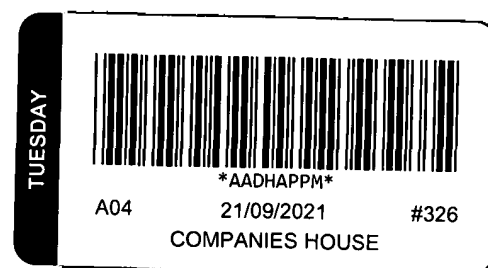


Walbrook Assets Limited

Report of the Directors and Financial Statements for the year ended 31 December 2020

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Report of the Directors

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

Principal Activities and Business Review

The principal activity of Walbrook Assets Limited ("the Company") is that of investment in property and lettings. The results for the financial year are set out in the statement of comprehensive income on page 9. The Company's loss before tax was £45,534 (2019: profit £118,235).

Principal Risks and Uncertainties

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

Since the start of January 2020, COVID-19 has created significant disruption to the global markets and economies. Management has performed an assessment to determine whether there are any material uncertainties arising due to the pandemic that could cast significant doubt on the ability of the Company to continue as a going concern.

Although the Company has significant borrowings and net current liabilities of £2,819,356 at 31 December 2020 (2019: £2,782,473), it has received a letter of financial support from the Directors of Rothschild & Co Continuation Limited ("R&CoCL"), the parent undertaking. Consequently, the Directors consider it appropriate that the financial statements are prepared on a going concern basis. Management has considered the going concern basis of preparation as outlined in note 1 to the financial statements.

The Company's processes are undertaken by another group undertaking. As a result of events the activities of this group undertaking are now being conducted remotely with all employees supported by enhanced existing technology and IT infrastructure. The business has accordingly invoked the relevant sections of Business Continuity plans. These plans have now been operational for a period of time and all critical systems continue to operate effectively and they have encountered minimal disruption in activity. The Company continues to carefully monitor and mitigate the risk on an ongoing basis in order to minimise exposure.

Dividends

The Company did not pay any dividends during the year (year ended 31 December 2019: £nil).

Directors

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

Peter Barbour

Anthony Chapman – resigned 18 December 2020

John King

Paul O'Leary – appointed 25 September 2020



Report of the Directors

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

Paul O'Leary, Director
New Court, St. Swithin's Lane, London EC4N 8AL

9 June 2021



Statement of Directors' Responsibilities

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 international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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



Independent Auditor's Report to the Members of Walbrook Assets Limited

Opinion

We have audited the financial statements of Walbrook Assets Limited ("the company") for the year ended 31 December 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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



Independent Auditor's Report to the Members of Walbrook Assets Limited

- 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 revenue transactions are not complex and there are no judgemental aspects involved.

We did not identify any additional fraud risks.

We performed procedures including identifying all journal entries and other adjustments and comparing the identified entries to supporting documentation.

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

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

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.

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.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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



Independent Auditor's Report to the Members of Walbrook Assets Limited

and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

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



Independent Auditor's Report to the Members of Walbrook Assets Limited

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.

Richard Rawstron (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London E14 5GL

10 June 2021



Statement of Comprehensive Income

For the year ended 31 December 2020

	Note	2020 £	2019 £
Rental income		120,000	120,000
Other income		25,713	-
Operating expenses		(23,534)	(1,765)
Impairment	7	(167,713)	-
(Loss) / profit before tax		(45,534)	118,235
Taxation	5	8,651	(22,465)
(Loss) / profit for the financial year		(36,883)	95,770
Other comprehensive income		-	-
Total comprehensive (loss) / income for the financial year		(36,883)	95,770

All amounts are in respect of continuing activities.

The notes on pages 13 to 17 form an integral part of these financial statements



Statement of Financial Position

At 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Non-current assets					
Property	6		1,750,000		1,750,000
Current assets					
Other assets	7		-	46,353	
Current tax asset		8,651			
		8,651		46,353	
Current liabilities					
Overdraft with parent undertaking	8	(2,828,007)		(2,806,361)	
Current tax payable				(22,465)	
Net current liabilities			(2,819,356)		(2,782,473)
Total assets less current liabilities			(1,069,356)		(1,032,473)
Shareholders' equity					
Share capital	9		2		2
Retained earnings			(1,069,358)		(1,032,475)
Total shareholders' equity			(1,069,356)		(1,032,473)

Approved by the Board of Directors on 9 June 2021 and signed on its behalf by:

Paul O'Leary, Director

The notes on pages 13 to 17 form an integral part of these financial statements



Statement of Changes in Equity

For the year ended 31 December 2020

	Share Capital	Retained Earnings	Total Equity
	£	£	£
At 1 January 2020	2	(1,032,475)	(1,032,473)
Total comprehensive loss for the financial year	-	(36,883)	(36,883)
At 31 December 2020	2	(1,069,358)	(1,069,356)
At 1 January 2019	2	(1,128,245)	(1,128,243)
Total comprehensive income for the financial year	-	95,770	95,770
At 31 December 2019	2	(1,032,475)	(1,032,473)

The notes on pages 13 to 17 form an integral part of these financial statements



Statement of Cash Flows

For the year ended 31 December 2020

	Note	2020 £	2019 £
Cash flow from operating activities			
Profit for the financial year		(36,883)	95,770
Income tax charge		(8,651)	22,465
Profit before tax		(45,534)	118,235
Net decrease /(increase) in other assets		46,353	(38,238)
Income taxes paid		(22,465)	(22,800)
Net cash flow from operating activities		(21,646)	57,197
Net increase in cash and cash equivalents		(21,646)	57,197
Cash and cash equivalents at beginning of the year		(2,806,361)	(2,863,558)
Cash and cash equivalents at end of year	8	(2,828,007)	(2,806,361)

The notes on pages 13 to 17 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 2020

1. Accounting Policies

Walbrook Assets Limited is a private company limited by shares and 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 international accounting standards in conformity with the requirements of the Companies Act 2006 (adopted "IFRS"). The financial statements are prepared under the historical cost accounting rules.

Functional and presentation currency

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

Going Concern

Due to COVID-19, management has performed an assessment to determine whether there are any material uncertainties arising due to the pandemic that could cast significant doubt on the ability of the Company to continue as a going concern. Notwithstanding net current liabilities of £2,819,356 as at 31 December 2020 and a loss for the financial year of £36,883, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its overdraft facility from its immediate parent company, R&CoCL, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on R&CoCL not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £2,828,007, and providing additional financial support during that period. R&CoCL has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.



Notes to the Financial Statements

(Forming part of the Financial Statements)

b. Property

Property is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

At each balance sheet date property is assessed for indications of impairment. If such indications are present, the asset is subject to an impairment review. If impaired, the carrying value of the asset is written down by the amount of impairment and the loss is recognised in the income statement in the year in which it occurs.

c. Interest payable

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

d. Taxation

Tax payable on profits is recognised in the statement of comprehensive income.

e. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprises an overdraft with the parent undertaking used in the cash management of the Company. In the balance sheet, this overdraft is included in current liabilities.

f. Capital management

The Company is not subject to any externally imposed capital requirements. It is dependent on R&CoCL (the parent undertaking) to provide capital resources which are therefore managed on a group basis.

2. Financial Risk Management

The Company follows the financial risk management policies of the parent undertaking, Rothschild & Co Continuation Limited. 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 risk of loss arising from client or counterparty default is the main risk to the Company. Management monitors outstanding receivables on a continuing basis and steps are taken to recover any amounts that are past due.
- Market risk – exposure to changes in market variables such as interest rates, currency exchange rates, equity and debt prices is limited to interest rates payable on the overdraft with the parent undertaking.
- 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 is not considered significant as material cash outflows are to the parent undertaking which provides financial support to the Company.



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 £7,500 (2019: £3,620). The audit fee is paid on a group basis by N. M. Rothschild & Sons Limited.

4. Directors' Emoluments

None of the Directors received any remuneration in respect of their services to the Company during the year (2019: £nil).

5. Taxation

	2020 £	2019 £
Total tax (credited) / charged to the income statement	(8,651)	22,465

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

	2020 £	2019 £
Profit before tax	(45,534)	118,236
Tax (credit) / charge at standard rate of 19% (year ended 31 December 2019: 19%)	(8,651)	22,465
Total tax charge for the financial year	(8,651)	22,465

6. Property

	2019 £	2018 £
Property		
Cost		
At beginning and end of financial year	3,131,024	3,131,024
Impairment losses		
At beginning and end of financial year	(1,381,024)	(1,381,024)
Net book value at end of financial year	1,750,000	1,750,000

The property has been leased out under an operating lease. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2020 £	2019 £
Less than one year	120,000	120,000
Between one and five years	180,000	300,000
	300,000	420,000

Rental income recognised during the financial year was £120,000 (2019: £120,000).



Notes to the Financial Statements

(Forming part of the Financial Statements)

7. Other Assets

	2020	2019
	£	£
Rent receivable	142,000	46,000
Other sundry assets	25,713	353
Gross balance	167,713	46,353
Impairment allowance	(167,713)	-
Total other assets	-	46,353

The maximum exposure to credit risk as at the balance sheet date is equivalent to the gross carrying amount of the Other Assets of £167,713 (2019: £46,353). As at the year end £167,713 was greater than 90 days past due and was considered to be credit-impaired (2019: £nil). An impairment allowance of £167,713 has been recognised against these assets (2019: nil).

Expected Credit Loss allowance	2020	2019
	£	£
Opening balance	-	-
Recognised during the financial year	(167,713)	-
Closing balance	(167,713)	-

8. Overdraft with Parent Undertaking

At 31 December 2020 the Company had an overdraft with the parent undertaking of £2,828,007 (2018: £2,806,361). The Company pays no interest on this overdraft which is repayable on demand (2019: none).

9. Share Capital

	2020	2019
Allotted, called up and fully paid		
Ordinary shares of £1 each	2	2



Notes to the Financial Statements

(Forming part of the Financial Statements)

10. Related Party Transactions

Parties are considered 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 payable to related parties at the year end were as follows:

	2020	2019
	£	£
Overdraft with parent undertaking	2,828,007	2,806,361

There was nothing recognised in the statement of comprehensive income in respect of related party transactions during the year (2019: £nil).

There were no loans made to Directors during the year (2019: none) and no balances outstanding at year end (2019: £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 (2019: none).

11. 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 public limited partnership, whose registered address is also at 23bis avenue de Messine, 75008 Paris.

The Company's immediate parent company is Rothschild & Co Continuation Limited, a private company limited by shares and incorporated in England and Wales whose registered office is at New Court, St. Swithin's Lane, London EC4N 8AL.