Rothschild & Co Wealth Management UK Limited

Report of the Directors for the 12 months ended
31 December 2019

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 2019 of £75.0m which compares positively to the £68.4m that was generated for the 12 months to 31 December 2018. The revenue growth has been driven by a number of factors including a general growth in the business, with AUM increasing by £1,590m over the 12 month period to £9,462m thanks to net new asset growth being in line with expectations and strong market performance. In addition, revenue has been positively impacted by an increase in private client lending business.

The above factors have been the main contributors to the increase in profit before tax to £19.9m (12 months to December 2018: £15.3m), which enabled the Company to make dividend payments of £9.0m in June 2019 and £7.0m in November 2019 (July 2018: £5.9m).

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

On 1 July 2019 the Milan SIM became operational and a capital injection of an additional £6.3m was made by R&CoWMUK. This injection was made through a transfer of all the assets and liabilities of the R&CoWMUK Milan branch being 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.

Separately, and at the time of this writing, we are considering the impact of Coronavirus (COVID-19) on the business and specifically in terms of business continuity, impact on staff and investment performance. Although at present, the extent of the impact is difficult to ascertain, we are monitoring developments closely.

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

The Board has also considered the impact of Brexit on the rest of the business, including the impact on client investment portfolios, EU resident clients and also the investment management delegation 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:

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

S172 statement (continued)

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. It does this by setting the strategies, policies and corporate governance structures described elsewhere in these financial statements. As part of the wider Group, some of these responsibilities are managed at a group level and described in greater detail in the Group financial statements that are available on www.rothschildandco.com/en/investor-relations/.

Employees and pension funds

The Company is committed to supporting the principle of equal opportunities and opposes all forms of unlawful or unfair discrimination on the grounds of colour, race, nationality, ethnic origin, gender, marital status, disability, religion, age or sexual orientation. The Company's aim is to recruit, train and promote the best person for the job and to create a working environment free from unlawful discrimination, victimisation and harassment, and in which all employees are treated with dignity and respect.

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

The Company also provides support to current and former members of the group 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 deferred contribution scheme for those who are not members of the defined benefit scheme.

Further details of staff policies and practices are contained in the "Human resources and social information" section of the 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 advice. We are aligned with and focused on our clients' success, and care about their business. We know that long-lasting relationships depend on this and an independent client survey carried out biennially continues to highlight high levels of client satisfaction. We also understand the impact that 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 Group financial statements.

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.

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 the relevant laws and regulations in place.

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.

Our community investment ambition is to raise and realise the aspirations of young people from disadvantaged backgrounds. Offering a combination of skills-based employee volunteering and strategic financial contributions we pursue long-term partnerships with charities, educational establishments and social enterprises which share our goals. We focus on helping disadvantaged young people to develop the skills that will help them to succeed at school and in the workplace, and on instilling in them the confidence to be more ambitious. In addition, we use our advisory skills to help social enterprises whose aims are aligned with ours to develop and transform their business models.

The Company has engaged in a number of initiatives to raise employee awareness of environmental issues, including recycling, greenhouse gas emissions and the use of renewable energy. The Company also has several community investment initiatives through various volunteering, mentoring and corporate giving programmes.

Some of these responsibilities are managed at Group level and described in greater detail in the Corporate Social Responsibility section of the 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
4 March 2020

Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 December 2019, including 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.

Please note that the comparative period for this set of financial statements is for the 12 month period ended 31 December 2018.

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 21 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 Company and the Group of companies has considerable financial resources and continues to generate new profitable business. It is well placed to manage its business risk for the foreseeable future despite an uncertain economic outlook.

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:

Christopher Coleman
Alexander MacPhee
Gary Powell
Helen Watson
Jonathan Westcott

John Malik (appointed 27 February 2019)
Christian Bouet (appointed 15 November 2019)

Directors' Indemnity

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

Dividends

During the year to December 2019, the Company declared and paid dividends of £9.0m in June 2019 and £7.0m in November 2019 (12 months to December 2018: £5,900,000).

Political and charitable donations

The Company made £24,183 of charitable donations during the year (2018: £670).

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. Hrtn

Helen Horton
For and on behalf of
N.M. Rothschild & Sons Limited
Secretary
4 March 2020

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 report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group'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 2019 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with
- International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

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

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

Going concern

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

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

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

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

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

RJMcKechnie

Paul McKechnie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London
E15 5GL
5 March 2020

Statement of Comprehensive Income

For the year ended 31 December 2019

	Note	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Revenue	2	74,960	68,398
Administrative expenses		(55,187)	(53,001)
Depreciation		(75)	(35)
Operating profit		**19,698**	**15,362**
Other interest receivable/(payable) and similar income	6	163	(75)
Profit on ordinary activities before taxation		**19,861**	**15,287**
Tax charge on profit on ordinary activities	7	(4,033)	(3,007)
Profit on ordinary activities after taxation		**15,828**	**12,280**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
-Exchange differences on translation of foreign operations		430	732
Total comprehensive income		**16,258**	**13,012**

The notes on pages 13 to 27 are an integral part of these financial statements.

Statement of Change in Equity

For the year ended 31 December 2019

	Note	Share Capital	Currency translation reserve	Retained earnings	Total
		£ '000	£ '000	£ '000	£ '000
As at 1 January 2018		12,020	(308)	8,433	20,145
Dividends paid	24	-	-	(5,900)	(5,900)
Total comprehensive income		-	732	12,280	13,012
As at 31 December 2018		**12,020**	**424**	**14,813**	**27,257**
As at 1 January 2019		12,020	424	14,813	27,257
Dividends paid	24	-	-	(16,000)	(16,000)
Total comprehensive income		-	430	15,828	16,258
As at 31 December 2019		**12,020**	**854**	**14,641**	**27,515**

The notes on pages 13 to 27 are an integral part of these financial statements.

Statement of financial position

As at 31 December 2019

	Note	31 December 2019 £'000	31 December 2018 £'000
Assets			
Non-current assets			
Deferred tax	8	1,355	586
Other receivables	9	464	367
Property, plant and equipment	10	-	75
Intangibles	11	265	-
Investments	12	1,307	1,338
Investments in subsidiary	13	7,232	906
		10,623	**3,272**
Current assets			
Trade and other receivables	14	19,248	18,416
Other financial assets	15	-	359
Cash and cash equivalents	16	26,216	32,340
		45,464	**51,115**
Total assets		**56,087**	**54,387**
Liabilities			
Current liabilities			
Trade and other payables	17	(19,401)	(19,148)
Current tax liability		(7,166)	(4,154)
Other financial liabilities	18	-	(332)
		(26,567)	**(23,634)**
Non-current liabilities			
Other liabilities falling due after more than one year	19	(2,005)	(3,496)
Total assets less current liabilities		**29,520**	**30,753**
Net assets		**27,515**	**27,257**
Equity			
Called up share capital	20	12,020	12,020
Currency translation reserve		854	424
Retained earnings		14,641	14,813
Total shareholders' equity		**27,515**	**27,257**

Approved by the Board of Directors on 4 March 2020 and were signed on its behalf by:

G A Powell

Gary Powell, Director

The notes on pages 13 to 27 are an integral part of these financial statements.

Registered number: 04416252

Cash Flow statement

As at 31 December 2019

	31 December 2019 £'000	31 December 2018 £'000
Cash flow used in operating activities		
Profit for the year	**19,861**	**15,287**
Adjustments:		
Depreciation charge	75	35
Finance (income)/expense	(163)	75
Dividend income	(51)	(29)
Fair value adjustment of investments	322	(28)
Net (increase)/decrease in deferred tax	(769)	221
Net (increase)/decrease in other receivables	(1,300)	996
Net (increase) in trade and other receivables	(832)	(7,823)
Net decrease/(increase) in other financial assets	357	(89)
Net increase in trade and other payables	2,847	4,118
Net (decrease)/increase in deferred bonus	(1,490)	1,318
Net increase in currency translation reserve	430	732
Net (decrease)/increase in other financial liabilities	(332)	97
Cash generated from operations	**18,955**	**14,910**
Tax paid and other tax movements	(1,020)	(450)
Net cash flow used in operating activities	**17,935**	**14, 460**
Cash flow from investing activities		
Purchase of intangibles	(265)	-
Purchase of investments	(8,235)	(1,041)
Disposal of investments	227	20
Interest received/(paid)	163	(75)
Dividend income	51	29
Cash flow used in investing activities	**(8,059)**	**(1,067)**
Cash flow from financing activities		
Dividend paid	(16,000)	(5,900)
Cash flow used in financing activities	**(16,000)**	**(5,900)**
Net (decrease)/ increase in cash equivalents	**(6,124)**	**7,493**
Cash and Cash equivalents at 31 December 2018	**32,340**	**24,847**
Cash and Cash equivalents at 31 December 2019	**26,216**	**32,340**

The notes on pages 13 to 27 are an integral part of these financial statements.

Notes to the Accounts

For the period ended 31 December 2019

1. Accounting Policies

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

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

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

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

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

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

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.

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 2019 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.

Notes to the Accounts

c. Property, plant and equipment

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

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

Office equipment, fixtures and fittings	3-8 years

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

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

Impairment of property, plant and equipment

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

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

d. 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 due to commence on the date it becomes 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 consolidated 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.

Notes to the Accounts

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. 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 22. 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 income statement over the period in which the services are rendered that give rise to the obligation. Where the payment of profit share is deferred until the end of a specified vesting period, the deferred amount is recognised in the income statement over the period up to the date of vesting.

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

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

l. Derivative financial instruments

During the year the Company entered into forward foreign exchange contracts in order to mitigate the foreign exchange risk for the Milan branch clients holding assets in non-local currencies. The Company executed forward foreign exchange contracts with its clients which were then hedged by entering into forward foreign exchange contracts with Rothschild & Co Bank AG ("R&CoBZ"). The derivatives were measured at fair value, with transaction costs recorded immediately in the income statement. Subsequent to initial recognition, changes in the derivatives' fair value were recognised in the income statement.

Notes to the Accounts

m. 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.

n. Financial Assets at fair value through profit or loss

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

o. 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.

p. Investment in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

q. 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 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)**

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

The trade and other payables balance as at 31 December 2019 is £19,401k (2018: £19,148k). However, £12,897k (2018: £11,694k) 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 £6,504k (2018: £7,454k) is included within level 2 liabilities.

Notes to the Accounts

2. Analysis of revenue

	12 months ended 31 December 2019 £ '000	12 months ended 31 December 2018 £ '000
Revenue:		
Management and brokerage fees	62,181	57, 513
Commission receivables and other income	13,050	10, 828
Dividend income	51	29
Fair value adjustments in relation to Rothschild & Co shares	(322)	28
	74,960	**68,398**

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 £ '000	R&Co WMUK Milan Branch £ '000
Revenue:		
12 months ended 31 December 2019	73,589	1,371
Revenue:		
12 months ended 31 December 2018	65,986	2,412

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	12 months ended 31 December 2019 £'000	12 months ended 31 December 2018 £ '000
Service charges from fellow subsidiary undertakings	(15,564)	(13,884)
Auditors remuneration for the audit of the annual accounts		
Audit fees relating to the Company	(38)	(33)
Fees relating to other assurance services	(35)	(30)

4. Remuneration of Directors

The Company has restated certain prior year numbers relating to Director' remuneration to disclose amounts paid in the year and amounts which became receivable under deferred bonus schemes.

	12 months ended 31 December 2019 £'000	12 months ended 31 December 2018 £'000
Directors emoluments (excluding LTIP)	3,367	2,197
Pensions	80	2
Deferred bonus	478	508
Total remuneration	**3,925**	**2,707**
Pensions		
Defined contributions pension scheme (number of Directors)	1	1
Defined benefit pension scheme (number of Directors)	1	1
Highest paid Director		
Total remuneration (excluding LTIP)	1,968	1,493

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 2019	12 months ended 31 December 2018
Wealth Management	152	143

	Note	12 months ended 31 December 2019 £'000	12 months ended 31 December 2018 £'000
Wages and Salaries		27,250	27,783
Social Security Costs		3,939	3,697
Other pension costs	22	2,117	1,564
Total		33,306	33,044

6. Other interest receivables on ordinary activities

	12 months ended 31 December 2019 £ '000	12 months ended 31 December 2018 £ '000
Receivable/(payable) to/ from a fellow subsidiary undertakings	163	(75)

7. Taxation

	12 months ended 31 December 2019 £ '000	12 months ended 31 December 2018 £ '000
Current tax charge		
Current year	(4,209)	(2,672)
Adjustments for prior years	(92)	(35)
Origination and reversal of temporary differences	377	(250)
Changes in rates	(109)	(50)
Total tax charge	(4,033)	(3,007)
Profit on ordinary activities before taxation	19,861	15,287
Tax credits using the UK corporation tax of 19%	(3,774)	(2,905)
Adjustments for prior years	(92)	(35)
Non- deductible expenses	(58)	(17)
Changes in rates	(109)	(50)
Total tax charge	(4,033)	(3,007)

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 2018: 19 per cent) although reductions in the rate to 17 per cent from April 2020 had been substantially enacted at the balance sheet date.

The movement on the deferred tax account is as follows:

	31 December 2019 £ '000	31 December 2018 £ '000
At 31 December	586	807
Origination and reversal of temporary differences	378	(250)
Prior year	500	79
Changes in rates	(109)	(50)
At 31 December	**1,355**	**586**

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

	31 December 2019 £ '000	31 December 2018 £ '000
Deferred profit share arrangements	1,355	586

9. Other receivables

	31 December 2019 £ '000	31 December 2018 £ '000
Other receivables	464	367

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

	31 December 2019	31 December 2018
Office Equipment, Fixtures and Fittings	£ '000	£ '000
Cost		
At the beginning of period	354	354
Additions	-	-
At the end of period	**354**	**354**
Depreciation		
At the beginning of period	(279)	(244)
Additions	-	-
Charged in the period	(75)	(35)
At the end of period	**(354)**	**(279)**
Net book value		
At the beginning of period	75	110
At the end of period	-	75

Notes to the Accounts

11. Intangible assets

Computer software development costs	31 December 2019 £ '000	31 December 2018 £ '000
Cost		
At the beginning of period	-	-
Additions	265	-
At the end of period	265	-
Amortisation		
At the beginning of period	-	-
Additions	-	-
Charged in the period	-	-
At the end of period	-	-
Net book value		
At the beginning of period	-	-
At the end of period	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 due to commence on the date it becomes operational.

12. Investments

	31 December 2019 £ '000	31 December 2018 £ '000
Fair value of Rothschild & Co shares as at 1 January 2019	1,338	1,196
Rothschild & Co share disposals during the year	(227)	(20)
Rothschild & Co share acquisitions during the year	518	134
Fair value adjustments	(322)	28
Fair value of Rothschild & Co shares as at 31 December 2019	1,307	1,338

Total number of shares as at 31 December 2019 was 71,569 (31 December 2018: 49,232).

13. Investment in Subsidiary

	31 December 2019 £ '000	31 December 2018 £ '000
Opening balance as at 1 January 2019	906	-
Additions during the year	6,326	906
Impairments during the year	-	-
Closing balance as at 31 December 2019	7,232	906

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 2019 £ '000	31 December 2018 £ '000
Amounts owed by fellow subsidiary undertaking	11,400	11,819
Other receivables, prepayments and accrued income	7,848	6,597
Total	19,248	18,416

15. Other financial assets

	31 December 2019 £ '000	31 December 2018 £ '000
Financial assets at fair value through profit and loss	-	359

During the year the Company entered into forward foreign exchange contracts in order to mitigate the foreign exchange risk for the Milan branch clients holding assets in non-local currencies. The Company executed forward foreign exchange contracts with its clients which were then hedged by entering into forward foreign exchange contracts with Rothschild & Co Bank AG ("R&CoBZ"). The derivatives were measured at fair value, with transaction costs recorded immediately in the income statement. Subsequent to initial recognition, changes in the derivatives' fair value were recognised in the income statement.

The Company is no longer the FX counterparty of these forward foreign exchange contracts. The contracts now reside with R&CoBZ as a result of R&CoBZ becoming the FX counterparty for the Milan clients post the new SIM set up. As a result, at the year end the fair value of these derivatives were no longer measured on the R&CoWMUK balance sheet.

The nominal value of these contracts as at the 31 December 2019 was £nil (31 December 2018: £91,019,556).

16. Cash and cash equivalents

	31 December 2019 £ '000	31 December 2018 £ '000
Cash held with a fellow subsidiary undertakings	24,932	32,148
Cash held with third parties	1,284	192
Total	26,216	32,340

17. Trade and other payables

	31 December 2019 £ '000	31 December 2018 £ '000
Trade payables	81	20
Amounts owed to fellow subsidiary undertakings	4,357	5,844
Accruals and deferred income	14,963	13,284
Total	19,401	19,148

Notes to the Accounts

18. Other financial liabilities

	31 December 2019 £ '000	31 December 2018 £ '000
Financial assets at fair value through profit and loss	-	332

During the year the Company entered into forward foreign exchange contracts in order to mitigate the foreign exchange risk for the Milan branch clients holding assets in non-local currencies. The Company executed forward foreign exchange contracts with its clients which were then hedged by entering into forward foreign exchange contracts with Rothschild & Co Bank AG ("R&CoBZ"). The derivatives were measured at fair value, with transaction costs recorded immediately in the income statement. Subsequent to initial recognition, changes in the derivatives' fair value were recognised in the income statement.

The Company is no longer the FX counterparty of these forward foreign exchange contracts. The contracts now reside with R&CoBZ as a result of R&CoBZ becoming the FX counterparty for the Milan clients post the new SIM set up. As a result, at the year end the fair value of these derivatives were no longer measured on the R&CoWMUK balance sheet.

The nominal value of these contracts as at the 31 December 2019 was £nil (31 December 2018: £91,019,556).

19. Other liabilities falling due after more than one year

	31 December 2019 £ '000	31 December 2018 £ '000
Amounts due under long term incentive plan	2,005	3,496

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.

20. Called up share capital

	31 December 2019 £ '000	31 December 2018 £ '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 2019 (2018: 12,019,774 £1 ordinary shares)

Notes to the Accounts

21. 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 2019 £ '000	31 December 2018 £ '000
Not overdue		17,943	18,347
Past due by up to:	30 days	1,078	69
	30- 90 days	143	-
	Over 90 days	179	-
		19,343	18,416

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 2019 was 0.65% (12 months to December 2018: 0.46%) 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 2019	31 December 2018
	£ '000	£ '000
US	750	358
Euro	1,258	7,976
Other	(2,690)	(2,080)

If the value of these currencies fell by 5 per cent against sterling, then there would be a post-tax charge to the income statement of £34,000 (2018: charge of £313,000). 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 income statement of £34,000 (2018: credit of £313,000). There would be no material impact on equity.

22. 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 2019, there was a deficit of £2.9m (31 December 2018: surplus of £9.0m) 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 £2,075,688 (31 December 2018: £1,563,651) of which £890,116 (31 December 2018: £345,992) related to the above defined benefit section and £1,185,572 (31 December 2018: £1,126,498) related to the defined contribution section. Participating employers in the Fund have agreed to pay 55.2% (31 December 2018: 46.6%) of in-service members' pensionable salaries in respect of future accruals.

23. 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 Income Statement of the Company in respect of related party transactions are as follows:

	31 December 2019 £ '000	31 December 2018 £ '000
Net fees and commissions receivable/ (payable)	7,936	7,695
Dividend	51	29
Operating expenses	(15,564)	(13,884)
Total	(7,577)	(6,160)

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 2019 £ '000	31 December 2018 £ '000
Cash and cash equivalents	24,932	32,148
Receivables	11,400	11,819
Payables	4,357	4,996

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

24. Dividend

Amounts recognised as distributions to equity holders in the year:	31 December 2019 £ '000	31 December 2018 £ '000
Interim dividend for the 12 months ended 31 December 2019 of £1.3311 per share (12 months to 31 December 2018: 49.0858p per share)	16,000	5,900

25. 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 consolidated 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.