



# Third New Court Limited

## Report of the Directors and Financial Statements for the year ended 31 December 2023

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# Strategic Report

## Business Model and Strategic Objectives

The principal activity of Third New Court Limited (“the Company”) is that of property investment and lettings. The Company was established in 2008 for the redevelopment of the New Court building in St Swithin’s Lane, London. The new building was completed in 2011, and is let on a long-term lease to N. M. Rothschild & Sons Limited (“NMR”), a fellow-member of the Rothschild & Co group of companies headed by Rothschild & Co Concordia SAS (“R&Co Group”).

## Business Update and Key Performance Indicators

In the year to 31 December 2023 the Company received rental income of £12,552,382 (2022: £12,124,152). After depreciation and interest charges it generated a profit of £4,025,593 before tax (2022: £3,477,650) and an after-tax profit of £2,258,913 (2022: £1,707,970). £27.0m of cash is now held with NMR and is immediately available for use by the Company, although it does not qualify as cash and cash equivalents under IFRS.

## Section 172 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, customers 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. Given that the Company has no staff and limited suppliers, the key stakeholders are thought to be shareholders and tax authorities:

### 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 earlier. 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/](http://www.rothschildandco.com/en/investor-relations/).



# Strategic Report (continued)

## Tax authorities

The Company insists on the highest standards of professionalism and integrity from those that act on its behalf 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.

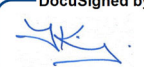
## Principal Risks and Uncertainties

The principal risks of the Company are credit risk, market risk and liquidity risk.

Management has performed an assessment to determine whether there are any material uncertainties that could cast significant doubt on the ability of the Company to continue as a going concern.

Since the New Court building is leased to NMR, the Company is particularly reliant on the ability of NMR to meet its obligations under the lease. NMR has sufficient liquidity to continue to operate for the next 12 months even in the scenario where revenue is significantly reduced. Management has considered the going concern basis of preparation as outlined in note 1 to the financial statements.

By Order of the Board

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**John King**  
**Director**

New Court, St Swithin's Lane, London EC4N 8AL

14 June 2024



# Report of the Directors

The Directors present their Directors' report and the financial statements for the year ended 31 December 2023.

## Dividends

During the year the Company did not pay any dividends (2022: £nil).

## Directors

The Directors who held office during the year were as follows:

Peter Barbour

Mark Crump

John King

Paul O'Leary (resigned 4 August 2023)

## Directors' Indemnity

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


## Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

## Audit Information

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

By Order of the Board

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John King

Director

New Court, St Swithin's Lane, London EC4N 8AL

14 June 2024



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

The directors are responsible for preparing the Annual Report, 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 Third New Court Limited

## Opinion

We have audited the financial statements of Third New Court Limited ("the Company") for the year ended 31 December 2023 which comprise the Statement of 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 2023 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.



# Independent Auditor's Report to the Members of Third New Court Limited

## 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 senior management and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes; and
- Using analytical procedures to identify any unusual 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, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited opportunity to commit fraud due to the fact that the company's primary revenue transactions are from a single source and there are no judgmental aspects involved.

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 close entries and journals posted by individuals who do not typically post journal entries.

### *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 others 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.

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. We identified the following areas as those most likely to have such an effect: anti-bribery, employment law, and certain aspects of company legislation recognising the financial 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 fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **Strategic report and Directors' report**

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

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

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

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

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

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





# Independent Auditor's Report to the Members of Third New Court Limited

- 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 5, 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](http://www.frc.org.uk/auditorsresponsibilities).

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

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

Christopher Berry (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London E14 5GL

14 June 2024



# Statement of Comprehensive Income

For the year ended 31 December 2023

|   | Notes | 2023<br>£   | 2022<br>£   |
|---|-------|-------------|-------------|
| Rental income                                     |       | 12,552,382  | 12,124,152  |
| Operating expenses                                |       | (3,813,362) | (3,806,062) |
| Interest expense                                  |       | (4,713,427) | (4,840,440) |
| Profit before tax                                 |       | 4,025,593   | 3,477,650   |
| Taxation  | 5     | (1,766,680) | (1,769,680) |
| Profit for the financial year                     |       | 2,258,913   | 1,707,970   |
| Other comprehensive income                        |       | -           | -           |
| Total comprehensive income for the financial year |       | 2,258,913   | 1,707,970   |

All amounts are in respect of continuing activities.

The notes on pages 14 to 23 form an integral part of these financial statements

Registered number: 06479314




# Balance Sheet

At 31 December 2023

|                                       | Notes | 2023<br>£   | 2023<br>£     | 2022<br>£   | 2022<br>£     |
|---------------------------------------|-------|-------------|---------------|-------------|---------------|
| <b>Non-current assets</b>             |       |             |               |             |               |
| Property                              | 6     |             | 130,189,463   |             | 133,823,195   |
| <b>Current assets</b>                 |       |             |               |             |               |
| Debtors and prepayments               | 7     | 925         |               | 47,928      |               |
| Amounts due from group companies      | 8     | 27,014,507  |               | -           |               |
| Cash and cash equivalents             | 9     | 1,571,716   |               | 29,839,044  |               |
|                                       |       | 28,587,148  |               | 29,886,972  |               |
| <b>Current liabilities</b>            |       |             |               |             |               |
| Current tax payable                   |       | (2,095,000) |               | (1,990,953) |               |
| Other financial liabilities           | 10    | (4,223,664) |               | (8,249,444) |               |
| Loans due within one year             | 11    | (2,904,000) |               | (2,904,000) |               |
| Net current assets                    |       |             | 19,364,484    |             | 16,742,575    |
| Total assets less current liabilities |       |             | 149,553,947   |             | 150,565,770   |
| <b>Non-current liabilities</b>        |       |             |               |             |               |
| Loans due in more than one year       | 11    |             | (129,551,104) |             | (132,455,104) |
| Deferred tax liability                | 12    |             | (3,429,648)   |             | (3,796,384)   |
| Net assets                            |       |             | 16,573,195    |             | 14,314,282    |
| <b>Shareholders' equity</b>           |       |             |               |             |               |
| Share capital                         | 14    |             | 11,004,400    |             | 11,004,400    |
| Retained profits                      |       |             | 5,568,795     |             | 3,309,882     |
| Total shareholders' equity            |       |             | 16,573,195    |             | 14,314,282    |

Approved by the Board of Directors on 14 June 2024 and signed on its behalf by:

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John King, Director

The notes on pages 14 to 23 form an integral part of these financial statements

Registered number: 06479314



# Statement of Changes in Equity

For the year ended 31 December 2023

|   | Share capital<br>£ | Retained earnings<br>£ | Total equity<br>£ |
|---|--------------------|------------------------|-------------------|
| At 1 January 2023                                 | 11,004,400         | 3,309,882              | 14,314,282        |
| Total comprehensive income for the financial year | –                  | 2,258,913              | 2,258,913         |
| At 31 December 2023                               | 11,004,400         | 5,568,795              | 16,573,195        |
| At 1 January 2022                                 | 11,004,400         | 1,601,912              | 12,606,312        |
| Total comprehensive income for the financial year | –                  | 1,707,970              | 1,707,970         |
| At 31 December 2022                               | 11,004,400         | 3,309,882              | 14,314,282        |

The notes on pages 14 to 23 form an integral part of these financial statements

Registered number: 06479314



# Cash Flow Statement

For the year ended 31 December 2023

|   | Notes | 2023<br>£    | 2022<br>£   |
|---|-------|--------------|-------------|
| <b>Cash flow from operating activities</b>                        |       |              |             |
| Profit for the financial year                                     |       | 2,258,913    | 1,707,970   |
| <b>Non-cash items included in profit</b>                          |       |              |             |
| Depreciation  | 6     | 3,633,732    | 3,633,732   |
| Amortisation of loan fees   | 11    | 96,000       | 96,000      |
| Income tax charge   | 5     | 1,766,680    | 1,769,680   |
| Operating profit before changes in working capital and provisions |       | 7,755,325    | 7,207,382   |
| Net decrease in debtors and prepayments                           |       | 47,003       | 51,276      |
| Net increase in amounts due to group companies                    |       | -            | 4,155,024   |
| Net increase in other payables                                    |       | 129,244      | 89,142      |
| Cash generated from operations                                    |       | 7,931,572    | 11,502,824  |
| Income tax paid   |       | (2,029,369)  | (1,593,282) |
| Net cash flow from operating activities                           |       | 5,902,203    | 9,909,542   |
| <b>Cash flow used in investing activities</b>                     |       |              |             |
| Net (increase) in amounts due from group companies                |       | (27,014,507) | -           |
| Net investing   |       | (27,014,507) | -           |
| <b>Cash flow used in financing activities</b>                     |       |              |             |
| Repayment of borrowing  |       | (3,000,000)  | (3,000,000) |
| Net (decrease) in amounts due to group companies                  |       | (4,155,024)  | -           |
| Net cash flow used in financing activities                        |       | (7,155,024)  | (3,000,000) |
| Net (decrease) / increase in cash and cash equivalents            |       | (28,267,328) | 6,909,542   |
| Cash and cash equivalents at beginning of year                    |       | 29,839,044   | 22,929,502  |
| Cash and cash equivalents at end of year                          | 9     | 1,571,716    | 29,839,044  |

Interest payments during the year were as follows:

|                  | 2023<br>£   | 2022<br>£   |
|------------------|-------------|-------------|
| To third parties | (4,765,200) | (4,870,800) |

The notes on pages 14 to 23 form an integral part of these financial statements



# Notes to the Financial Statements

*(forming part of the Financial Statements)*

For the Year ended 31 December 2023

## 1. Accounting Policies

Third New Court Limited is a private limited company incorporated in England and Wales. The Company's registered office is at New Court, St Swithin's Lane, London EC4N 8AL. The principal accounting policies which have been consistently adopted in the presentation of the financial statements are as follows:

### a. Basis of preparation

The financial statements are prepared and approved by the Directors in accordance with UK-adopted international accounting standards (adopted "IFRS").

#### Functional and presentation currency

These financial statements are presented in sterling, which is the Company's functional currency.

#### Going Concern

The company's contractual obligations and committed revenues are structured such that cash flows will remain positive for the foreseeable future, as rental income exceeds the amounts of interest payable, and principal repayable, under the loan.

Management has performed an assessment to determine whether there are any material uncertainties that could cast significant doubt on the ability of the Company to continue as a going concern. No significant issues have been noted. In reaching this conclusion, management considered:

- The financial impact of the uncertainty on the Company's balance sheet;
- The Company's liquidity position based on current and projected cash resources. The liquidity position has been assessed taking into account the forecast liquidity of N.M. Rothschild & Sons Limited ("NMR") and its ability to continue to pay the rental expense due to the Company. Considerations included a stressed scenario where NMR's revenues could be significantly reduced as compared to the prior year; and

Based on the above assessment of the Company's financial position, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.



# Notes to the Financial Statements

*(forming part of the Financial Statements)*

## 1. Accounting Policies (continued)

### Standards affecting the financial statements

A number of new standards, amendments to standards and interpretations are effective for accounting periods ending after 31 December 2023 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, and none are expected to have a material impact on the Company's financial statements.

#### b. Interest

Interest income and expense is recognised in the statement of comprehensive income using the effective interest rate method.

#### c. Property

Property is stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes capitalised development expenditure, borrowing costs, and other expenditure that is directly attributable to the acquisition of the asset.

Land is not depreciated. 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:

|                     |               |
|---------------------|---------------|
| Investment property | 10 – 60 years |
|---------------------|---------------|

#### d. Impairment of property

At each balance sheet date, or more frequently where events or changes in circumstances dictate, property is 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 income statement in the year 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.

#### e. Rental income

Rental income from investment property is recognised in the income statement on a straight line basis over the term of the lease.



# Notes to the Financial Statements

*(forming part of the Financial Statements)*

## **1. Accounting Policies (continued)**

### **f. Financial liabilities**

Financial liabilities are initially recognised at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

### **g. Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and balances with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **h. Taxation**

Tax payable on profits is recognised in the income statement.

Deferred tax is provided in full, using the balance sheet 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.

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.

### **i. Capital management**

The Company is not subject to any externally imposed capital requirements. Capital resources are managed on a group basis by NMR, a fellow subsidiary undertaking.

### **j. Financial risk management**

The Company follows the financial risk management policies of a fellow subsidiary undertaking, NMR. The key risks arising from the Company's activities involving financial instruments, which are monitored at the group level, are as follows:

- Credit risk – the Company has limited exposure to the risk of loss arising from client or counterparty default. Cash balances are held either with a fellow subsidiary undertaking or with a bank which has a strong credit rating.
- Market risk – the Company does not have exposure to changes in market variables such as currency exchange rates or equity and debt prices. Following the refinancing of the Company's loan facility in April 2015 at a fixed interest rate for twenty years, the Company has substantially reduced its exposure to interest rate risk on loans from third parties.
- Liquidity risk – the risk that the Company is unable to meet its obligations as they fall due or that it is unable to fund its commitments. Following the loan refinancing, the Company's exposure to liquidity risk has been greatly reduced.





# Notes to the Financial Statements

(forming part of the Financial Statements)

## 2. Fair Value of Financial Assets and Liabilities

The tables below analyse the fair values of financial assets and liabilities according to a three level valuation hierarchy, whereby the valuation level is determined using the following criteria:

**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 (ie as prices) or indirectly (ie derived from market data to a significant extent).

**Level 3:** Inputs for the asset or liability that are not based primarily on observable market data (unobservable inputs).

### Carried at amortised cost

|                               | Carrying value     | Fair value         | Measured using |                    |          |
|-------------------------------|--------------------|--------------------|----------------|--------------------|----------|
|                               |                    |                    | Level 1        | Level 2            | Level 3  |
|                               | £                  | £                  | £              | £                  | £        |
| <b>As at 31 December 2023</b> |                    |                    |                |                    |          |
| <b>Financial assets</b>       |                    |                    |                |                    |          |
| Amounts due from Group        | 27,014,507         | 27,014,507         | -              | 27,014,507         | -        |
| Cash and cash equivalents     | 1,571,716          | 1,571,716          | -              | 1,571,716          | -        |
| <b>Total</b>                  | <b>28,586,223</b>  | <b>28,586,223</b>  | <b>-</b>       | <b>28,586,223</b>  | <b>-</b> |
| <b>Financial liabilities</b>  |                    |                    |                |                    |          |
| Loans from banks              | 132,455,104        | 118,890,375        | -              | 118,890,375        | -        |
| Amounts due to Group          | -                  | -                  | -              | -                  | -        |
| Other financial liabilities   | 4,223,664          | 4,223,664          | -              | 4,223,664          | -        |
| <b>Total</b>                  | <b>136,678,768</b> | <b>123,114,039</b> | <b>-</b>       | <b>123,114,039</b> | <b>-</b> |
| <b>As at 31 December 2022</b> |                    |                    |                |                    |          |
| <b>Financial assets</b>       |                    |                    |                |                    |          |
| Cash and cash equivalents     | 29,839,044         | 29,839,044         | -              | 29,839,044         | -        |
| <b>Total</b>                  | <b>29,839,044</b>  | <b>29,839,044</b>  | <b>-</b>       | <b>29,839,044</b>  | <b>-</b> |
| <b>Financial liabilities</b>  |                    |                    |                |                    |          |
| Loans from banks              | 135,359,104        | 118,652,168        | -              | 118,652,168        | -        |
| Amounts due to Group          | 4,155,024          | 4,155,024          | -              | 4,155,024          | -        |
| Other financial liabilities   | 4,094,420          | 4,094,420          | -              | 4,094,420          | -        |
| <b>Total</b>                  | <b>143,608,548</b> | <b>126,901,612</b> | <b>-</b>       | <b>126,901,612</b> | <b>-</b> |

The fair values of cash and cash equivalents and other financial liabilities are materially the same as their carrying value due to their short term nature.

The fair values of loans from banks are determined by discounting the future cashflows at market interest rates adjusted for the appropriate credit spread.



# Notes to the Financial Statements

(forming part of the Financial Statements)

## 3. Audit Fee

The amount receivable by the auditor and its associates in respect of the audit of these financial statements is £21,000 (2022: £17,000). The audit fee is paid on a group basis by NMR.

## 4. Directors' Emoluments

None of the Directors received any remuneration in respect of services provided to the Company during the year (2022: £nil).

## 5. Taxation

Tax is based on the results for the year and comprises:

|  | 2023<br>£   | 2022<br>£   |
|--|-------------|-------------|
| Current tax                                    |             |             |
| - Current year                                 | (2,095,000) | (1,990,953) |
| - Prior years                                  | (38,416)    | 177,547     |
| Total current tax                              | (2,133,416) | (1,813,406) |
| Deferred tax                                   |             |             |
| Origination and reversal of timing differences |             |             |
| - Changes in tax rate                          | 142,171     | 43,726      |
| - Prior years                                  | 224,565     | -           |
| Total deferred tax                             | 366,736     | 43,726      |
| Total tax charge for the year                  | (1,766,680) | (1,769,680) |

The total tax charge for the year may be explained as follows:

|  | 2023<br>£   | 2022<br>£   |
|--|-------------|-------------|
| Profit before tax                                  | 4,025,593   | 3,477,650   |
| Tax calculated at standard rate of 25% (2022: 19%) | (1,006,398) | (660,753)   |
| Adjustment to tax charge in respect of prior years | 186,148     | 177,547     |
| Changes in tax rate                                | 82,390      | 10,493      |
| Non tax deductible expenses                        | (1,028,820) | (1,296,967) |
| Total tax charge for the year                      | (1,766,680) | (1,769,680) |

The UK corporation tax rate at the balance sheet date was 25 per cent.

Pillar Two income taxes legislation have been enacted in France, where the group's parent company, Rothschild & Co SCA, is incorporated. The legislation is effective from 1 January 2024. Under the legislation, the parent company will be required to pay, in France, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. It is not expected that there will be any top-up tax due in the group's UK entities.

Further information about deferred tax is presented in note 11.



# Notes to the Financial Statements

(forming part of the Financial Statements)

## 6. Property

|                      | 2023        | 2022        |
|----------------------|-------------|-------------|
|                      | £           | £           |
| Investment property  |             |             |
| Cost                 |             |             |
| At beginning of year | 181,095,740 | 181,095,740 |
| At end of year       | 181,095,740 | 181,095,740 |
| Depreciation         |             |             |
| At beginning of year | 47,272,545  | 43,638,813  |
| Charge for the year  | 3,633,732   | 3,633,732   |
| At end of year       | 50,906,277  | 47,272,545  |
| Net book value       | 130,189,463 | 133,823,195 |

The New Court building was valued by a qualified independent valuer at £258 million in March 2023.

As disclosed in note 1, property is stated at deemed cost less accumulated depreciation and impairment losses. Property yields are still quoted at similar levels to those used as the basis of the December 2023 valuation. Management have therefore concluded that given the significant headroom against the carrying value there are no indicators of impairment at 31 December 2023.

## 7. Debtors and prepayments

|             | 2023 | 2022   |
|-------------|------|--------|
|             | £    | £      |
| Prepayments | -    | 47,003 |
| Other       | 925  | 925    |
|             | 925  | 47,928 |

## 8. Amounts due from Group companies

|                                  | 2023       | 2022 |
|----------------------------------|------------|------|
|                                  | £          | £    |
| Amounts due from Group companies | 27,014,507 | -    |
|                                  | 27,014,507 | -    |

No interest was earned on this balance which is placed in cash with N.M. Rothschild & Sons Limited, a fellow subsidiary undertaking, and is immediately available to the Company.

## 9. Cash and Cash Equivalents

At 31 December 2023 the Company held cash of £1,571,716 (2022: £29,839,044) at a third party bank. No interest was earned on these balances.



# Notes to the Financial Statements

(forming part of the Financial Statements)

## 10. Current Liabilities: Other Financial Liabilities

|                                | 2023<br>£ | 2022<br>£ |
|--------------------------------|-----------|-----------|
| Amounts due to Group companies | -         | 4,155,024 |
| Accruals and deferred income   | 4,223,664 | 4,094,420 |
|                                | 4,223,664 | 8,249,444 |

At 31 December 2022 the Company had a payable of £4,155,024 to a fellow subsidiary undertaking.

## 11. Loans

|                                 | 2023<br>£   | 2022<br>£   |
|---------------------------------|-------------|-------------|
| Loans due within one year       |             |             |
| Loan                            | 3,000,000   | 3,000,000   |
| Unamortised transaction costs   | (96,000)    | (96,000)    |
|                                 | 2,904,000   | 2,904,000   |
| Loans due in more than one year |             |             |
| Loan                            | 130,500,000 | 133,500,000 |
| Unamortised transaction costs   | (948,896)   | (1,044,896) |
|                                 | 129,551,104 | 132,455,104 |

The effective interest rate payable on the loan outstanding at 31 December 2023 was 3.52 per cent (31 December 2022: 3.52 per cent) per annum. The rate is fixed for the term of the loan which has a maturity date of April 2035. Under the terms of the loan agreement historical debt service cover must be at least 120% and the loan to value should not exceed 100%.

The following table shows the undiscounted contractual cash flows, including interest, payable by the Company on the loan, analysed by remaining contractual maturity at the balance sheet date.

|                       | 2023<br>£   | 2022<br>£   |
|-----------------------|-------------|-------------|
| Up to 1 year          | 7,659,600   | 7,765,200   |
| Between 1 and 5 years | 29,582,400  | 30,004,800  |
| More than 5 years     | 141,461,400 | 148,698,600 |
|                       | 178,703,400 | 186,468,600 |



# Notes to the Financial Statements

(forming part of the Financial Statements)

## 12. Deferred Tax Liability

The deferred tax liability at 31 December 2023 is calculated on certain temporary differences under the liability method using an effective tax rate of 25% (2022: 19%). An increase in the rate to 25 per cent from April 2023 was substantively enacted at the balance sheet date and is reflected in the carrying value of deferred tax. The movements during the year were as follows:

|                                    | 2023<br>£ | 2022<br>£ |
|------------------------------------|-----------|-----------|
| At beginning of year               | 3,796,384 | 3,840,110 |
| Recognised in the income statement |           |           |
| Capitalised interest               | (48,645)  | (51,750)  |
| Accelerated tax depreciation       | (71,522)  | 8,024     |
| Changes in tax rate                | (22,004)  | -         |
| Prior year adjustment              | (224,565) | -         |
| At end of year                     | 3,429,648 | 3,796,384 |

Deferred tax liabilities are attributable to the following items:

|                              | 2023<br>£ | 2022<br>£ |
|------------------------------|-----------|-----------|
| Capitalised interest         | 1,187,728 | 1,242,427 |
| Accelerated tax depreciation | 2,241,920 | 2,553,957 |
|                              | 3,429,648 | 3,796,384 |

At the reporting date, the Company has unused cumulative disallowed net interest expense carried forward of £19.3m (2022: £16.9m) available to be reactivated against disallowed interest. No deferred tax asset has been recognised in respect of the carried forward interest expense of £4.8m (2022: £4.2m).

## 13. Operating Lease Commitments

The Company has entered into a lease agreement with a fellow subsidiary undertaking for the New Court building. The minimum commitments receivable under this non-cancellable lease are as follows:

|                       | 2023<br>£   | 2022<br>£   |
|-----------------------|-------------|-------------|
| Up to 1 year          | 12,599,453  | 12,169,617  |
| Between 1 and 5 years | 51,670,422  | 49,907,662  |
| More than 5 years     | 177,234,786 | 171,188,342 |
|                       | 241,504,661 | 233,265,621 |

Rent amounting to £12,552,382 (2022: £12,124,152) was recognised in the income statement during the year.



# Notes to the Financial Statements

(forming part of the Financial Statements)

## 14. Share Capital

|                                    | 2023       | 2022       |
|------------------------------------|------------|------------|
| Allotted, called up and fully paid |            |            |
| Ordinary "A" shares of £1 each     | 4,400      | 4,400      |
| Ordinary "B" shares of £1 each     | 11,000,000 | 11,000,000 |

Each "A" share confers upon the holder the right to one vote at a meeting of Shareholders. Each "B" share confers upon the holder the right to attend a meeting of Shareholders and vote at such meeting only in respect of resolutions affecting the rights of "B" shares. "A" and "B" shares confer upon the holder the right to an equal share in any distribution paid by the Company.

## 15. Related Party Transactions

Parties are considered to be related if one party controls, is controlled by or has the ability to exercise significant influence over the other party. This includes key management personnel, the parent company, subsidiaries and fellow subsidiaries.

Amounts receivable from or payable to related parties at the year end were as follows:

|   | 2023       | 2022      |
|---|------------|-----------|
|   | £          | £         |
| Amounts owed by fellow subsidiary undertaking | 27,014,507 | -         |
| Amounts owed to fellow subsidiary undertaking | -          | 4,155,024 |

Amounts recognised in the income statement in respect of related party transactions were as follows:

|  | 2023       | 2022       |
|--|------------|------------|
|  | £          | £          |
| Rental income from fellow subsidiary undertaking | 12,552,382 | 12,124,152 |

There were no loans made to Directors during the year (2022: none) and no balances outstanding at year end (2022: £nil). The Directors did not receive any remuneration in respect of their services to the Company. There were no employees of the Company during the year (2022: none).



# Notes to the Financial Statements

*(forming part of the Financial Statements)*

## **16. Parent Undertaking 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, and whose registered office is at 23bis avenue de Messine, 75008 Paris. The smallest group in which they are consolidated is that headed by Rothschild & Co SCA, a French private partnership, whose registered office is also at 23bis avenue de Messine, 75008 Paris.

The Company's immediate parent company is Rothschild & Co Continuation Holdings AG, incorporated in Switzerland, and whose registered office is at Baarerstrasse 95, 6301 Zug.

**Certificate Of Completion**

|  |                                     |
|--|-------------------------------------|
| Envelope Id: 532AFD40ED2B45EBB26A7E6D29956410  | Status: Delivered                   |
| Subject: Complete with DocuSign: Third New Court Limited 31_12_23 stat acs Final.doc |                                     |
| Source Envelope:   |                                     |
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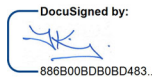
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| Christopher.Berry                                    | Sent: 6/14/2024 2:59:42 AM   |
| Christopher.Berry@KPMG.co.uk                         | Resent: 6/14/2024 3:27:14 AM |
| Security Level: Email, Account Authentication (None) | Viewed: 6/14/2024 3:32:58 AM |

**Electronic Record and Signature Disclosure:**  
 Accepted: 6/14/2024 3:32:58 AM  
 ID: 6d8305aa-08bc-42e1-8d1c-2d3b88959c28

John King  
 John.King@rothschildandco.com  
 Finance Director  
 Security Level: Email, Account Authentication (None)



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 Using IP Address: 193.115.226.220

**Electronic Record and Signature Disclosure:**  
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 ID: 1abc4895-5e48-4385-b5be-d9afa7d04ab5

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|-------------------------------------|------------------|----------------------|
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| <b>Witness Events</b>               | <b>Signature</b> | <b>Timestamp</b>     |
| <b>Notary Events</b>                | <b>Signature</b> | <b>Timestamp</b>     |
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| Envelope Sent                       | Hashed/Encrypted | 6/14/2024 2:59:42 AM |
| Envelope Updated                    | Security Checked | 6/14/2024 3:27:12 AM |
| Certified Delivered                 | Security Checked | 6/14/2024 3:40:10 AM |
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