

ROTHSCHILD TRUST CORPORATION LIMITED

DIRECTORS' REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1995

Registered No: 865402



ROTHSCHILD TRUST CORPORATION LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 31st March 1995.

BUSINESS REVIEW

The principal activity of the company is the administration of trusts. There has been no significant change in this activity during the year and it is not the intention that there will be any change in the future. The results for the year are shown on page 4. The directors do not recommend the payment of a dividend (1994: NIL).

RESULTS

The profit for the year on ordinary activities after taxation amounting to £180,780 has been transferred to reserves. (1994: loss of £22,484 increased the deficit on reserves).

DIRECTORS

The directors of the company during the year were as follows:-

L. D. de Rothschild	(Chairman)
E. L. de Rothschild	(resigned 6th June 1994)
The Hon. A. M. J. Rothschild	
Rt. Hon. The Lord St. John of Fawsley	
The Hon. J. B. Soames	
Sir Peter Gibbings	
Sir Claus Moser	
J. K. Roe	(resigned 31st March 1995)
G. Bowler	(resigned 6th June 1994)
D. L. Harris	
R. F. A. Balfour	
D. N. Allison	
Sir George W. L. Christie	(appointed 6th June 1994)
M. Arni	(appointed 19th September 1994)

None of the directors had any interest in the shares of the company during the year. L. D. de Rothschild, E. L. de Rothschild and The Hon. A. M. J. Rothschild were directors of the related undertaking Rothschilds Continuation Limited during the year and their interest in the shares of other group companies are disclosed in those accounts.

At 31st March an Executive Share Option Scheme for directors of the Rothschild Group was interested in 9,240 shares in Rothschilds Continuation Holdings A G.

INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year the company purchased and maintained liability insurance for its officers.

ROTHSCHILD TRUST CORPORATION LIMITED

REPORT TO THE DIRECTORS (cont'd)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The Directors have responsibility for ensuring that the Company keeps adequate accounting records. They are required by law to prepare financial statements which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the results for the year. They are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

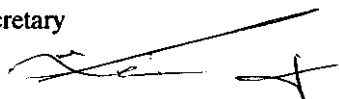
The Directors consider that appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these financial statements on a going concern basis, and that applicable accounting standards have been followed. These policies and standards, for which the Directors accept responsibility, have been discussed with the Auditors.

AUDITORS

On 6th February 1995 our auditors changed the name under which they practice to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

N. M. ROTHSCCHILD & SONS LIMITED
Secretary



Date: 6th June 1995

ROTHSCHILD TRUST CORPORATION LIMITED

AUDITORS' REPORT TO THE MEMBERS OF ROTHSCCHILD TRUST CORPORATION LIMITED

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors
P O Box 695
8 Salisbury Square
London EC4Y 8BB

Date: 6th June 1995

ROTHSCHILD TRUST CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st March 1995

	Note	1995 £	1994 £
Turnover	1	1,270,407	853,737
Administrative expenses	2	(1,015,743)	(907,282)
Interest receivable		<u>63,982</u>	<u>64,571</u>
Profit on ordinary activities before taxation	4	318,646	11,026
Taxation	5	<u>(137,866)</u>	<u>(33,510)</u>
Profit/(loss) for the financial year on ordinary activities after taxation		180,780	(22,484)
Balance brought forward		<u>(39,968)</u>	<u>(17,484)</u>
BALANCE CARRIED FORWARD		<u>£140,812</u>	<u>£(39,968)</u>

The company has no recognised gains or losses other than the profit for the year.

ROTHSCHILD TRUST CORPORATION LIMITED

BALANCE SHEET
as at 31st March 1995

	Note	£	1995	£	£	1994	£
FIXED ASSETS							
Investment in subsidiary	6			100			100
CURRENT ASSETS							
Trade debtors		95,534			138,707		
Amount due from fellow subsidiary undertakings:							
Loan balance		-			65,200		
Bank balance		<u>713,019</u>			<u>361,520</u>		
		808,553			565,427		
CREDITORS							
Amounts falling due within one year	7	<u>417,841</u>			<u>355,495</u>		
NET CURRENT ASSETS				<u>390,712</u>			<u>209,932</u>
				<u>£390,812</u>			<u>£210,032</u>
EQUITY SHAREHOLDERS' FUNDS							
Called up share capital	8		250,000			250,000	
Profit and loss account			<u>140,812</u>			<u>(39,968)</u>	
	9		<u>£390,812</u>			<u>£210,032</u>	

The financial statements on pages 4 to 11 were approved by the Board of Directors on 6th June 1995 and are signed on its behalf by:-



L. D. DE ROTHSCILD

DIRECTOR

ROTHSCHILD TRUST CORPORATION LIMITED

CASH FLOW STATEMENT
as at 31st March 1995

	Note	1995 £	1994 £
Net cash inflow from operating activities	10	319,466	101,030
Returns on investments and servicing of finance			
Interest received		<u>63,982</u>	<u>64,571</u>
		383,448	165,601
Net cash inflow from returns on investments and servicing of finance			
Taxation			
Corporation tax paid		<u>(31,949)</u>	<u>(9,270)</u>
Increase in bank balance		<u>£351,499</u>	<u>£156,331</u>

ROTHSCHILD TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the company.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

As permitted by S229 (2) of the Companies Act 1985 group accounts have not been prepared as the results of the subsidiary are not material.

Turnover

Turnover comprises fees billed for trust management services rendered excluding VAT.

Clients' accounts

In its fiduciary capacity, the company has incurred liabilities on behalf of its clients. These balances are not included in the company's financial statements.

Pension costs

Pension contributions are charged to the profit and loss account over the expected service lives of all employees belonging to the schemes in which Group undertakings participate.

ROTHSCHILD TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. ADMINISTRATIVE EXPENSES

	1995 £	1994 £
Staff costs:		
Wages and salaries	372,355	336,393
Social security costs	41,346	32,909
Other pension costs	137,772	125,273
Other administrative expenses	<u>464,270</u>	<u>412,707</u>
	<u>£1,015,743</u>	<u>£907,282</u>

The average number of employees during the year was 5 (1994: 5).

3. DIRECTORS' EMOLUMENTS

Directors' emoluments for the year including pension contributions paid amounted to £ 584,030

The emoluments of the highest paid director and the Chairman excluding pension contributions were £ 351,141 (1994: £ 166,460) and £ 20,000 (1994: £ 25,000) respectively.

The emoluments, excluding pension contributions paid, fell into the following bands:

	1995 No of directors	1994 No of directors
£ 0 - £ 5,000	7	6
£ 5,001 - £ 10,000	1	3
£ 10,001 - £ 15,000	3	1
£ 15,001 - £ 20,000	1	-
£ 20,001 - £ 25,000	-	1
£ 70,001 - £ 75,000	-	1
£ 115,001 - £ 120,000	1	-
£ 165,001 - £ 170,000	-	1
£ 350,001 - £ 355,000	<u>1</u>	<u>-</u>
	<u>14</u>	<u>13</u>

Six of the directors in the range £ 0 - £ 5,000 did not receive any remuneration.

ROTHSCHILD TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Company profit on ordinary activities before tax is stated after auditors remunerations of £ 7,000 (1994: £ 6,450)

5. TAXATION

Taxation is based on the results for the year and comprises:-

	1995 £	1994 £
U. K. corporation tax at 33%	137,866	14,900
Adjustment relating to prior year	---	18,610
	<u>£ 137,866</u>	<u>£ 33,510</u>

6. INVESTMENT IN SUBSIDIARY

The company holds the entire issued share capital of Rotrust Nominees Limited; 100 shares of £ 1 each. This company is registered in England and Wales, and is dormant.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Trade creditors	53,439	79,936
Taxation	140,126	33,513
Other creditors	<u>224,276</u>	<u>242,046</u>
	<u>£417,841</u>	<u>£355,495</u>

ROTHSCHILD TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. SHARE CAPITAL

	1995 £	1994 £
Authorised, allotted, called up and fully paid: 250,000 ordinary shares of £1 each	<u>£250,000</u>	<u>£250,000</u>

9. EQUITY SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit/(Loss) for the financial year on ordinary activities after taxation	180,780	(22,484)
Equity shareholders' funds at 1st April 1994	<u>210,032</u>	<u>232,516</u>
Equity shareholders' funds at 31st March 1995	<u>£390,812</u>	<u>£210,032</u>

10. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit/(loss)	254,664	(53,545)
Decrease/(Increase) in trade debtors	43,173	(82,271)
Decrease in loan balance	65,200	93,922
(Increase)/decrease in creditors	<u>(43,571)</u>	<u>142,924</u>
Net cash inflow from operating activities	<u>£319,466</u>	<u>£101,030</u>
Cash at 1 April 1994	361,520	
Increase in cash	<u>351,499</u>	
	<u>£713,019</u>	

ROTHSCHILD TRUST CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. PENSION SCHEME

The Company's pension scheme is operated by N. M. Rothschild & Sons Limited for the benefit of employees and consists of a defined benefit arrangement. The costs are assessed with the advice of independent actuaries. The assets of the scheme are administered by Trustees and are held separately from those of the Company. The latest Actuarial Valuation was conducted at 31st March 1994 using the projected unit method. The value of the assets amounted to approximately £165 million which covered approximately 107% of accrued benefits after allowing for future increases in pensionable salary. The principal assumptions used in the Valuation were that the annual rate of return on investments would be approximately 2% higher than the annual increase in pensionable salaries (and allowances for promotional increases were also made) and 3% higher than the annual increase in present and future pensions.

The total pension charge for the year amounted to £137,772 (1994: £125,273) all of which related to the above defined benefit scheme.

12. PARENT UNDERTAKING AND ULTIMATE PARENT COMPANY

The largest group in which the results of the company are consolidated is that headed by Rothschild Concordia AG which is incorporated in Switzerland. The smallest group in which they are consolidated is that headed by Rothschilds Continuation Holdings AG which is also incorporated in Switzerland. The ultimate parent company is Rothschild Concordia AG.