

Edmond De Rothschild (UK) Limited

Registered number: 01750485

Annual Report and consolidated financial statements

For the year ended 31 December 2021

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EDMOND DE ROTHSCHILD (UK) LIMITED

COMPANY INFORMATION

Directors	J F Dusch E A Horner C F R Tobiano F Pauly
Registered number	01750485
Registered office	4 Carlton Gardens London SW1Y 5AA
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HB

EDMOND DE ROTHSCHILD (UK) LIMITED

CONTENTS

	Page
Strategic Report	1 - 4
Directors' Report	5 - 7
Independent Auditors' Report	8 - 10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	12
Company Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17 - 43

EDMOND DE ROTHSCHILD (UK) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report of Edmond de Rothschild (UK) Limited, Company Number 1750485, (the "Company") for the year ended 31 December 2021.

Business review and principal activities

The principal activities of the Company and its subsidiaries (note 16) (the "UK Group") for the period reported were asset management, private banking and advisory services. The Company has continued to provide management oversight, staff and facilities to its subsidiaries. The results for the UK Group are set out in the Consolidated Statement of Comprehensive Income on page 11, which shows a loss before taxation for the year of £2.4m (2020: loss of £1.4m), on revenue of £15.7m (2020: £13.6m). Management monitors trading activity and profitability on a regular basis in line with the agreed business strategy, and it considers the year-end financial position to be satisfactory.

As explained in more detail in note 29, the Company is a wholly-owned subsidiary of Edmond de Rothschild Holding S.A., incorporated in Switzerland ("EdR SA", the "ultimate parent company").

A summary of 2021's trading activity by business line and subsidiary is set out below.

Asset Management

The principal activity of Edmond de Rothschild Asset Management (UK) Limited ("EdRAM UK") is Infrastructure, Real Assets & Structured Finance, which comprise i) Infrastructure Debt Asset Management, offered via the BRIDGE Funds platform and ii) Infrastructure, Real Assets & Structured Finance Advisory activities related to the structuring of the financing of major infrastructure projects. EdRAM UK continues to develop the marketing and distribution team which provides support to the wider Group in the marketing of its funds and services to selected partners and institutions. The results include an operating loss before tax of £0.2m (2020: profit of £0.9m) due to the combination of an increase in revenues by 26% to £10.8m (2020: £8.6m) and an increase of 46% in administrative expenses to £9.1m (2020: £6.3m) which is partly due to the strategic development and growth of the marketing and distribution team. EdRAM UK saw a decrease in net assets to £4.7m (2020: increase to £4.9m). Despite the ongoing market disruptions due to COVID during 2021, assets under management continued to increase (up 29% to £3.1bn including commitments) (2020: £2.4bn) resulting from a strong fund raising activity from existing and new clients and an efficient management of assets in the funds (contractual repayments and refinancing).

The directors are confident in the ability and experience of the Infrastructure, Real Assets & Structured Finance business to generate profits in the next year and to achieve further growth in its AUM and other performance indicators, capitalising on its track record and position in this business. The team was ranked 10th globally in 2021 by Infrastructure Investors Journal for its raising of commitments on a rolling 5 year basis.

Edmond de Rothschild Capital Holdings Limited ("EDR CH") provides services in respect of several multi manager investment funds. Turnover decreased by 0.6% to £2.8m (2020: £2.8m) and the profit for the financial year increased by 34.7% to £0.3m (2020: £0.3m). The financial position of the company shows that equity attributable to equity holders decreased by 10.4% to £2.2m (2020: £2.5m). EdR CH continued to operate in an increasingly difficult business environment during the year, reflecting the current prevailing investment conditions. The assets under management of The Capital Holdings Funds plc remained flat. Nevertheless, the EdR CH has reported profitable results, notwithstanding the long term decline in the amount of assets it advises and will continue to develop its strategy of seeking out opportunities to offer its expertise in the monitoring and selection of investment managers and other investment advisory opportunities.

EDMOND DE ROTHSCHILD (UK) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Private Banking

The principal activity of Edmond de Rothschild Private Merchant Banking LLP (the "Partnership") was that of discretionary investment management which delivered strong investment performance despite the unprecedented global impacts caused by COVID-19. The results of the Partnership show a loss for the financial year of £2.1m (2020: loss of £2.2m). The revenues in the current year included £0.7m relating to wealth management activities. In November 2021 it was announced that, subject to regulatory approval, EdR Suisse SA intended to acquire a shareholding in Hottinger Group Ltd and transfer the business of the LLP to Hottinger & Co. Ltd. As a result of this strategic change, the Statement of Comprehensive Income presents the turnover and expenses for both the current and prior year as losses from discontinued operations.

Business environment and future strategy

The UK Group's strategy has proved resilient to the challenging market conditions experienced of late, and the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Principal risks and uncertainties

The Company and its subsidiaries are subject to a number of risks. These include exposure to various markets and currencies, and exposure to a number of significant clients. The Company monitors and controls these risks without the use of complex financial derivatives. The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which ended on 31 December 2020. As expected, to date this has not affected the business, given the set-up of BRIDGE via a delegated management structure and that EU and UK regulators agreed a Memorandum of Understanding in this area. The Directors continue to monitor any potential EU regulatory risks arising from Brexit in the longer term.

During 2021, the COVID-19 pandemic and the response to it throughout the world saw entire countries or sectors of the economy continuing to be locked down; and an increased level of uncertainty in the financial markets resulting in the volatility of equity markets, foreign exchange and interest rates. Against this background, the investments made by the BRIDGE funds performed well with no defaults and, therefore no loss of capital, demonstrating the resilience of the asset class and how the underlying debt structures can provide protection against such events. The directors and senior management assessed the specific impact of these events on the Company and were satisfied that any potential impact was successfully mitigated.

Whilst there is uncertainty as to the economic impact of the situation in Ukraine on markets generally, none of the UK entities has direct exposure to Russian investors or investments. The Partnership clients have minimal exposure to funds which are permitted to have allocations to either Russian equities, bonds or currencies therefore we do not expect the decline in value of Russian securities to have a material impact on performance. We do expect ongoing portfolio and market volatility relating to the current conflict in Ukraine to have the potential to further negatively impact client portfolio returns during this period - it is currently not possible to quantify the impact due to multiple unforecastable consequences of this conflict. EDR CH provides services to funds which themselves have only minimal exposure to Russian investments and therefore any impact, other than potentially from general market turbulence, is expected to be immaterial. EdRAM UK does not expect there to be any impact, although there may be some indirect consequences from rising commodity prices on a few underlying operating assets of the Infrastructure Debt platform. Any increase in risk is being carefully monitored by the EDRAM UK risk team.

The Directors are satisfied that the Company has sufficient financial resources to pursue and expand its activities for the foreseeable future.

EDMOND DE ROTHSCHILD (UK) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' section 172 statement

Under section 414C of the UK 2006 Companies Act, the Company is required to include a section 172 statement which describes how the directors have had regard to matters set out in section 172 when performing their duties.

The Directors have acted in a way that they considered, in good faith to promote the success of the Company and its subsidiaries for the benefit of its member, having regard to the following:

Likely consequences of any decision in the long term:

The Company is wholly owned by Edmond de Rothschild Suisse S.A. and as such will always operate to the standards set by its parent. Any decision taken will be aligned to the strategy of the wider group and be made in the best interests of all stakeholders. Impacts of any decisions will be determined through ongoing risk assessment conducted with all relevant stakeholders.

Employees:

The UK employees have employment contracts with Edmond de Rothschild (UK) Limited and participate in Edmond de Rothschild (UK) Limited's policies which aim to involve and inform employees on all matters that affect them. Our people are key to the success of the Company and talent development requires management to ensure optimum and efficient performance across all the teams. In particular, the Company has continued to invest in its young talent by providing specialised training and funding for some professional qualifications.

The Company had not furloughed any of its staff due to the COVID-19 pandemic and supported them whether they have chosen to stay at home or come into the office to work. Measures were taken to ensure that the office provided a safe working environment (including enhanced cleaning and the installation of glass screen dividers between desks) for those choosing to come into the office.

Business relationships:

The Company recognises the importance of building strong relationships with customers and suppliers and actively engages with representatives of key supplier contracts to build strong relationships delivering strategic objectives in an effective and efficient manner for both parties.

Reputation:

The Company's reputation is fundamental to its long-term success and the Directors are committed to adhering to laws and regulations, conducting business in a socially and environmentally responsible way and treating all stakeholders with honesty and integrity which is underpinned by the Company's Code of Ethics. As a result the Group, and indirectly the Company, supported its long-term suppliers during the pandemic by continuing to use services which could have been reduced or cancelled and by ensuring that supplier staff who are furloughed receive their full salary.

Environmental:

The Company is conscious of both its social and environmental impact and is committed to reducing its carbon footprint with recycling and reduced use of paper and plastic. Reporting is required on a series of environmental indicators to its parent company on an annual basis. During the pandemic the use of paper reduced substantially as staff moved to remote digital working and air travel was minimal thus substantially reducing the UK's carbon footprint.

In relation to infrastructure debt the Company has appointed an ESG officer and there is an emphasis on ESG investing such that the Investment Manager will actively monitor the ESG risk of investments. The ESG profile of a potential investment will be analysed according to a defined ESG process prior to investing and will be monitored throughout the life of the investment. Investments that do not meet specific ESG metrics will not be pursued.

EDMOND DE ROTHSCHILD (UK) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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



J F Dusch
Director

Date: 22 April 2022

EDMOND DE ROTHSCHILD (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and the audited consolidated financial statements of Edmond de Rothschild (UK) Limited for the year ended 31 December 2021.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

EDMOND DE ROTHSCHILD (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Directors

The directors who served during the year and up to the date of signing the financial statements were:

J F Dusch
E A Horner
M Liebi (resigned 8 September 2021)
V A J Taupin (resigned 4 June 2021)
C F R Tobiano
F Pauly (appointed 19 July 2021)

None of the directors had, at any time during the year, any interest in the shares of the Company or of other UK Group companies that required disclosure in accordance with the Companies Act 2006.

Unaudited Pillar 3 disclosures can be found at <http://www.edmond-de-rothschild.com/site/United-kingdom/en/legal-information/legal-notice>.

Directors' Indemnities

As permitted by the Companies Act 2006, the Company has indemnified the directors and officers in respect of proceedings which may be brought by third parties and such indemnification was in place throughout the year and at the date of approval of these financial statements. Neither the Company's indemnity nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to the business review, principle risks and uncertainties and financial key performance indicators.

Financial Risk Management

The UK Group's activities expose it to a number of financial risks, including market risk, currency risk, and client concentration risk. Management has established a Risk Management Committee, monitored closely by the Board of Directors, which seeks to mitigate these risks as far as possible (with appropriate reference as required to the risk management practices of the parent company) as follows:

Market Risk

Market risk is the risk of loss due to adverse movements in the financial markets resulting in fluctuations in the values of, or income from, assets or in interest or exchange rates. The main source of market risk to the UK Group is through currency exposure on fees received which is managed through routine monitoring of non sterling cash balances.

Currency Risk

Currency risk takes the form of exposure to management fees due in foreign currencies within its subsidiaries and foreign currency cash positions. When considered appropriate, the Company enters into forward contracts with the parent company, Edmond de Rothschild Holding S.A., to limit currency exposure, there are currently no forward contracts entered into between the UK Group and the parent company, Edmond de Rothschild Holding S.A.

Client Concentration Risk

The UK Group is exposed to concentration risk due to its reliance on a small number of significant clients in its subsidiaries.

EDMOND DE ROTHSCHILD (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Dividends

No dividend on Edmond de Rothschild (UK) Limited's 15,700,000 (2020: 15,700,000) ordinary shares was paid in respect of the year ended 31 December 2021 (2020: £nil). The directors do not recommend the payment of a final dividend from this company.

Post balance sheet events

Post year end, Edmond de Rothschild Private Merchant Banking LLP, a subsidiary company has begun the process of transitioning their clients and will wind down the business in an orderly manner.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



J F Dusch
Director

Date: 22 April 2022

Independent auditors' report to the members of Edmond de Rothschild (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Edmond de Rothschild (UK) Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: Consolidated and Company Statement of Financial Position as at 31 December 2021; Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, and Consolidated and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to taxation and the regulated activities of the subsidiary companies of the group, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations

that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to certain accounting estimates (including accrued revenue), manual journal entries, and timing of recognition success fees (particularly fees close to year end). Audit procedures performed by the engagement team included:

- Review of correspondence with HMRC and discussions with management's compliance function
- Testing journal entries and other adjustments for appropriateness
- Testing of accrued revenue to underlying revenue agreements and cash settlements
- Reviewing minutes of those charged with governance
- Testing timing of recognition of success fees (particularly fees close to year end) to supporting documentation

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

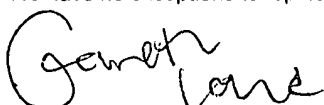
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Gareth Lane (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

22nd April 2022

EDMOND DE ROTHSCHILD (UK) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Continuing operations 2021 £000	Discontinued operations 2021 £000	Total 2021 £000	Continuing operations 2020 £000	Discontinued operations 2020 £000	Total 2020 £000
Turnover	4	15,048	651	15,699	13,159	396	13,555
Cost of sales		(2,028)	-	(2,028)	(2,056)	-	(2,056)
Administrative expenses	5	(12,963)	(2,778)	(15,741)	(10,324)	(2,573)	(12,897)
Other operating (expense)/income	6	(212)	1	(211)	144	(19)	125
Operating loss		(155)	(2,126)	(2,281)	923	(2,196)	(1,273)
Finance income	7	-	-	-	1	-	1
Finance costs	8	(54)	(4)	(58)	(67)	(11)	(78)
Loss before taxation		(209)	(2,130)	(2,339)	857	(2,207)	(1,350)
Tax on loss	12	-	-	-	-	-	-
Loss for the financial year		(209)	(2,130)	(2,339)	857	(2,207)	(1,350)

The current and prior year operating profit of Edmond de Rothschild Private Merchant Banking LLP is derived from discontinued activities in the current and prior year.

There was no other comprehensive income for 2021 (2020: £nil).

The notes on pages 17 to 43 form part of these financial statements.

EDMOND DE ROTHSCHILD (UK) LIMITED
REGISTERED NUMBER: 01750485

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

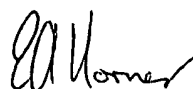
	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	14	7	12
Tangible assets	15	3,580	4,141
Investments	16	-	-
		<u>3,587</u>	<u>4,153</u>
Current assets			
Debtors: amounts falling due within one year	17	6,017	4,928
Cash at bank and in hand	18	6,845	9,266
		<u>12,862</u>	<u>14,194</u>
Creditors: amounts falling due within one year	19	(11,258)	(11,530)
Net current assets		<u>1,604</u>	<u>2,664</u>
Total assets less current liabilities		<u>5,191</u>	<u>6,817</u>
Provision	20	(706)	-
		<u>(706)</u>	<u>-</u>
Net assets		<u><u>4,485</u></u>	<u><u>6,817</u></u>
Capital and reserves			
Called up share capital	21	15,700	15,700
Group reconstruction reserve	21	-	2,159
Other reserves	21	611	604
Accumulated losses	21	(11,826)	(11,646)
Total equity		<u><u>4,485</u></u>	<u><u>6,817</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J F Dusch
Director

Date: 22 April 2022



E A Horner
Director

Date: 22 April 2022

The notes on pages 17 to 43 form part of these financial statements.

EDMOND DE ROTHSCHILD (UK) LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	15	3,580	4,141
Investments	16	5,726	8,056
		<u>9,306</u>	<u>12,197</u>
Current assets			
Debtors: amounts falling due within one year	17	1,854	2,363
Cash at bank and in hand	18	451	815
		<u>2,305</u>	<u>3,178</u>
Creditors: amounts falling due within one year	19	(9,468)	(11,303)
Net current liabilities		<u>(7,163)</u>	<u>(8,125)</u>
Total assets less current liabilities		<u>2,143</u>	<u>4,072</u>
Net assets		<u>2,143</u>	<u>4,072</u>
Capital and reserves			
Called up share capital	21	15,700	15,700
Other reserves	21	611	604
Accumulated losses	21	(14,168)	(12,232)
Total equity		<u>2,143</u>	<u>4,072</u>

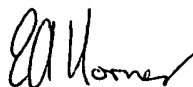
The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the Company for the year was £1,936,000 (2020: loss of £4,074,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J F Dusch
Director

Date: 22 April 2022



E A Horner
Director

Date: 22 April 2022

The notes on pages 17 to 43 form part of these financial statements.

EDMOND DE ROTHSCHILD (UK) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Group reconstruction reserve £000	Other reserves £000	Accumulated losses £000	Equity attributable to owners of parent Company £000	Total equity £000
At 1 January 2020	15,700	2,159	728	(10,296)	8,291	8,291
Comprehensive loss for the year						
Loss for the year	-	-	-	(1,350)	(1,350)	(1,350)
Total comprehensive loss for the year	-	-	-	(1,350)	(1,350)	(1,350)
Charge relating to equity-settled share- based payments	-	-	378	-	378	378
Settlement of employee share schemes	-	-	(502)	-	(502)	(502)
Total transactions with owners recognised directly in equity	-	-	(124)	-	(124)	(124)
At 31 December 2020	15,700	2,159	604	(11,646)	6,817	6,817
Comprehensive loss for the year						
Loss for the year	-	-	-	(2,339)	(2,339)	(2,339)
Total comprehensive loss for the year	-	-	-	(2,339)	(2,339)	(2,339)
Transfer to accumulated losses	-	(2,159)	-	2,159	-	-
Charge relating to equity-settled share- based payments	-	-	360	-	360	360
Settlement of employee share schemes	-	-	(353)	-	(353)	(353)
Total transactions with owners recognised directly in equity	-	(2,159)	7	2,159	7	7
At 31 December 2021	15,700	-	611	(11,826)	4,485	4,485

EDMOND DE ROTHSCHILD (UK) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £000	Other reserves £000	Accumulated losses £000	Total equity £000
At 1 January 2020	15,700	728	(8,158)	8,270
Comprehensive loss for the year				
Loss for the year	-	-	(4,074)	(4,074)
Total comprehensive loss for the year	-	-	(4,074)	(4,074)
Charge relating to equity-settled share-based payments	-	378	-	378
Settlement of employee share schemes	-	(502)	-	(502)
Total transactions with owners recognised directly in equity	-	(124)	-	(124)
At 31 December 2020	15,700	604	(12,232)	4,072
Comprehensive loss for the year				
Loss for the year	-	-	(1,936)	(1,936)
Total comprehensive loss for the year	-	-	(1,936)	(1,936)
Charge relating to equity-settled share-based payments	-	360	-	360
Settlement of employee share schemes	-	(353)	-	(353)
Total transactions with owners recognised directly in equity	-	7	-	7
At 31 December 2021	15,700	611	(14,168)	2,143

The notes on pages 17 to 43 form part of these financial statements.

EDMOND DE ROTHSCHILD (UK) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £000	2020 £000
Cash flows from operating activities		
Loss for the financial year	(2,339)	(1,350)
Adjustments for:		
Amortisation of intangible assets	5	5
Depreciation of tangible assets	561	566
Revaluation of investments	-	36
Interest paid	58	78
Interest received	-	(1)
Increase in debtors	(1,087)	(185)
(Decrease)/increase in creditors	(275)	214
Increase in provision	707	-
Impairment of fixed asset investments	-	70
Share based payments	7	(124)
Net cash generated used in operating activities	(2,363)	(691)
Cash flows from investing activities		
Purchase of tangible assets	-	(10)
Interest received	-	1
Net cash used in investing activities	-	(9)
Cash flows from financing activities		
Interest paid	(58)	(78)
Net cash used in financing activities	(58)	(78)
Net decrease in cash and cash equivalents	(2,421)	(778)
Cash and cash equivalents at beginning of year	9,266	10,044
Cash and cash equivalents at the end of year	6,845	9,266
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,845	9,266
	6,845	9,266

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Edmond de Rothschild (UK) Limited (the "Company") is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 4 Carlton Gardens, London, England, SW1Y 5AA.

The principal activity of the Company and its subsidiaries are asset management, private banking and the provision of financial advice.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest thousand pounds.

2. Accounting policies**2.1 Statement of compliance**

The Group and individual financial statements of Edmond de Rothschild (UK) Limited have been prepared in compliance with the United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The Group and Company has also adopted the Amendments to FRS 102 (issued in January 2015).

2.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.3 Basis of preparation of financial statements

The Group and Company financial statements are prepared under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Critical accounting judgements and key source of estimation uncertainty accounting policies.

The Group has chosen to apply paragraph 1A(2) of Schedule 1 to the Companies Regulations and adapt the Consolidated Statement of Comprehensive Income format and terminology to comply with Section 5 of FRS 102 (issued in July 2015). The Group and Company have also chosen to apply paragraph 1A(1) of Schedule 1 to adapt the consolidated and separate Balance sheet formats and terminologies to comply with Section 4 of FRS 102 (issued in January 2015).

2.4 Basis of consolidation

The Consolidated Statement of Comprehensive Income and Statement of Financial Position include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2021.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 Discontinued operations

A discontinued operation is a component of an entity that has been disposed of and represents a separate major line of business or geographical area of operations and was part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations. Profit or losses arising on the disposal of a discontinued operation are recognised in the Statement of Comprehensive Income.

2.6 Going concern

On the basis of their assessment of the UK Group and Company's financial position and resources, the directors believe that the UK Group is well placed to manage its business risks. The ultimate parent Company continues to support the UK Group, therefore the directors have a reasonable expectation that the UK Group 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 the annual financial statements.

2.7 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Edmond de Rothschild Holding S.A., which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12 (a)(iv) of FRS 102;
- (ii) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
- (iii) from the requirement to present certain share based payment disclosures, as required by section 26 of FRS102.

2.8 Turnover

Turnover represents the value of services provided and is recognised in the accounting period in which the services are rendered. The revenue shown in the statement of comprehensive income represents amounts invoiced and accrued during the year, exclusive of Value Added Tax.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Turnover (continued)

The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.9 Cost of sales

Costs incurred by the company that relate directly to revenue are presented as cost of sales and relate to introducer and distribution fees payable to group companies and external financial institutions.

2.10 Foreign currencies

(i) Functional and presentation currency

The UK Group financial statements are presented in pound sterling and rounded to thousands. The Company's functional and presentation currency is Pound Sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income within 'other operating (losses)/gains'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

Short term benefits including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plans

The UK Group operates a defined contribution plans for its employees. A defined contribution plan is a pension plan under which the UK Group pays fixed contributions into a separate entity.

Once the contributions have been paid the UK Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the UK Group in independently administered funds.

iii) Share based payments

The Company and UK Group provides share-based payment arrangements to certain employees.

Edmond de Rothschild (UK) Limited operates a share based compensation plan under which it receives services from employees as consideration for shares in Edmond de Rothschild Holding S.A., the parent.

The shares vest in three tranches: on the first, second and third anniversary from grant date and are settled in cash at the end of the vesting period by the parent. As the shares are settled by the parent, the UK Group and the Company recognise an expense in the Statement of Comprehensive Income in operating expenses and an amount through equity in the Statement of Financial Position over the vesting period. If any employee within the scheme leaves the UK Group or the Company within the vesting period, the shares are forfeited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Employee benefits (continued)

iii) Share based payments (continued)

Equity-settled arrangements are measured at fair value (excluding the effect on non market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognized immediately in the Statement of Comprehensive Income.

2.13 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the UK Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer Software	-	20% Straight line
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Amortisation is included within 'Administrative expenses'.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold Property	- 17 years
Leasehold Improvement	- Over the terms of the lease
Fixtures and fittings	- 4 years
Office equipment	- 4 years
Computer equipment	- 2-4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

The leasehold property relates to the current office building. This is stated at cost less accumulated depreciation. Depreciation is provided on cost in equal daily instalments over the total life of the lease asset at 17 years from the date of the assignment from P&O Estates on 25 July 2014. The last day of the lease is 4 October 2031.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.16 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

2.17 Fixed Asset Investments

Shares in subsidiary undertakings and other investments are stated in the Company's Statement of Financial Position at cost less provision for any diminution in value.

The Company has taken advantage of the transition exemption under paragraph 35.10(f) of FRS102 in respect of using a previous existing carrying value of investments in subsidiaries at, or before, the date of transition to FRS 102 as its deemed cost.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.19 Related Party Disclosure

Some investment advisory and placement advisory income earned by the UK Group is from other companies within the Group. The UK Group also incurs charges from other companies within the Group. These are detailed in note 25.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.20 Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Current asset investments, which represent securities listed on recognised markets and other financial instruments, are valued at their market value at the year end. Short positions in securities and other financial instruments, which are included as creditors, are also valued at their market value at the year end. Debt securities include accrued interest.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial assets, other than those at Fair value transferred to the Statement of Comprehensive Income, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.20 Financial instruments (continued)

ii) Financial liabilities

Basic financial liabilities, including trade creditors and short term loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.22 Rental Income

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

2.23 Finance income and finance costs

Interest income is recognised in profit or loss using the effective interest method.

3. Critical accounting judgements and key sources of estimation uncertainty

The Company's principal accounting policies are set out above. UK Company Law and FRS 102 require the directors to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. Where accounting standards are not specific and management have to choose a policy, the Company is required to adopt policies that will result in information that is relevant, reliable, free from bias, prudent and complete in all material respects.

Critical accounting estimates and assumptions

The directors do not consider there to be any critical or key sources of estimation uncertainty.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Turnover - Group

Analysis of revenue by class of business:

	2021 £000	2020 £000
Investment Advisory	8,110	6,719
Investment Management	4,902	4,508
Wealth Management	651	396
Rent	758	818
Dealing related services	-	42
Recharges to non-UK Group Companies	1,141	908
Sundry income	137	164
	<u>15,699</u>	<u>13,555</u>

Analysis of revenue by country of destination:

	2021 £000	2020 £000
United Kingdom	4,204	4,558
Rest of Europe	11,495	8,997
	<u>15,699</u>	<u>13,555</u>

5. Administrative Expenses - Group

UK Group administrative expenses include, but not limited to:

	2021 £000	2020 £000
Depreciation and amortisation	566	571
Auditors' remuneration		
- Group - Audit and assurance related services	163	157
- Other services including tax compliance	48	64
- Company - Audit	62	62
- Other services including tax compliance	15	20
Directors' emoluments and employees' costs (note 9 & 10)	9,356	7,963
Operating lease rentals of office space	1,250	1,250

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Other operating (expense)/income - Group

	2021 £000	2020 £000
Foreign exchange (losses)/gains	(211)	125

7. Finance income - Group

	2021 £000	2020 £000
Interest receivable and similar income	-	1

8. Finance costs - Group

	2021 £000	2020 £000
Bank interest payable	58	78

9. Directors' remuneration - Group

	2021 £000	2020 £000
Directors' emoluments	2,238	2,044
Aggregate value of company contributions to defined contribution schemes (in respect of 5 directors) (2020: 5)	50	50
4 directors are accruing benefits under a long-term incentive scheme (2020:4)	304	382
	<u>2,592</u>	<u>2,476</u>

Share options exercised during the year 3,876 (2020: 4,664) at a sterling equivalent price per share of £81.95 - £84.75 (2020: £88.32).

The bonus scheme includes a share based payment scheme. Shares of value of £611,217 (2020: £604,427) in Edmond de Rothschild Holding S.A. will be granted to the eligible employees and settled at the end of each vesting period. An accrual of £359,675 (2020: £378,424) has been recognised in equity and operating expenses as at 31 December 2021. During the year shares of £352,884 (2020: £502,137) were exercised.

The directors of the group are considered to be the key management personnel.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Directors' remuneration - Group (continued)

	2021 £000	2020 £000
Highest paid director		
Aggregate emoluments	948	700
Contributions to defined contribution pension schemes	10	10
Accrued benefits under long-term incentive scheme	56	51
	<u>1,014</u>	<u>761</u>

10. Employees - Group and Company

Staff costs were as follows:

	Group 2021 £000	Restated Group 2020 £000	Company 2021 £000	Restated Company 2020 £000
Wages and salaries	7,880	6,981	1,051	1,282
Social security costs	1,041	573	157	131
Other pension costs	299	293	50	50
Other short term benefits	136	116	73	59
	<u>9,356</u>	<u>7,963</u>	<u>1,331</u>	<u>1,522</u>

The disclosure of staff costs in the prior year has been restated to conform with the presentation of the 2021 staff costs by including other short term benefits of £116,000 and £59,000 respectively.

The amount outstanding at 31 December 2021 in respect of defined contribution schemes is £nil (31 December 2020: £nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Investment and advice	31	29
Administration	7	7
	<u>38</u>	<u>36</u>

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Discontinued operations

The Group made the decision to discontinue the wealth management operations within Edmond de Rothschild Private Merchant Banking LLP, a subsidiary company. During the year the Company contributed post-tax losses of £2,237,000 (2020: loss of £2,207,000).

12. Tax on loss - Group

	2021 £000	2020 £000
Current tax on losses for the year	-	-
Tax on loss	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Loss before taxation	(2,339)	(1,350)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(444)	(257)
Effects of:		
Expenses not deductible for tax purposes	79	87
Deferred tax not provided	365	170
Total tax charge for the year	-	-

Factors that may affect future tax charges

The Group and Company's profits for this accounting year are taxed at an effective rate of 19% (2020: 19%).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements and it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be nil.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Deferred taxation

The deferred tax assets are determined by and sensitive to, the future forecasted profits of the UK Group. There are no deferred tax assets in the current year or prior year for the group and company.

For the current year there was an unrecognised deferred tax asset of £3,803,055 (2020: £3,071,312) relating to losses incurred in 2020 and previous years.

14. Intangible assets**Group**

	Computer software £000
Cost	
At 1 January 2021	89
At 31 December 2021	89
Accumulated amortisation	
At 1 January 2021	77
Charge for the year	5
At 31 December 2021	82
Net book value	
At 31 December 2021	7
At 31 December 2020	12

The computer software intangible asset relates to the UK Group's asset management system, which was created by an external provider for the Company's specific needs. The asset is carried at a value of £7,000 (2020: £12,000).

The Company does not have any intangible assets.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Tangible assets**Group and Company**

	Leasehold property £000	Leasehold improve- ment £000	Fixtures and fittings £000	Computer equipment £000	Office equipment £000	Total £000
Cost						
At 1 January 2021	5,627	2,183	471	205	59	8,545
Disposals	-	-	-	(36)	-	(36)
At 31 December 2021	5,627	2,183	471	169	59	8,509
Accumulated depreciation						
At 1 January 2021	2,106	1,574	460	205	59	4,404
Charge for the year	327	231	3	-	-	561
Disposals	-	-	-	(36)	-	(36)
At 31 December 2021	2,433	1,805	463	169	59	4,929
Net book value						
At 31 December 2021	3,194	378	8	-	-	3,580
At 31 December 2020	3,521	609	11	-	-	4,141

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Investments**Group**

	Interest in group undertakings £000
Cost or valuation	
At 1 January 2021	70
Disposals	(70)
At 31 December 2021	-
Impairment	
At 1 January 2021	70
Impairment on disposals	(70)
At 31 December 2021	-
Net book value	
At 31 December 2021	-
At 31 December 2020	-

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Investments (continued)**Company**

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2021	38,269
Additions	2,300
Disposals	(4,231)
At 31 December 2021	<u>36,338</u>
Impairment	
At 1 January 2021	30,213
Impairment charge for the year	2,194
Impairment on disposals	(1,795)
At 31 December 2021	<u>30,612</u>
Net book value	
At 31 December 2021	<u>5,726</u>
At 31 December 2020	<u>8,056</u>

The cost disposal of £4,231,000 and the impairment disposal of £1,795,000 relates to EdRRIT Limited which was fully dissolved on 21 September 2021.

The charge for the year of £2,194,000 (2020: £2,230,000) relates to an impairment of the investment in Edmond de Rothschild Private Merchant Banking LLP to the value of net assets held.

Post year end, Edmond de Rothschild Private Merchant Banking LLP, a subsidiary company has begun the process of transitioning their clients and will wind down the business in an orderly manner.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Investments (continued)**Direct subsidiary undertakings**

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Edmond de Rothschild Asset Management (UK) Limited	4 Carlton Gardens, London, SW1Y 5AA	Fund adviser	4,400,000 ordinary shares of £1 each	100%
Edmond de Rothschild Private Merchant Banking LLP	4 Carlton Gardens, London, SW1Y 5AA	Adviser	29,387,632 ordinary 'A' corporate members' interest of £1 each	100%
Edmond de Rothschild Capital Holdings Limited	4 Carlton Gardens, London, SW1Y 5AA	Investing activities	250,000 ordinary shares of £1 each	100%
EDRRIT Limited*	4 Carlton Gardens, London, SW1Y 5AA	Holding company	277,778 ordinary shares of £1 each	100%

*EDRRIT Limited filed for voluntary liquidation on the 15 September 2020 and was fully dissolved 21 September 2021.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Debtors: amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade debtors	2,560	2,654	-	-
Amounts owed by group undertakings	2,207	822	1,232	1,687
Other debtors	100	187	97	207
Prepayments and accrued income	1,150	1,265	525	469
	<u>6,017</u>	<u>4,928</u>	<u>1,854</u>	<u>2,363</u>

The amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Cash at bank and in hand

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Cash at bank and in hand	<u>6,845</u>	<u>9,266</u>	<u>451</u>	<u>815</u>

19. Creditors: Amounts falling due within one year

	Group 2021 £000	Restated Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade creditors	339	463	34	185
Amounts owed to group undertakings	6,198	7,068	5,400	8,060
Other taxation and social security	58	-	13	-
Other creditors	531	1,027	149	156
Accruals and deferred income	4,132	2,972	3,872	2,902
	<u>11,258</u>	<u>11,530</u>	<u>9,468</u>	<u>11,303</u>

The amounts owed to group undertakings are repayable on demand and include an unsecured loan from Edmond de Rothschild Suisse S.A. at an average annual interest rate of 1.5720% (2020: 1.5910%) with no fixed date of repayment.

The 2020 trade creditors and other creditors balance has been restated to conform with the 2021 presentation. Trade creditors have increased by £262,000 which has subsequently been reduced from other creditors. The overall effect on net assets of this restatement is £nil.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Provision**Group**

	Restructuring provision £000
At 1 January 2021	-
Charged to Statement of Comprehensive Income	706
At 31 December 2021	706

The restructuring provision relates to the transfer of clients from Edmond de Rothschild Private Merchant Banking LLP and is expected to be fully utilised by 31 December 2022.

21. Called up share capital - Group and Company

	2021 £000	2020 £000
Allotted, called up and fully paid		
15,700,000 (2020: 15,700,000) ordinary shares of £1 each	15,700	15,700

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Group reconstruction reserve

The reserve represents a historic gain received from the past sale of EDRRIT shares to an intergroup company. During the year EDRRIT was dissolved which realised the reserve. This historic gain has been transferred to the accumulated losses reserve.

Other reserves

Other reserves relates to long term incentive plans.

Accumulated losses

This reserve represents the cumulative profits and losses.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	1,250	1,250
Later than 1 year and not later than 5 years	5,000	5,000
Later than 5 years	5,952	7,205
	<u>12,202</u>	<u>13,455</u>

23. Financial instruments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>11,712</u>	<u>12,929</u>	<u>1,780</u>	<u>2,709</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(11,256)</u>	<u>(11,531)</u>	<u>(9,466)</u>	<u>(11,303)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash and cash equivalents, trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Financial instruments (continued)**Amounts recognised in profit or loss**

The income, expense and changes in fair values of financial assets at fair value through profit or loss recorded in the statement of comprehensive income is as follows:

	2021 £000	2020 £000
Income from financial investments	-	1
Investment expenses and similar charges	(58)	(78)
	<u>(58)</u>	<u>(77)</u>

Impairment and risk exposure

There were no impaired debtors. Information about the impairment of trade and other debtors, their credit quality and the company's exposure to credit risk can be found in the accounting policy note for financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Risk management

The Board of each company is responsible for overseeing and directing the management of risks arising from that company's business. The board of the Company maintains oversight of the risk management for the UK Group, including the regulatory risk capital for each FCA-regulated company.

The boards are assisted in fulfilling their risk management responsibilities by the Risk and Compliance Committee, which provides oversight, analysis and advice regarding the management of risks and the adequacy and effectiveness of the internal control environment. The Company has also established an Audit Committee to provide senior, independent oversight.

The UK Group adopts a 'three lines of defence' risk governance model. Business managers are accountable for ensuring that risks associated with the business processes within their areas of responsibility are identified and that appropriate controls are implemented and maintained to mitigate the threat of adverse outcomes to within acceptable tolerances.

A combined Legal, Risk and Compliance department, independent of line management, provides oversight and challenge to the effective management of risk. It monitors and reports on residual risk exposures, reporting to the Risk and Compliance Committee and the UK Group company boards. It also ensures that appropriate risk management policies and processes are in place, with reference to parent Group policies where necessary.

The ultimate parent company maintains a central Internal Audit function which undertakes independent reviews of the UK Group's activities, reporting its findings to the UK company boards and the Audit Committee as well as to the parent Company.

a) Credit Risk

None of the UK Group companies issues credit. Counterparties are formally reviewed by the Legal, Risk and Compliance department to assess their credit worthiness prior to trading and specific counterparty limits are set. Positions are monitored against these limits daily.

All of the UK Group companies are exposed to debtor default risk regarding the potential non-payment of fees due or to default by a bank with which cash balances are held.

As at 31 December 2021, the maximum exposure to credit was £4,867,000 (2020: £3,663,000) in relation to the UK Group and £1,329,000 (2020: £1,894,000) in relation to the Company, none of which was deemed to be impaired or doubtful (2020: £nil).

b) Market Risk

Each of the UK Group companies is subject to foreign exchange risk where revenues are earned, or cash balances are held, in non-Sterling currencies.

A sensitivity analysis has been carried out at year end using estimated adverse movements in forecast foreign currency revenues for the following year. The foreign currency risk is considered to be immaterial to the financial statements.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

24. Risk management (continued)**c) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. This risk is most likely to occur as a result of cash-flow mis-matches between receipt of fee revenues and creditor payments due. Cash flows for each company are forecast and monitored on an ongoing basis.

The overall liquidity adequacy needs of each company are considered, together with its regulatory capital requirements, by the Risk and Compliance Committee and the Company board.

This table shows the liquidity analysis of financial liabilities analysed based on their contractual maturity date. The figures are shown on an undiscounted basis, there is no significant difference between the contractual amounts of financial liabilities and their carrying amount.

	Less than 3 months £000	Between 3 & 12 months £000	More than 12 months £000	Carrying amount £000
2021				
List of financial liabilities:				
- Trade creditors	339	-	-	339
- Short term loan - intragroup	-	6,198	-	6,198
- Other creditors	531	-	-	531
	<u>870</u>	<u>6,198</u>	<u>-</u>	<u>7,068</u>
	Less than 3 months £000	Between 3 & 12 months £000	More than 12 months £000	Carrying amount £000
2020				
List of financial liabilities:				
- Trade creditors	463	-	-	463
- Short term loan - intragroup	-	7,068	-	7,068
- Other creditors	531	-	-	531
	<u>994</u>	<u>7,068</u>	<u>-</u>	<u>8,062</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

24. Risk management (continued)

Fair value methodology

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Valuation derived from unadjusted quoted market prices in an active market for an identical instrument.

Level 2: Valuation where quoted market prices are not available or where the instrument is traded in a market that is not considered to be active or valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Capital management

Capital is defined as the total of share capital, group reconstruction, retained earnings and other reserves. Total capital at 31 December 2021 was £4,485,000 (2020: £6,817,000).

The UK Group's Internal Capital Adequacy Assessment Process (ICAAP) is the mechanism by which management and the boards of the UK Group companies oversee and regularly assess:

- the risk exposures of the UK Group companies, including those risks which may arise based on a forward-looking assessment of the companies' business plans;
- the results of scenario analysis of these risks to determine the potential impacts of "severe but plausible" scenarios;
- potential scenarios and their impacts for the orderly wind down of the UK Group companies; and
- the amounts and types of current and future capital and liquidity resources and whether they are assessed as adequate to cover the risk exposures and wind down scenarios considered.

The UK Group's ICAAP is reviewed and approved by the Board of the Company on an annual basis. The assessments included in the ICAAP are considered more frequently by the Risk and Compliance Committee to ensure capital and liquidity adequacy assessments continue to reflect any material developments in the UK Group's financial position and risk exposures.

The ICAAP methodology is based on the quarterly risk assessments for each of the UK Group companies and uses scenario analysis; involving input from business area experts and challenge by the risk management function, to derive the capital requirements associated with severe but plausible scenario outcomes. Each of the key risk types affecting the UK Group are considered.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Related party transactions

The Company and its UK subsidiaries are wholly owned subsidiaries of Edmond de Rothschild (Suisse) S.A., and as such has taken advantage of the exemption permitted by section 33.1 of FRS102 'Related Party Disclosures', not to provide disclosure of transactions entered into with other wholly owned members of the group.

Directors emoluments are disclosed in note 9 of the financial statements.

During the current and prior year the Group had transactions with Edmond de Rothschild Holding S.A., Gitana France, Edmond De Rothschild REIM (UK) Limited and LCH Investments N.V. which aren't wholly owned members of the group.

Below are the transactions between the UK Group and the entities mentioned above:

	2021 £000	Restated 2020 £000
Total year end transactions between the UK Group and the above companies:		
Edmond de Rothschild Holding S.A.	129	62
Gitana France	129	123
LCH Investments N.V.	2,743	2,818
Edmond De Rothschild REIM (UK) Limited	304	(6)
	<u>3,305</u>	<u>2,997</u>
	2021 £000	2020 £000
Total year end balance between the UK Group and the above companies:		
Edmond de Rothschild Holding S.A.	-	(22)
LCH Investments N.V.	410	598
Edmond De Rothschild REIM (UK) Limited	307	14
	<u>717</u>	<u>590</u>

The 2020 year end related party transaction balance has been restated to conform with 2021 presentation.

26. Contingent liabilities and registered charges

At the 31 December 2021, the Group nor Company does not have any registered charges over its assets (2020: £nil). There are no contingent liabilities known to the directors at year end (2020: £nil).

27. Capital commitments

Neither the Group or Company is committed to any capital payments over the next year in relation to the acquisition of fixed asset investments.

EDMOND DE ROTHSCHILD (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

28. Post balance sheet events

Post year end, Edmond de Rothschild Private Merchant Banking LLP, a subsidiary company has begun the process of transitioning their clients and will wind down the business in an orderly manner.

29. Controlling party

The immediate parent undertaking is Edmond de Rothschild (Suisse) S.A., a company incorporated in Switzerland. The ultimate parent undertaking and controlling party is Edmond de Rothschild Holding S.A., a company incorporated in Switzerland.

Edmond de Rothschild (Suisse) S.A. is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2021. The consolidated financial statements of Edmond de Rothschild (Suisse) S.A. can be obtained from Edmond de Rothschild (Suisse) S.A., 18, rue de Hesse, 1204 Genève, Switzerland.

Edmond de Rothschild Holding S.A. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2021. The consolidated financial statements of Edmond de Rothschild Holding S.A. can be obtained upon request from Edmond de Rothschild Holding S.A., Case Postale 5254, 1211 Genève 11, Switzerland.