



Vanguard Asset Services, Limited and subsidiaries  
(together the “Vanguard UK consolidated group”)

Country-by-Country Reporting Disclosures  
Year-ended 31<sup>st</sup> December 2019

# European Union Capital Requirement Directive Country-by-Country Reporting (“CBCR”) Disclosures by Institutions

## 1. Overview

### 1.1 Introduction

The Capital Requirements (Country-by-Country Reporting) Regulations 2013 (“CBCR”) implement Article 89, CBCR of the Capital Requirements Directive IV (“CRD IV”) in the United Kingdom. The Regulations impose CBCR obligations on institutions (as defined in Article 4(1)(3) of the CRR) in the United Kingdom within the scope of CRD IV.

The ongoing reporting obligation of the Regulations requires each institution to publish the following information on a consolidated basis for each country where they have a subsidiary or branch:

- a) The name, nature of activities and geographical location of the institution and any subsidiaries and branches;
- b) Turnover;
- c) The average number of employees on a full time equivalent basis;
- d) Profit or loss before tax;
- e) Corporation tax paid; and
- f) Public subsidies received.

### 1.2 Basis of Preparation

In accordance with the Regulations, the CBCR disclosure in this document cover the reporting obligations to the Vanguard UK consolidated group for the financial year ended 31 December 2019, the most recently ended period of account prior to the date of this publication. The quantitative disclosures have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”), International Financial Reporting Interpretations Committee (“IFRS IC”) and the Companies Act 2006 applicable to companies reporting under IFRS.

In accordance with the Regulations, the CBCR disclosures included in this document cover the reporting obligations in relation to the Group and its subsidiaries for the financial year ended 31 December 2019. The Regulations allow the Company to publish the information on a consolidated basis for the Group as long as all institutions in scope of the Regulations are covered in the group disclosure.

On 27 March 2019, VAM transferred its branch offices to the Vanguard Group (Ireland) Limited (“VGIL”), a related party of VAM. Employees of VAM’s branch offices became employees of VGIL effective the date of the transaction. The figures disclosed in the table below reflect the financial performance until the date of transfer.

## 2. CBCR Disclosures

### 2.1 Name, nature of activities and geographical location

The name, nature of activities and geographical location of the principal subsidiaries and all the branches of the Vanguard UK consolidated group are as follows:

<b>Name of company and any branches</b>	<b>Description of activities</b>	<b>Jurisdictions of company and any branches</b>
Vanguard Asset Services, Ltd (VAS)	Non-regulated holding company which employs all UK employees.	United Kingdom
Vanguard Investments UK, Limited (VIUK)	UK Management Company for UK funds.	United Kingdom
Vanguard Asset Management, Ltd (VAM)	Operator of UK Retail Platform (UK Personal Investor) and authorised as SIPP operator, launched on 18 February 2020. Portfolio manager for UK and Irish funds through delegation agreement via Vanguard Group Advisers (“VGA”). Distributor of Irish funds throughout Europe using MiFID passport. The Company further expanded its regulatory permissions in the year ended 31 December 2019 in order to provide advice services to its clients.	United Kingdom

## European Union Capital Requirement Directive Country-by-Country Reporting (“CBCR”) Disclosures by Institutions

### 2.1 CBCR Disclosures (continued)

Vanguard Asset Management, Ltd France (VAM - FR)	French branch uses MiFID passport to distribute in France.	France
Vanguard Asset Management, Ltd Netherlands (VAM - NL)	Dutch branch uses MiFID passport to distribute in Netherlands.	Netherlands
Vanguard Asset Management, Ltd Germany (VAM - GE)	German branch uses MiFID passport to distribute in Germany.	Germany
Vanguard Investments Switzerland GMBH (VISG)	Distributor of Irish funds to Switzerland.	Switzerland

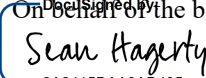
### 2.2 CBCR report for the year ended 31 December 2019

Jurisdiction	Turnover £'000	Average number of employees on a full time equivalent basis	Profit before tax £'000	Corporation tax paid <sup>1</sup> £'000	Public subsidies received £'000
United Kingdom	188,088	421	12,436	3,293	-
Switzerland	5,694	12	504	97	-
<b>Branches of VAM<sup>2</sup></b>					
France	142	1	9	3	-
Netherlands	414	4	24	88	-
Germany	1,191	6	71	-	-
<b>Vanguard Asset Services, Ltd</b>	<b>195,529</b>	<b>444</b>	<b>13,044</b>	<b>3,481</b>	<b>-</b>

#### Notes to the CBCR Report

- Corporation tax paid represents the actual payments made to the tax authorities during the year ended 31 December 2019. Corporation tax charged on profits earned is paid across multiple years via payments on account. A portion of corporation tax charged on 2019 profits will be payable in later years.
- On 27 March 2019, VAM transferred its branch offices to the Vanguard Group (Ireland) Limited (“VGIL”), a related party of VAM. Employees of VAM’s branch offices became employees of VGIL effective the date of the transaction.

On behalf of the board of Directors:

  
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Sean P. Hagerty  
21 August 2020

# ***Independent auditors' report to the directors of Vanguard Asset Services, Ltd.***

## **Report on the audit of the country-by-country information**

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- **Opinion**

In our opinion, Vanguard Asset Services, Ltd. country-by-country information for the year ended 31 December 2019 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information in the Country-by-Country Reporting Disclosures for the year ended 31 December 2019.

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- **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information 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 country-by-country information in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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- **Emphasis of matter - Basis of preparation**

In forming our opinion on the country-by-country information, which is not modified, we draw attention to note 1.2 of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

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- **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 country-by-country information is not appropriate; or

the directors have not disclosed in the country-by-country information 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 country-by-country information is 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.

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- **Reporting on other information**

The other information comprises all of the information in the Country-by-Country Report - description as defined in the second paragraph of the opinion section above other than the country-by-country information and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the country-by-country information does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the country-by-country information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the country-by-

country information 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 country-by-country information 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.

### **Responsibilities for the country-by-country information and the audit**

- *Responsibilities of the directors for the country-by-country information*

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation and accounting policies described in the overview and Note 1 to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, 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.

- *Auditors' responsibilities for the audit of the country-by-country information*

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is 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 this country-by-country information.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

- *Use of this report*

This report, including the opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, 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.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
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21 August 2020