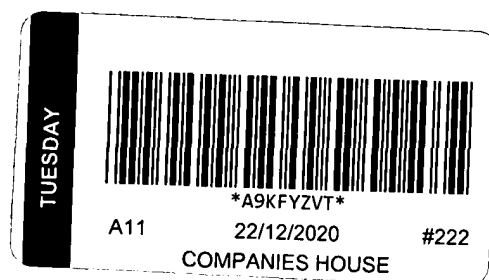


Odey Wealth Management (UK) Limited

Annual Report and Financial Statements

For the year ended 5 April 2020



Odey Wealth Management (UK) Limited

Company information

Directors

E R Neville-Rolfe
S Le Messurier
T Pearey

Company Secretary

C Prince

Statutory Auditor

Mazars LLP
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Bankers

Barclays Bank PLC
Newcastle City Office
PO Box 379
71 Grey Street
Newcastle
NE99 1JA

Registered Office

18 Upper Brook Street
London
W1K 7PU

Odey Wealth Management (UK) Limited

Directors' report

The directors present their annual report and audited financial statements of Odey Wealth Management (UK) Limited ("the Company") for the year ended 5 April 2020. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. For this reason, a separate strategic report has also not been prepared.

The directors who served during the year and up to date of this report were as follows:

E R Neville-Rolfe
S Le Messurier
T Pearey

Principal activity and review of the business

The Company is incorporated in the UK and was authorised by the Financial Conduct Authority on 6 April 2006. The principal activity of the business is to engage in wealth management activities. The key performance indicator is the AUM of the underlying funds. The AUM of the funds was £62m at year-end (2019: £109m), segregated accounts AUM was £12m (2019: £14m), and AUM introduced to other Odey Asset Management funds was £244m (2019: £361m).

A primary source of income for the Company is the transfer pricing policy with Odey Asset Management LLP, which remunerates the Company for assets introduced to funds managed by Odey Asset Management LLP. During the year, the Company received £1.5m income through the transfer pricing relationship (2019: £2m).

Principal Risks

The directors consider that the Company faces the same risks in its business as those of a typical wealth management company. Risks include market risks, retention of key staff and reputational risk. Trading on behalf of clients takes place only with approved counterparties and the custody of the funds' assets is delegated to third party providers. There are remuneration policies in place to attract, motivate and retain staff. The Board continue to discuss possible impacts from Brexit with counterparties, advisors and industry bodies, and consider possible contingency plans where relevant. Therefore, the directors believe that the company is well placed to manage its business risks successfully. The Company's cash balance is also three times its creditors for the year and as such the directors believe the company is well placed to manage both cash flow and liquidity risk.

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. Consequently, global markets have experienced a period of volatility. There has not been any significant impact on Odey Wealth Management (UK) either from a business or operational perspective.

Results and dividends

The Company's profit and loss account showed a profit after taxation of £284,000 (2019: £414,000). The directors believe that the company has established a sound foundation and is well placed to develop satisfactorily in the future. The directors approved the payment of a dividend of £300,000 on 14 July 2020 (2019: £450,000).

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

Odey Wealth Management (UK) Limited

Company information

- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Mazars LLP has indicated its willingness to be appointed as auditor and will be proposed for reappointment as the independent auditor of the company.

Future Developments

The directors do not expect any development in the company's business in the current year to be significantly different from its present activities.

Going Concern

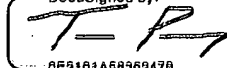
The directors are of the opinion that the company has sufficient financial resources to develop the private wealth business. As a consequence, the directors believe that the company is well-placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company will continue to receive financial support and be adequately resourced to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Small companies exemptions

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act.

Approved by the board and signed on its behalf by:

Digitally signed by:

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Timothy Pearey

Director

14 July 2020

Odey Wealth Management (UK) Limited

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 regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They 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.

Odey Wealth Management (UK) Limited

Independent auditor's report

to the members of Odey Wealth Management (UK) Limited

Opinion

We have audited the financial statements of (the 'company') for the year ended 5 April 2020 which comprise of the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 5 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page.

Just prior to the balance sheet date a global pandemic was declared from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK and Channel Islands.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company trade, customers, suppliers and the wider economy.

Conclusions relating to going concern

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

- 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.

Odey Wealth Management (UK) Limited

Independent auditor's report

to the members of Odey Wealth Management (UK) Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Odey Wealth Management (UK) Limited

Independent auditor's report

to the members of Odey Wealth Management (UK) Limited


Auditor's 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 auditor's 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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


Stephen Eames (Jul 14, 2020 15:59 GMT+1)

Steph en Eames (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Milton Keynes, United Kingdom

July 2020

Odey Wealth Management (UK) Limited

Statement of Comprehensive Income for the year ended 5 April 2020

	<i>Notes</i>	<i>2020</i> £'000	<i>2019</i> £'000
Turnover	3	1,797	2,360
Administrative expenses		(1,478)	(1,915)
Operating profit	4	<u>319</u>	<u>445</u>
Interest		32	65
Profit on ordinary activities before taxation		<u>351</u>	<u>510</u>
Tax on profit	6	(67)	(96)
Profit on ordinary activities after taxation		<u><u>284</u></u>	<u><u>414</u></u>

All amounts are in respect of continuing activities. There are no recognised gains or losses other than shown above for the current and preceding financial years, as a result there is no Statement of Other Comprehensive Income.

The notes 1 to 13 on pages 11 to 16 form an integral part of these Financial Statements.

Odey Wealth Management (UK) Limited

Balance Sheet

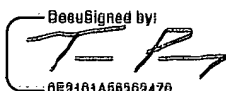
as at 5 April 2020

	<i>Notes</i>	<i>2020</i> £'000	<i>2019</i> £'000
Current assets			
Debtors	7	210	453
Cash at bank and in hand		1,445	1,842
		<u>1,655</u>	<u>2,295</u>
Creditors: Amounts falling due within one year	8	(190)	(664)
Net current assets		<u>1,465</u>	<u>1,631</u>
Total assets less current liabilities		<u>1,465</u>	<u>1,631</u>
Share capital	9	875	875
Share premium		250	250
Profit and loss account		340	506
Total equity		<u>-1,465-</u>	<u>1,631</u>

The notes 1 to 13 on pages 11 to 16 form an integral part of these Financial Statements.

These financial statements of Odey Wealth Management (UK) Limited (Registered number: 05771936) were approved and authorised by the Board of Directors on 14 July 2020.

Signed on behalf of the Board of Directors



 Signed by:

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 Timothy Pearey

 Director

Odey Wealth Management (UK) Limited

Statement of Changes in Equity
for the year ended 5 April 2020

	<i>Share capital</i> £'000	<i>Share premium</i> £'000	<i>Profit and loss account</i> £'000	<i>Total equity</i> £'000
At 6 April 2018	875	250	472	1,597
Profit for the year	-	-	414	414
Dividend paid (note 10)	-	-	(380)	(380)
At 5 April 2019	<u>875</u>	<u>250</u>	<u>506</u>	<u>1,631</u>
Profit for the year	-	-	284	284
Dividend paid (note 10)	-	-	(450)	(450)
At 5 April 2020	<u><u>875</u></u>	<u><u>250</u></u>	<u><u>340</u></u>	<u><u>1,465</u></u>

The notes 1 to 13 on pages 11 to 16 form an integral part of these Financial Statements.

Odey Wealth Management (UK) Limited

Notes to the financial statements

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of preparation

Odey Wealth Management (UK) Limited ("the Company") was incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales, United Kingdom as a company limited by shares on 6 April 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report on pages 2 and 3. The functional currency of the company is GBP.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and requirements of the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 102. It has therefore taken advantage of the disclosure exemptions available to it in respect of share-based payments (FRS 102: Section 26), financial instruments (FRS 102: Section 11), presentation of a cash flow statement (FRS 102: Section 7) and remuneration of key management personnel (FRS 102 Section 33).

Taxation

Provision is made for corporation tax at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised only to the extent that it is more likely than not that there will be taxable profits in the future against which the asset can be offset or to the extent that the deferred tax asset can offset prior year tax expenses.

Turnover

Turnover, which is stated net of value added tax where applicable, represents fees receivable for investment management services provided during the year to a range of funds and segregated accounts, and for marketing and distribution services provided to other group companies in accordance with the service level agreement. Investment management fee income is recognised as it becomes due in accordance with the investment management agreement on an accruals basis. Income derived from the transfer pricing policy with Odey Asset Management LLP is at the greater of the retrocession on introduced funds and cost plus 5%.

Foreign currency

The functional currency is sterling and as such monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

Pensions

The Company makes contributions towards employees' defined contribution pension arrangements, which can include participation in the company's occupational money purchase pension schemes. The costs of the pension schemes are charged to the profit and loss account as they accrue.

Going concern

The directors are of the opinion that the company has sufficient financial resources to develop the private wealth business. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company will continue to receive financial support and be adequately resourced to continue in operational existence for at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Odey Wealth Management (UK) Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

Financial instruments

a) Trade and other debtors

Debtors balances are amounts due from clients for services provided by the company. They are stated at their cost less any allowances for doubtful debts.

b) Trade and other creditors

Creditors balances are amounts due to suppliers or staff for merchandise bought or services provided in the ordinary course of business. Creditors are stated as current liabilities if payment is to be made in one year or less and non-current liabilities if payment is to be made after one year.

c) Cash

Cash at bank and in hand comprises of cash held in demand deposit and valued at face value.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from the other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The directors do not believe that there are any areas of critical accounting judgement.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 Turnover

Turnover represents management fees and SLA income.

	2020 £'000	2019 £'000
<i>Turnover is derived from the following geographical areas:</i>		
United Kingdom	1,797	2,309
Ireland	-	51
Total turnover	<u>1,797</u>	<u>2,360</u>
<i>Turnover is derived from the following business activities:</i>		
Investment Management	278	380
Service Level Agreement	1,519	1,980
Total turnover	<u>1,797</u>	<u>2,360</u>

4 Operating profit

The operating profit of the company is stated after charging:

	2020 £'000	2019 £'000
Auditor's remuneration for the statutory audit of the company	9	12
Other assurance services	2	7

Odey Wealth Management (UK) Limited

Notes to the financial statements (continued)

5 Staff costs

	2020 £'000	2019 £'000
Wages and salaries	912	1,037
Social security	113	133
Pension costs	45	48
	<u>1,070</u>	<u>1,218</u>

The average monthly number of persons employed by the company during the year was:

Investment director	3	3
Administration	4	6
	<u>7</u>	<u>9</u>

The Company operates defined contribution retirement benefit schemes for all employees. The pension costs set out above are fully in respect of the defined contribution schemes.

6 Taxation

	2020 £'000	2019 £'000
a) Current tax on profit		
UK corporation tax on the profits for the period	67	85
Total current tax for the period	<u>67</u>	<u>85</u>
<i>Deferred tax</i>		
Movement in provision of deferred tax:		
LTIP deferral	-	11
Total deferred tax for the period	<u>-</u>	<u>11</u>
Total current tax on profit	<u>67</u>	<u>96</u>

Odey Wealth Management (UK) Limited

Notes to the financial statements (continued)

6 Taxation (continued)

b) Factors affecting total tax charge for the period:

The current taxation charge for the year is different from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit before tax	351	510
Tax on profit at standard UK corporation tax rate of 19% (2019: 19%)	<u>67</u>	<u>97</u>
Effects of:		
Expenses not deductible for tax purposes	-	-
Release of LTIP deferred tax asset	-	(1)
Total tax on profit for the year	<u>-</u>	<u>96</u>

c) The movement in the deferred tax provision

	2020 £'000	2019 £'000
Provision at start of year	8	19
LTIP deferral	-	(11)
Deferred tax asset at end of year	<u>8</u>	<u>8</u>

The expected deferred tax asset of £8,000 (2019: £8,000) relates to the LTIP contributions made in the prior years. There is no movement in the deferred tax asset. The prior year movement of £11,000 related to the vesting of LTIP contributions which are expensed in the year ended 5 April 2016. The contributions made to the LTIP will vest on its third anniversary and are deductible the year of vesting.

Odey Wealth Management (UK) Limited

Notes to the financial statements (continued)**7 Debtors**

	<i>2020</i>	<i>2019</i>
	<i>£'000</i>	<i>£'000</i>
Accrued income	68	39
Deferred tax asset (note 6)	8	8
Prepayments	26	58
Other debtors	7	3
Amounts owed by group undertakings (<i>interest fee and repayable on demand</i>)	101	345
	<u>210</u>	<u>453</u>

8 Creditors

	<i>2020</i>	<i>2019</i>
	<i>£'000</i>	<i>£'000</i>
Trade creditors	29	18
Accruals	18	258
Amounts owed by group undertakings (<i>interest fee and repayable on demand</i>)	111	350
Corporation tax	32	38
	<u>190</u>	<u>664</u>

9 Called up share capital

	<i>2020</i>	<i>2019</i>
	<i>£'000</i>	<i>£'000</i>
Authorised, allotted and fully paid 874,790 ordinary shares of £1.00 (2019: 874,790 ordinary shares of £1.00)	<u>875</u>	<u>875</u>

No ordinary shares were issued during the year (2019: nil).
The ordinary shares carry one voting right per share and no right to fixed income.

10 Dividends

	<i>2020</i>	<i>2019</i>
	<i>£'000</i>	<i>£'000</i>
Amounts recognised as distributions to equity holders in the period: Final dividend paid during the year of 51.4p per share (2019: 43.5p)	<u>450</u>	<u>380</u>
Declared dividend for the year of 34.3p per share (2019: 51.4p per share)	<u>300</u>	<u>450</u>

The final dividend of £300,000 (2019: £450,000) for the year ended 5 April 2020 was approved by Directors on 14 July 2020 and has not been included as a liability in these financial statements.

Odey Wealth Management (UK) Limited

Notes to the financial statements (continued)

11 Related party transactions

The company has taken advantage of the exemption from disclosure of transactions with wholly owned subsidiaries of Odey Asset Management Group Limited in accordance with FRS 102 on the grounds that the company is a subsidiary and that the consolidated financial statements of the parent are publicly available.

Odey Asset Management Group Limited, Odey Wealth Management (C.I.) Limited and Odey Asset Management LLP are wholly owned subsidiaries of Odey Holdings AG. During the year Odey Wealth Management (UK) was rebated retrocession fees of £73,000 (2019: £56,000) from Odey Wealth Management (C.I.) Limited and £1,448,000 (2019: £1,925,000) from Odey Asset Management LLP. These amounts were recharged at a mark-up determined by the Company's transfer pricing policy. At year end a net amount of £5,000 (2019: £17,000) remained owing to Odey Wealth Management (C.I.) and the net amount of £102,000 (2019: £346,000) remained owing to Odey Asset Management LLP.

12 Parent undertaking and ultimate controlling party

The immediate parent company is Odey Asset Management Group Limited, a company incorporated in the United Kingdom. Odey Asset Management Group Limited has included the company in its group financial statements, copies of which are available from 18 Upper Brook Street, London, W1K 7PU. Odey Holdings AG (a company incorporated in Switzerland) is the ultimate parent company. Odey Holdings AG has included the company in its group financial statements. The smallest undertaking for which the company is a member and for which consolidated financial statements are prepared is Odey Asset Management Group Limited and the largest Odey Holdings AG.

In the directors' opinion, R C W Odey is the ultimate controlling party.

13 Pillar 3 disclosure

As required by BIPRU 11.3.10 (4) Odey Wealth Management (UK) Limited makes available its Pillar 3 disclosure at www.odey.com. This is consolidated with Odey Asset Management LLP.