

SEQUENT (U.K.) LIMITED

FORMERLY KNOWN AS ROTHSCHILD TRUST (CORPORATION) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the Year ended 31 December 2018



SEQUENT (U.K.) LIMITED

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SEQUENT (U.K.) LIMITED

Company Information

Directors

A J H Penney
S Stevenson
T Archard

Company Secretary

N M Rothschild & Sons Limited

Registration Number

00865402

Registered Office

New Court
London
United Kingdom
EC4N 8AL

Auditor

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

SEQUENT (U.K.) LIMITED
Director's Report
For the Year ended 31 December 2018

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

Prior year the directors decided in accordance with the whole Rothschild Group to change the financial year end from 31 March to 31 December. The prior financial period is therefore only 9 months from 1 April 2017 to 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the administration of trusts and wealth planning services.

BUSINESS REVIEW

Performance

There have been no significant change in the activity of the Company during the year and it is not the intention that there will be any change in the future. The shares of the parent of the Company, Sequent Holdings AG formerly known as Rothschild Private Trust Holdings AG, was sold as of 28 February 2019 not affecting the activity of the Company (Note 16).

The business formed part of the Rothschild & Co. Private Banking and Trust Group which operated in a number of jurisdictions, the core services of which are as follows:

- Asset structuring
- Strategic advice
- Consolidated reporting, manager
- Investment management
- Banking services

The Company made a loss for the year £215,192 (31.12.2017: profit of £130,641), of which £215,192 (31.12.2017: £130,641) was transferred to reserves. During the year a dividend of GBP 150'000 (2017: £250,000) was paid to shareholders in respect of the period ended 31 December 2017. No final dividend was paid post year end.

Principal Risks and Uncertainties

The Company faces a number of risks, in common with its peers, such as regulatory, operational and market risks. The Company seeks to mitigate these risks through a combination of insurance, segregation and duties, outsourcing and employing experienced staff.

The management team of the company is not expecting impacts caused of Brexit effects.

Key Performance Indicators ("KPIs")

There are a number of KPI's that management monitor, such as revenue and costs analysis, debtor collection and cash flow forecasts, as well as certain analysis from a regulatory perspective.

DIRECTORS

The directors who served during the year were:

A J H Penney
T Archard
S Stevenson

PAYMENT OF CREDITORS

It is the Company's aim to pay all creditors within 7 days of receipt of a monthly statement. In practice this means that all creditors should receive payment no later than 40 days from the date of supply of goods and services.

SEQUENT (U.K.) LIMITED
Director's Report
For the Year ended 31 December 2018

DONATIONS

The Company made no charitable donations (31.12.2017: Nil) during the year. No political donations were made nor any political expenditure incurred during the year (31.12.2017: Nil).

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

1.
so far as the director is aware there is no relevant audit information of which the Company's auditors is unaware
2.
that director has taken all steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

GOING CONCERN

The company's business activities and the principal business risks have been considered by the Directors. The Company has sufficient financial resources and the continued support of its parent. As a consequence, the Directors believe that the Company is well placed to manage its business risks.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future; thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

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.

This report was approved by the board and signed on its behalf.

This report was approved by the board on



Director
Date: 30.04.2019

and signed on its behalf.



Director

Sequent (U.K.) Limited
New Court
London
United Kingdom
EC4N 8AL

SEQUENT (U.K.) LIMITED

**Director's Report
For the Year ended 31 December 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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 accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEQUENT (U.K.) LIMITED

Opinion

We have audited the financial statements of Sequent (U.K.) Limited (formerly known as Rothschild Trust Corporation) ("the company") for the year ended 31 December 2018 which comprises the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

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

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

Going concern

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

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

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

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



Paul McKechnie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
30.04.2019

SEQUENT (U.K.) LIMITED
PROFIT AND LOSS ACCOUNT
for the Year ended 31 December 2018

	Note	for the year ended 31.12.2018 GBP	for the period ended 31.12.2017 GBP
TURNOVER	1	<u>1,525,242</u>	<u>1,620,353</u>
Administrative expenses		<u>(1,774,454)</u>	<u>(1,437,877)</u>
OPERATING PROFIT	2	<u>(249,212)</u>	<u>182,476</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>(249,212)</u>	<u>182,476</u>
Tax on profit on ordinary activities	4	<u>34,020</u>	<u>(51,835)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	10	<u>(215,192)</u>	<u>130,641</u>

The notes on pages 11-16 form an integral part of these financial statements.

All amounts are from continuing operations.

The Company has not prepared a separate statement of other comprehensive income as all the income and losses are reflected in the profit and loss account above.

SEQUENT (U.K.) LIMITED
STATEMENT OF CHANGES IN EQUITY
For the Year ended 31 December 2018

	Share Capital	Retained Earnings	Total Equity
	GBP	GBP	GBP
Balance at 31 March 2017	250,000	339,965	589,965
Profit for the Period	-	130,641	130,641
Other comprehensive income	-	-	-
Dividends	-	(250,000)	(250,000)
Balance at 31 December 2017	250,000	220,606	470,606
Profit for the Year	-	(215,192)	(215,192)
Other comprehensive income	-	-	-
Dividends	-	(150,000)	(150,000)
Balance at 31 December 2018	250,000	(144,586)	105,414


The notes on pages 11-16 form an integral part of these financial statements.

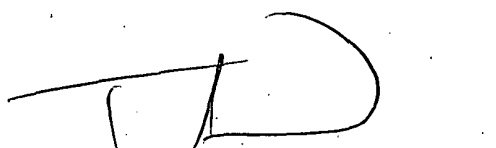
SEQUENT (U.K.) LIMITED
STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

	Note	31.12.2018	31.12.2017
		GBP	GBP
FIXED ASSETS		100	100
Fixed asset investments	5	100	100
CURRENT ASSETS		719,871	1,275,936
Debtor	6	353,175	350,288
Cash at bank		366,696	925,648
CREDITORS		(614,557)	(805,430)
amounts falling due within one year	7	(614,557)	(805,430)
NET CURRENT ASSETS		105,414	470,606
TOTAL ASSETS LESS CURRENT LIABILITIES		105,414	470,606
CAPITAL AND RESERVES		105,414	470,606
Called up share capital	9	250,000	250,000
Reserves	10	(144,586)	220,606
SHAREHOLDERS'S FUNDS	11	105,414	470,606

The notes on pages 11-16 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30th April 2019


 Director


 Director

SEQUENT (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2018**

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and are prepared on a going concern basis.

The Company's ultimate parent undertaking, Rothschild & Co, includes the Company in its consolidated financial statements. The consolidated financial statements are prepared under International Financial Reporting Standards and may be obtained from <https://www.rothschildandco.com/en/>. In these financial statements the Company is considered to be a qualifying entity and has applied the exemptions available in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes; and
- Key Management personnel compensation

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

1.2 TURNOVER

Turnover comprises fees billed for trust management services rendered excluding VAT, and is recognised as contractual work was performed in relation to fees. Fees received in advance for services not yet performed are carried in the balance sheet as deferred income. Accrued income is recognised as time charged less provision for non-recoverable time, where a right to consideration arises through the providing of services.

1.3 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment.

1.4 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Except where otherwise required by accounting standards, full provision has been made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

SEQUENT (U.K.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2018

1 ACCOUNTING POLICIES (continued)

1.5 WORK IN PROGRESS

Work in progress is calculated as total unbilled staff time charged less a provision to reduce it to estimated cost and is included in the Balance Sheet under the heading of Trade Debtors.

1.6 PENSION COSTS

The Company's post-retirement benefit arrangements are described in note 13. The Company participates in a number of pension and other post-retirement benefit schemes, both funded and unfunded, and of the defined benefit and defined contribution types. For defined contribution schemes, the contribution payable in respect of the accounting period is recognised in the profit and loss account.

The defined benefit scheme in which the Company participates is accounted for by the sponsoring company (NM Rothschild & Sons Limited) using the option permitted by the amendment to IAS19 – Employee Benefits whereby actuarial gains and losses are recognised outside profit or loss and presented in the statement of recognised gains and losses. 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 present value of the plan's obligations 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.

However, as there is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to the Company, the sponsoring company recognises the entire net defined benefit cost of the plan in its accounts. The Company recognises as a cost the contribution payable for the period.

1.7 RELATED PARTY TRANSACTIONS

As at 31 December 2018 as 100% of the Company's voting rights have been controlled by Rothschild & Co., for which consolidated accounts are publicly available, it was exempt from the disclosure requirements of Financial Reporting Standard 102 in respect of transactions with other entities within the Paris Orléans group.

The Company provides trustee and administration services for members of the Rothschild family and employees for a nominal fee. The Company had entered into service agreements with other members of the Rothschild & Co. Holdings AG group to provide and receive marketing and administration services to other companies within that group.

1.8 CHANGE IN PERIOD

Prior year the directors decided in accordance with the whole Rothschild Group to change the financial year end from 31 March to 31 December. The prior financial period is therefore only 9 months from 1 April 2017 to 31 December 2017.

SEQUENT (U.K.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2018

1 ACCOUNTING POLICIES (continued)

1.9 GOING CONCERN

The company's business activities and the principal business risks have been considered by the Directors. The Company has sufficient financial resources and the continued support of its parent. Sequent Holdings AG formerly known as Rothschild Private Trust Holdings AG has committed to any shortfall the company might experience; as a consequence, the Directors believe that the Company is well placed to manage its business risk.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future; thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

2.10 RELATED PARTY TRANSACTIONS

Under FRS 102 Section 33 "Related Party Disclosures", the Company is exempt from disclosing transactions within the Rothschild & Co. group as it is wholly owned by that group. Further, Rothschild & Co.'s consolidated annual financial statements, which include the Company's results, are publicly available.

2 OPERATING PROFIT

	31.12.2018	31.12.2017
	GBP	GBP
<u>The operating profit is stated after charging:</u>		
<u>Auditor's remuneration</u>	9,838	9,037
<u>Pension costs</u>	86,105	64,805
<u>Wages and salaries</u>	1,040,929	820,856
<u>Social security costs</u>	124,069	101,513
<u>Other administrative expenses</u>	513,514	441,665

The average number of employees during the period was 7 (31.12.2017: 7).

Directors' emoluments for the period amounted to £336,395 (31.12.2017: £252,873), which includes deferred remuneration of £112,350 (31.12.2017: £105,012).

None (31.12.2017: one) of the directors were a member of the group pension scheme described in note 12.

The emoluments of the highest paid director excluding pension contributions was £448,745 (31.12.2017: £357,885). The highest paid director was a member of a defined contribution scheme under which his accrued pension at the period end was £nil (31.12.2017: £nil).

3 AUDITOR'S REMUNERATION

Audit fees have been paid for the financial period ended 31st December 2017 of total CHF 12'400 (GBP 9,406). For the financial year ended 31st December 2018 CHF 12,400 (GBP 10,000) has been accrued.

No fees (31.12.2017: Nil) for taxation services were paid during the period.

SEQUENT (U.K.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2018

4 TAXATION

	31.12.2018	31.12.2017
	GBP	GBP
ANALYSIS OF TAX CHARGE IN THE PERIOD CURRENT TAX (see note below)		
UK corporation tax charge on profit for the period	(29,695)	66,858
Prior year adjustments	-	-
TOTAL CURRENT TAX	(29,695)	66,858
DEFERRED TAX		
Origination and reversal of timing differences	(23,795)	(40,892)
Adjustments in respect of prior years	19,470	25,869
Effect of increased tax rate on opening liability	-	-
TOTAL DEFERRED TAX (see note 9)	(4,325)	(15,023)
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	(34,020)	51,835
FACTORS AFFECTING TAX CHARGE FOR THE PERIOD		
Profit on ordinary activities before tax	(249,212)	182,476
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31.12.2017: 20%)	(49,842)	36,495
Effects of:		
Adjustments in respect of prior years	19,470	25,869
Effect of changes in tax rates on deferred tax assets	-	-
Disallowed expenditure	(3,648)	4,494
Tax losses utilised	-	(15,023)

5 FIXED ASSET INVESTMENTS

	31.12.2018	31.12.2017
	GBP	GBP
Cost	100	100

The Company holds the entire issued share capital of Sequent Nominees Limited; 100 shares of £1 each. This subsidiary is registered in England and Wales, and does not trade.

6 DEBTORS

	31.12.2018	31.12.2017
	GBP	GBP
Trade debtors	189,365	277,708
Other debtors	95,633	13,100
VAT Control	4,372	-
Deferred tax asset (see note 8)	63,805	59,480
Total	353,175	350,288

7 CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.2018	31.12.2017
	GBP	GBP
Trade creditors	11,094	14,364
Amounts owed to group undertakings	158,625	190,415
Corporation tax	89	85,821
Social security and other taxes (see below)	-	41,383
Other creditors	444,749	473,446
Total	614,557	805,430
SOCIAL SECURITY AND OTHER TAXES		
	31.12.2018	31.12.2017
	GBP	GBP
VAT control	-	41,383

SEQUENT (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2018**

8 DEFERRED TAX ASSETS

	31.12.2018	31.12.2017
	GBP	GBP
At beginning of period	59,480	44,457
Deferred tax asset charged to the profit and loss account (note 4)	4,325	15,023
At end of period	63,805	59,480

Deferred tax assets derive from timing differences in relation to deferred bonus and pension liabilities.

9 SHARE CAPITAL

	31.12.2018	31.12.2017
	GBP	GBP
AUTHORISED ALLOTTED, CALLED UP AND FULLY PAID		
250,000 Ordinary shares of £1 each	250,000	250,000

10 RESERVES

	31.12.2018	31.12.2017
	GBP	GBP
At beginning of period	220,606	339,965
Profit for the period / year	(215,192)	130,641
Dividends: Equity capital	(150,000)	(250,000)
At end of period	(144,586)	220,606

11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31.12.2018	31.12.2017
	GBP	GBP
Opening shareholders' funds	470,606	589,965
Profit for the period / year	(215,192)	130,641
Dividends (Note 13)	(150,000)	(250,000)
Closing shareholders' funds	105,414	470,606

12 DIVIDENDS

	31.12.2018	31.12.2017
	GBP	GBP
Dividends paid on equity capital	150,000	250,000

13 PENSION COMMITMENTS

The Company is a member of a group scheme, the NMR UK Pension Fund, which is operated by N M Rothschild & Sons Limited for the benefit of employees of certain Rothschild & Co. group companies in the United Kingdom. The Fund comprises a defined benefit section, which closed to new entrants in April 2003 and a defined contribution section established with effect from April 2003. The assets of the Fund are held separately from those of the Group and are administered by trustees. The costs of running the Fund are assessed with the advice of independent actuaries.

As there is no contractual agreement or stated policy for charging the net defined benefit cost to participating Rothschild & Co. group companies, the Company only recognises in its accounts the contributions it makes during any given financial period.

The Company's total pension charge (equivalent to the expected total pension charge) for the year amounted to £50,105 (31.12.2017: £37,805), all of which related to the above defined contribution section.

As at 31 December 2018, there were net assets of £8.955 million (31.12.2017: deficit of £17.284 million) in the Fund as reported in the N M Rothschild & Sons Limited accounts which were prepared under International Financial Reporting Standards. The assets in the Fund have been considered in determining the level of contributions payable by the Company. The funding policy is reviewed with the independent actuary to ensure that the contributions made are adequate to enable the Fund to meet its liabilities over the long term.

SEQUENT (U.K.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2018

14 MANAGEMENT OF FINANCIAL RISK

a. Regulatory, operational and market risks

The Company seeks to mitigate these risks through a combination of insurance, training, segregation of duties, and employment of experienced staff.

b. Credit risk

The Company is exposed to credit risk on fees which are not paid immediately out of trust assets. To mitigate risk the Company's policy is to collect fees as soon as they have been communicated to clients under administration.

c. Interest rate risk

Bank interest on deposits held is the only source of interest exposure. The effective interest during the year was 0.05% and all balances mature within one year.

d. Liquidity risk

The Company's policy throughout the year has been to maintain sufficient liquidity to pay its expenses as they fall due, and to comply with the financial resources requirements of the Guernsey Financial Services Commission. The parent companies continue to support the business.

e. Currency risk

The Company has a currency risk to income based on assets denominated in currencies other than sterling. In addition the Company has a proportion of its income denominated in Swiss Francs. To mitigate risk, liquid currency assets are monitored and regularly converted into sterling.

15 CONTROLLING PARTY

The largest group in which the results of the Company are consolidated is that headed by Rothschild Concordia SAS which is a French public limited company. The smallest group in which they are consolidated is that headed by Rothschild & Co. Continuation Holding AG, incorporated in Switzerland.

16 EVENTS AFTER THE END OF THE REPORTING PERIOD

In the 4th quarter of 2018 Rothschild & Co. signed an agreement for the sale of its Trust Business, selling the ultimate parent of the Trust group, Sequent Holdings AG formerly known as Rothschild Private Trust Holdings AG. The sale of the Trust business was completed as of 28 February 2019. As of the balance sheet date the sale has had no impact on the financial position of the financial statements.

Therefore as of 28 February 2019 Rothschild Trust Corporation Limited was renamed to Sequent (U.K.) Limited.

Other than above, no events have occurred since the balance sheet date which would change the financial position of the Company and which would require adjustment or disclosure in the 2018 Annual Report now presented.