '000	£ '000
Amounts due under long term incentive plan	**3,883**	**4,063**

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 cash awards are paid one to five years after the year of the award, and the expense is recognised over the two to six 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.

The objective of the deferred share-based payment awards is to link the reward of certain key staff with the performance of the Company. In addition to the requirement to remain employed by the R&Co Group, these awards may also be cancelled under specific circumstances.

The terms of the different share-based payment awards are as follows:

Other liabilities falling due after more than one year (cont).

Rothschild & Co equity scheme

Rothschild & Co has granted options in Rothschild & Co shares to a number of key staff. Under the equity scheme rules, the equity scheme participants have been required to invest in Rothschild & Co shares and, for each share owned, Rothschild & Co has granted four share options. Shares invested in are subject to a four year lock-up period and the share options granted are subject to a vesting period before exercise. A quarter of the share options vest on each of the third, fourth, fifth and sixth anniversaries of the equity scheme and the share options are exercisable on the vesting dates, but not later than the tenth anniversary of the award, at various prices according to when the options were issued.

Movements in the number of share options outstanding are as follows:

	2021		2020	
	Number	Weighted average exercise price €	Number	Weighted average exercise price €
At beginning of period	**152,500**	**32.19**	**152,500**	**32.19**
Issued	-	-	-	-
Forfeited	-	-	-	-
Expired	-	-	-	-
Cancelled	-	-	-	-
Exercised	(22,500)	29.17	-	-
AT END OF PERIOD	**130,000**	**32.72**	**152,500**	**32.19**
Exercisable at the end of the period	57,500	31.76	42,500	30.30

Share-options outstanding at the period end were as follows:

Exercise price range €	2021		2020	
	Number of options outstanding	Weighted average contractual life (years)	Number of options outstanding	Weighted average contractual life (years)
20.00	-	1.75	2,500	2.75
31.56	20,000	6.00	35,000	7.00
32.06	35,000	6.00	35,000	7.00
33.06	35,000	6.00	35,000	7.00
34.06	35,000	6.00	35,000	7.00
26.10	-	1.75	2,500	2.75
27.10	-	1.75	2,500	2.75
29.10	2,500	1.75	2,500	2.75
31.10	2,500	1.75	2,500	2.75
TOTAL	**130,000**	**5.84**	**152,500**	**6.65**

Rothschild & Co share-based payments

The Company has committed to pay a number of staff deferred awards in the form of Rothschild & Co shares. The shares will be delivered to employees as long as the recipients are still employed by the Rothschild & Co Group at the time of vesting. The value of the shares at the date of award is expensed over the service period, until vesting. The liability is treated as either a cash or equity-settled share-based payment and revalued at each reporting period, with the changes in value recognised in the income statement.

17. Called up share capital

	31 December 2021 £ '000	31 December 2020 £ '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 2021 (2020: 12,019,774 £1 ordinary shares).

18. 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 2021 £ '000	31 December 2020 £ '000
Not overdue		19,277	15,955
Past due by up to:	30 days	837	972
	30- 90 days	7	447
	Over 90 days	-	-
		20,121	**17,374**

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 2021 was 0.01% (12 months to December 2020: 0.18%) 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.

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.

Currency Risk (cont).

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 2021	31 December 2020
	£ '000	£ '000
US	476	1,614
Euro	(194)	(101)
Other	(3,467)	(2,897)

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 profit and loss and other comprehensive income of £131,000 (2020: charge of £63,000). 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 profit and loss and other comprehensive income of £131,000 (2020: charge of £63,000). There would be no material impact on equity.

19. Fair Value of Financial Assets and Liabilities

	Level 1	Level 2	Level 3	Total
31 Dec 21	£ '000	£ '000	£ '000	£ '000
Financial assets	-	-	-	-
Other financial assets	-	-	-	-
Cash and cash equivalents	-	39,719	-	39,719
Trade and other receivables	-	20,121	-	20,121
Investments	2,502	-	-	2,502
Fair value of financial assets	**2,502**	**59,840**	-	**62,342**
Financial liabilities	-	-	-	-
Other financial liabilities	-	-	-	-
Trade and other payables	-	(10,599)	-	(10,599)
Fair value of financial liabilities	-	**(10,599)**	-	**(10,599)**

	Level 1	Level 2	Level 3	Total
31 Dec 20	£ '000	£ '000	£ '000	£ '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	- -	(3,692)	- -	(3,692)
Fair value of financial liabilities	- -	**(3,692)**	- -	**(3,692)**

The trade and other payables balance as at 31 December 2021 is £23,712k (2020: £17,768k). However, £13,113k (2020: £12,480k) 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 £10,599k (2020: £3,692k) is included within level 2 liabilities.

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 2021, there was a surplus of £73.5m (31 December 2020: deficit of £60.3m) 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 £2,364,068 (31 December 2020: £2,316,376) of which £1,004,065 (31 December 2020: £1,039,930) related to the above defined benefit section and £1,360,004 (31 December 2020: £1,276,446) related to the defined contribution section. Participating employers in the Fund have agreed to pay 55.2% (31 December 2020: 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.

b. Other related party transactions

Amounts recognised in the Statement of profit and loss and other comprehensive income of the Company in respect of related party transactions are as follows:

	31 December 2021	**31 December 2020**
	£ '000	£ '000
Net fees and commissions receivable	10,147	8,315
Dividend	196	-
Operating expenses	(19,513)	(16,480)
Total	**(9,170)**	**(8,165)**

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 2021	**31 December 2020**
	£ '000	£ '000
Cash and cash equivalents	35,259	23,769
Receivables	10,924	10,094
Payables	6,516	4,116

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

22. Dividend

	31 December 2021	31 December 2020
Amounts recognised as distributions to equity holders in the year:	£ '000	£ '000
Dividends for the 12 months ended 31 December 2021 of £1.7138p per share (12 months to 31 December 2020: £1.4143p per share)	20,600	17,000

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 1, 2022, which is the date the financial statements were signed. As of that date, there were no subsequent events that require disclosure in these financial statements, nor would have impact on the 2021 results of the Company.