

Annual Report & Financial Statements

Edmond de Rothschild Capital Holdings Limited

31 December 2017

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EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2017

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EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Mr. R. M. Sopher (Chairman) Mr. B . Amiee Mr. D. van Duijn
Registered Office	4 Carlton Gardens London England SW1Y 5AA
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Hays Galleria, 1 Hays Lane London SE1 2RD
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HB
Regulator	Financial Conduct Authority FCA Firm Code: 144038

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their strategic report of Edmond de Rothschild Capital Holdings Limited, Company Number 1831706, ("the Company") for the year ended 31 December 2017.

1. BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company advises several multi-manager investment funds. The results for the Company are set out in the statement of comprehensive income on page 9. Income decreased by 52.2% to £6,758,822 (2016: £14,142,135) and the profit for the financial year decreased by 74.3% to £1,513,241 (2016: £5,891,777). The financial position of the company is set out on page 10 which shows that equity attributable to equity holders decreased by 55.0% to £3,465,527 (2016: £7,702,285).

The Company is a wholly-owned subsidiary of EDRRIT Limited, a company incorporated in the United Kingdom, which itself was owned to 28 December 2017 by Edmond de Rothschild (UK) Ltd (51%) and RIT Capital Partners plc (49%). At 28 December 2017, EDRRIT Limited became a wholly owned subsidiary of Edmond de Rothschild (UK) Ltd (see note 15).

Management considers that the financial operations of the Company during the year have been undertaken in accordance with the agreed plan and consider the financial position of the Company as at the balance sheet date to be satisfactory.

2. BUSINESS ENVIRONMENT AND STRATEGY

The Company has operated in an increasingly difficult business environment during the year, reflecting the current prevailing investment conditions. Nevertheless, the Company has reported profitable results, notwithstanding the decline in the amount of assets it advises. The Company 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.

3. PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks of the Company are its dependence on a small number of clients, each of which is therefore significant, and its exposure to earnings in several currencies. Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them. The Company does not use any complex financial derivatives to manage risks. The directors have undertaken a review of the Company's business model, capital and liquidity and are satisfied that it is robust and sustainable, and the Company has sufficient financial resources to pursue its activities for the foreseeable future.

ON BEHALF OF THE BOARD



Mr. R. M. Sopher
Chairman

24 April 2018

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and the audited financial statements of Edmond de Rothschild Capital Holdings Limited for the year ended 31 December 2017.

1. DIVIDENDS

An interim dividend of £5,250,000 (£21.00 per share) in relation to the year ended 31 December 2016 was paid on 2 June 2017 (2016: £5,250,000 or £21.00 per share) and a further interim dividend of £500,000 (£2.00 per share) was paid on 27 July 2017 (2016: £500,000 or £2.00 per share). The profit for the financial year of £1,513,242 (2016: £5,891,777) was transferred to reserves after deduction of the dividend already paid of £500,000. A further dividend of £1,012,500 (£4.05 per share) has been proposed for approval by the Board.

2. 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 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 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 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 company will continue in business.

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.

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

3. DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements are set out on page 3.

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

4. STATEMENT OF DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

So far as the directors are aware, there is no relevant information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware. The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The directors 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.

5. FINANCIAL RISK MANAGEMENT

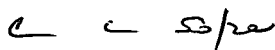
The Company's overall financial risk management strategy and activities are coordinated with the risk management activities of the immediate parent company, which are described in more details in those financial statements.

6. 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. 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.

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

ON BEHALF OF THE BOARD



Mr. R. M. Sopher
Chairman

24 April 2018

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Edmond de Rothschild Capital Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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 Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017, the statement of comprehensive income for the year ended 31 December 2017; and the notes to the financial statements for the year ended 31 December 2017, 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 company 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED (Continued)

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2017 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 company and its 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 set out on page 5, 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 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 company or to cease operations, or have no realistic alternative but to do so.

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED (Continued)

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.

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.

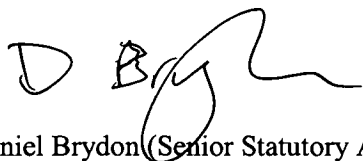
Other required reporting

Companies Act 2006 exception reporting

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

- we have not received 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Daniel Brydon (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 April 2018

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December		2017	2016
	Note	£	£
Revenue	2		
Fee and commission income		4,759,979	9,088,186
Dividend income		2,343,937	3,594,443
Finance income		-	5,285
Other income		<u>(345,094)</u>	<u>1,454,221</u>
Total revenue		6,758,822	14,142,135
Administrative expenses			
Administrative expenses	3	<u>(4,884,613)</u>	<u>(6,776,154)</u>
Total administrative expenses		<u>(4,884,613)</u>	<u>(6,776,154)</u>
Operating profit before tax		1,874,209	7,365,981
Tax on profit	6	<u>(360,968)</u>	<u>(1,474,204)</u>
Profit for the financial year		<u>1,513,241</u>	<u>5,891,777</u>

The notes on pages 12 to 19 form part of these financial statements.

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

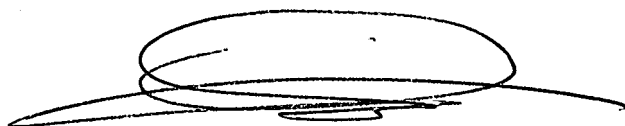
STATEMENT OF FINANCIAL POSITION

As at 31 December		2017	2016
	Note	£	£
Assets			
Investments	7	100,442	74,849
Trade and other receivables	8	2,646,847	3,132,013
Cash at bank and in hand		<u>1,732,369</u>	<u>10,082,281</u>
Total assets		<u>4,479,658</u>	<u>13,289,143</u>
Liabilities			
Trade and other payables	9	<u>(1,014,131)</u>	<u>(5,586,858)</u>
Total liabilities		<u>(1,014,131)</u>	<u>(5,586,858)</u>
Equity			
Called up share capital	10	(250,000)	(250,000)
Retained earnings		<u>(3,215,527)</u>	<u>(7,452,285)</u>
Total equity	13	<u>(3,465,527)</u>	<u>(7,702,285)</u>
Total liabilities and equity		<u>(4,479,658)</u>	<u>(13,289,143)</u>

These financial statements on pages 10 to 19 were approved by the Board at its meeting on 24 April 2018 and were signed on its behalf by:



Mr. R. M. Sopher (**Chairman**)



Mr. D. van Duijn (**Director**)

The notes on pages 12 to 19 form part of these financial statements.

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and with United Kingdom accounting standards, including the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102"). The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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. Edmond de Rothschild Capital Holdings Limited is a qualifying entity as its results are consolidated into the financial statements of Edmond de Rothschild (UK) Limited which are publicly available.

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

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) 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; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Critical accounting estimates

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. The Directors do not consider there to be any critical accounting judgements and estimates.

(b) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the end of the month in which the transaction occurred. Profits and losses on exchange arising in the ordinary course of business are taken to the profit and loss account.

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

(c) Revenue

Revenue represents dividends received from investment companies and fees charged for the provision of advisory services, net of retrocessions payable to counterparties, recognised on an accruals basis. The balance is stated exclusive of VAT and other related taxes. Performance fees and interim dividends receivable are recorded in the year in which they arise, unless it is not possible to accurately assess the amounts receivable, in which case they are recorded on a cash basis. Final dividends are accounted for in the year in which they are declared and approved.

(d) Investments

Investments, which are held as fixed assets, are included in the balance sheet at cost less impairment. The directors believe that the carrying value of the investments is supported by their underlying net assets.

(e) Trade and other receivables and payables

Receivables and Payables include unpaid fees and invoices for services provided accounted for on an accrued basis. Payables include retrocessions to be paid in accordance with normal business arrangements, and amounts due for taxation. Amounts owed to group companies are in respect of administrative expenses.

(f) Taxation

The charge for taxation is based on the profit for the year, as adjusted for disallowable items. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. Full provision is made for all tax timing differences.

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

2 REVENUE

The Directors consider that the business of the Company is investment advisory services. The Company's services are provided to a world market. A segmental analysis is shown below:

	2017 £	2016 £
Revenue		
By business:		
Investment Advisory	6,447,534	13,238,520
Dealing	311,288	903,615
	<u>6,758,822</u>	<u>14,142,135</u>

3 ADMINISTRATIVE EXPENSES

Administrative expenses include a charge of £4,884,613 (2016: £6,776,154) since most supplier contracts and all employment contracts are with other group companies. This includes directors' emoluments for management services, as detailed below, and fees in relation to the audit of the statutory financial statements of £46,199 (2016: £46,199).

4 DIRECTORS' EMOLUMENTS

	2017 £	2016 £
Aggregate emoluments	2,591,939	3,340,164
Compensation for loss of office	-	85,100
Aggregate value of company contributions to defined pension schemes (in respect of 3 directors) (2016: 4)	<u>30,000</u>	<u>43,333</u>
	<u>2,621,939</u>	<u>3,468,597</u>
Highest paid director:		
- Aggregate emoluments	1,277,682	2,001,641
- Value of company contributions to defined contribution pension schemes	10,000	11,875

During the year 3 directors accrued benefits under the long term incentive scheme (2016: 3) and 1,948 (2016: nil) Management Shares in Edmond de Rothschild Holding S.A. were exercised.

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)**

5 EMPLOYEES

No staff were employed directly by the Company during the year (2016: None).

6 TAX ON PROFIT

	2017	2016
	£	£
Current Tax		
UK Corporation tax on profits for the year	(330,104)	(1,460,804)
Adjustments in respect of prior years	<u>(30,864)</u>	<u>(13,400)</u>
Total current tax	<u>(360,968)</u>	<u>(1,474,204)</u>
Total tax per income statement	<u>(360,968)</u>	<u>(1,474,204)</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2017	2016
	£	£
Profit for the year – continuing operations	<u>1,874,209</u>	<u>7,365,981</u>
Tax on profit at standard UK tax rate of 19.25% (2016: 20.00%)	(360,721)	(1,473,196)
Effects of:		
Expenses not deductible	(1,506)	(1,151)
Deferred tax not provided	32,123	13,543
Adjustments from previous periods	<u>(30,864)</u>	<u>(13,400)</u>
Tax charge for the year	<u>(360,968)</u>	<u>(1,474,204)</u>
Income tax expense reported in the income statement	<u>(360,968)</u>	<u>(1,474,204)</u>

The Finance Act 2013 (the Act) was substantively enacted on 2 July 2013. The Act further reduced the main rate of corporation tax from 23% to 21% with effect from 1 April 2014, and 20% with effect from 1 April 2015. The Company's profit for this accounting year is taxed at an effective rate of 19.25% (2016: 20.00%). There are no deferred tax assets or liabilities (2016: nil).

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)**

6 TAX ON PROFIT (Continued)

In addition to the changes noted above, further changes to the main rate of Corporation tax in the United Kingdom were announced in the 2015 Summer Budget. These include further reductions from 20% to 19% effective from 1 April 2017 to 31 March 2020, and then to 18% effective 1 April 2020. The Finance No.2 Bill 2015 became substantially enacted on 26 October 2015. At Budget 2016, the government announced a further reduction to the Corporation tax main rate for the year starting 1 April 2020, setting the rate at 17%.

7 INVESTMENTS

Held by the Company and included in the statement of financial position:

<u>Name</u>	<u>Country of registration or incorporation</u>	<u>Description and number of shares held</u>	<u>Proportion of nominal value of issued shares held</u>	<u>Principal activity</u>
Other investments				
ACH Investment Advisors S.A. (formerly ACH Management SA)	Luxembourg	300 Ordinary Shares of €41.67 each	10%	Investment Adviser
LCH Investments NV	Curaçao	5 Ordinary	0.5%	Investment Adviser
Asian Capital Holdings Fund - Dissolution	Luxembourg	300 Ordinary Shares of €100.00 each	100%	Investment fund

Investments

	2017	2016
	£	£
Cost and net book value		
Opening balance at 1 January	74,849	84,376
Investments	25,593	-
Disposals	-	(9,527)
Closing balance at 31 December	100,442	74,849

The directors believe that the carrying value of the investments is supported by their underlying net assets.

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)**

8 TRADE AND OTHER RECEIVABLES

	2017	2016
	£	£
Amounts owed by group undertakings	1,818,067	1,544,941
Other receivables	<u>828,780</u>	<u>1,587,072</u>
Total trade and other receivables	<u>2,646,847</u>	<u>3,132,013</u>

Amounts owed by group undertakings relate to Edmond de Rothschild (UK) Limited, Edmond de Rothschild (Suisse) SA and ACH Investment Advisors SA. Apart from a short term borrowing of £5.5 million to Edmond de Rothschild (UK) Limited and due by 31 March 2018 included above, all amounts have no fixed date of receipt and are receivable on demand.

9 TRADE AND OTHER PAYABLES

	2017	2016
	£	£
Retrocession payable	(458,033)	(504,641)
Amounts owed to group undertakings	(408,117)	(4,421,589)
Corporation tax payable	<u>(147,981)</u>	<u>(660,630)</u>
Total trade and other payables	<u>(1,014,131)</u>	<u>(5,586,859)</u>

Amounts owed to group undertakings are unsecured and relate to Edmond de Rothschild (UK) Limited, a shareholder in the Company, for administrative services and Edmond de Rothschild (Suisse) SA. These amounts have no fixed date of payment and are payable on demand.

10 CALLED UP SHARE CAPITAL

	<u>Ordinary shares of £1 each</u>	
	2017	2016
	£	£
250,000 (2016: 250,000) shares authorized, allotted and fully paid	<u>(250,000)</u>	<u>(250,000)</u>

11 DIVIDENDS

	2017	2016
	£	£
Interim dividends paid in the year of £21.00 and £2.00 per share (2016: £21.00 and £2.00 per share)	<u>5,750,000</u>	<u>5,750,000</u>
Total dividends	<u>5,750,000</u>	<u>5,750,000</u>

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)**

12 RELATED PARTY TRANSACTIONS

	2017	2016
	£	£
Transactions with Edmond de Rothschild (UK) Limited		
- Service charge by the Group companies	(390,610)	(615,196)
- Recharge of direct costs	<u>(4,494,003)</u>	<u>(6,160,958)</u>
	(4,884,613)	(6,776,154)
Transactions with ECH Investments Limited		
- Dividends	-	421,038
- Fees and recoverable expenses	-	7,227
- Repayment of capital	<u>-</u>	<u>10,801</u>
	-	439,066
Transactions with ACH Investment Advisors SA		
- Dividends	22,721	67,566
- Fees and recoverable expenses	<u>510,860</u>	<u>436,940</u>
	533,581	504,506
Transactions with Edmond de Rothschild (Suisse) SA		
- Retrocession expense	<u>(21,387)</u>	<u>(64,914)</u>
	(21,387)	(64,914)

Edmond de Rothschild Capital Holdings Limited provided services to ECH Investments Limited, an entity that was liquidated during 2016 which resulted in a compulsory redemption of shares that Edmond de Rothschild Capital Holdings Limited held. The ultimate controlling party of Edmond de Rothschild Capital Holdings Limited had a controlling shareholding in ECH Investments Limited and it is accordingly consolidated into the ultimate controlling party's financial statements. Dividends represent the amount net of retrocession paid or payable of nil (2016: £120,633) in respect of investors in ECH.

Edmond de Rothschild Capital Holdings Limited provides services to ACH Investment Advisors SA (formerly ACH Management SA). The ultimate controlling party of Edmond de Rothschild Capital Holdings Limited had a controlling shareholding in ACH Investment Advisors SA and it is accordingly consolidated into the ultimate controlling party's financial statements. Dividends represent the amount net of retrocession paid or payable of £32 (2016: £424) in respect of investors in ACH.

EDMOND DE ROTHSCHILD CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)**

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2017	2016
	£	£
Opening shareholders' funds	(7,702,285)	(7,560,508)
Profit for the financial year	(1,513,242)	(5,891,777)
Dividends paid during the year	<u>5,750,000</u>	<u>5,750,000</u>
Closing shareholders' funds	<u>(3,465,527)</u>	<u>(7,702,285)</u>

14 CONTINGENT LIABILITIES

There are no contingent liabilities known to the directors (2016: nil).

15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is EDRRIT Limited, a company incorporated in the United Kingdom, which was owned to 28 December 2017 ultimately 51% by Edmond de Rothschild (UK) Ltd, a company incorporated in the United Kingdom, and 49% owned by RIT Capital Partners plc, an investment trust listed on The London Stock Exchange. At 28 December 2017, EDRRIT Limited became a wholly owned subsidiary of Edmond de Rothschild (UK) Ltd.

The ultimate parent undertaking and controlling party is Edmond de Rothschild Holding S.A., a company incorporated in 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 2017. The consolidated financial statements of Edmond de Rothschild Holding S.A. can be obtained from Edmond de Rothschild Holding S.A., Case Postale 5254, 1211 Genève 11, Switzerland.

Edmond de Rothschild (UK) Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Edmond de Rothschild (UK) Limited can be obtained from Edmond de Rothschild (UK) Limited, 4 Carlton Gardens, London SW1Y 5AA.