



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

Country-by-Country Reporting Disclosures
Year-ended 31st December 2020

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 2020, the most recently ended period of account prior to the date of this publication. The quantitative disclosures have been prepared in accordance with UK-adopted international accounting, 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 2020. 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.

2. CBCR Disclosures

2.1 Name, nature of activities and geographical location

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

Name of company and any subsidiaries	Description of activities	Jurisdictions of company and any branches
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.	United Kingdom

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

2.1 CBCR Disclosures (continued)

Vanguard Investments Switzerland GMBH (VISG)	Distributor of Irish funds to Switzerland.	Switzerland
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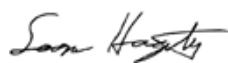
2.2 CBCR report for the year ended 31 December 2020

Jurisdiction	Turnover £'000	Average number of employees ²	Profit before tax £'000	Corporation tax paid ¹ £'000	Income tax accrued £'000	Stated capital £'000	Accumulated earnings £'000	Tangible assets £'000
United Kingdom	254,142	504	31,623	5,376	7,469	133,105	68,735	45,187
Switzerland	4,028	6	367	174	95	3,884	2,520	1,233
Vanguard Asset Services, Ltd (Consolidated)	258,170	510	31,990	5,550	7,564	136,989	71,255	46,420

Notes to the CBCR Report

1. Corporation tax paid represents the actual payments made to the tax authorities during the year ended 31 December 2020. Corporation tax charged on profits earned is paid across multiple years via payments on account. A portion of corporation tax charged on 2020 profits will be payable in later years.
2. Average number of employees on a full time basis.

On behalf of the board of Directors:



Sean P. Hagerty
13 December 2021

Independent auditors’ report to the directors of Vanguard Asset Services Limited and its subsidiaries

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

Opinion

In our opinion, Vanguard Asset Services Limited and its subsidiaries country-by-country information for the year ended 31 December 2020 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 for the year ended 31 December 2020 in the Country-by-Country Reporting Disclosures.

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.

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.

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 company’s ability to continue as a going concern for a period of at least twelve months from the date on which the country-by-country information is authorised for issue.

In auditing the country-by-country information, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the country-by-country information is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to 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 Country-by-Country Reporting Disclosures - 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-

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

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 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud:

Based on our understanding of the company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breach of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the country-by-country information. We also considered those laws and regulations that have a direct impact on the country-by-country information such as the Companies Act 2006. We evaluated management’s incentives and opportunities for fraudulent manipulation of the country-by-country information (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue or expenses, and management bias in accounting estimates. Audit procedures performed included:

- Reviewing correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Identifying and testing journal entries, where any such journal entries that met our specific risk-based criteria were identified;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing over areas such as manual journal entries and cash reconciliations; and
- Review of relevant board of directors’ minutes.

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 country-by-country information. Also, the risk of not detecting a material misstatement due to fraud is higher

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

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 country-by-country information 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 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

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
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13 December 2021