

# Walbrook Assets Limited

Report of the Directors and Financial Statements  
for the year ended 31 March 2012



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# Report of the Directors

The Directors present their Directors' report and the financial statements for the year ended 31 March 2012



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## Principal Activities and Business Review

The principal activity of the Company is that of investment in property and lettings. The results for the year are set out in the statement of comprehensive income on page 6.

The Directors of the Company have prepared these financial statements under the going concern basis. The Company has received a letter of financial support from the Directors of Rothschilds Continuation Holdings AG, an intermediate parent undertaking.

## Dividends

The Directors do not recommend the payment of a dividend (2011 £nil).

## Directors

The Directors who held office during the year were as follows:

Anthony Chapman  
Anthony Coghlan  
Jonathan Westcott

## Auditors

KPMG Audit Plc are the appointed auditors of the Company and pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed. KPMG Audit Plc will therefore continue in office.

## Audit Information

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By Order of the Board  
N M Rothschild & Sons Limited  
Secretary

New Court, St Swithin's Lane, London EC4N 8AL

29 August 2012

# Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements



The Directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRS as adopted by the EU, 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Independent Auditors' Report to the Members of Walbrook Assets Limited



We have audited the financial statements of Walbrook Assets Limited for the year ended 31 March 2012 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

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.

## Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

## Opinion on Financial Statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006

## Opinion on other matter prescribed by the Companies Act 2006

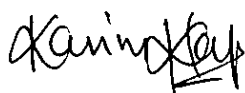
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Independent Auditors' Report to the Members of Walbrook Assets Limited

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



Karim K Haji

(Senior Statutory Auditor)

**for and on behalf of KPMG Audit Plc, Statutory Auditor**

Chartered Accountants

15 Canada Square

London E14 5GL

10 September 2012



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# Statement of Comprehensive Income

For the year ended 31 March 2012



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	Note	2012 £	2011 £
Rent receivable		120,000	70,000
Interest payable		(17,841)	(17,938)
Impairment losses on property, plant and equipment		-	-
Administrative expenses		-	(14,128)
<b>Profit before tax</b>	<b>3</b>	<b>102,159</b>	<b>37,934</b>
Taxation	5	(26,561)	(10,621)
<b>Profit for the financial year</b>		<b>75,598</b>	<b>27,313</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the financial year</b>		<b>75,598</b>	<b>27,313</b>

The notes on pages 10 to 14 form an integral part of these financial statements

# Balance Sheet

At 31 March 2012



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	Note	2012 £	2012 £	2011 £	2011 £
<b>Non-current assets</b>					
Property, plant and equipment	6		1,750,000		1,750,000
<b>Current assets</b>					
Other assets	7	91,849		73,495	
		<b>91,849</b>		<b>73,495</b>	
<b>Current liabilities</b>					
Overdraft with parent undertaking	8	(3,524,819)		(3,596,440)	
Current tax payable		(26,561)		(10,621)	
Other financial liabilities	9	(2,277)		(3,840)	
<b>Net current liabilities</b>			<b>(3,461,808)</b>		<b>(3,537,406)</b>
<b>Total assets less current liabilities</b>			<b>(1,711,808)</b>		<b>(1,787,406)</b>
<b>Shareholders' Equity</b>					
Share capital	10		2		2
Retained earnings			(1,711,810)		(1,787,408)
<b>Total shareholders' equity</b>			<b>(1,711,808)</b>		<b>(1,787,406)</b>

Approved by the Board of Directors on 29 August 2012 and signed on its behalf by

Anthony Chapman, Director

The notes on pages 10 to 14 form an integral part of these financial statements

# Statement of Changes in Equity

for the year ended 31 March 2012



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	Share Capital £	Retained Earnings £	Total Equity £
At 1 April 2011	2	(1,787,408)	(1,787,406)
Total comprehensive income for the financial year	-	75,598	75,598
At 31 March 2012	2	(1,711,810)	(1,711,808)
At 1 April 2010	2	(1,814,721)	(1,814,719)
Total comprehensive loss for the financial year	-	27,313	27,313
At 31 March 2011	2	(1,787,408)	(1,787,406)

The notes on pages 10 to 14 form an integral part of these financial statements



# Cash Flow Statement

For the year ended 31 March 2012



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	Note	2012 £	2011 £
<b>Cash flow from operating activities</b>			
Profit for the financial year		75,598	27,313
Income tax charge		26,561	10,621
Profit before tax		102,159	37,934
Net decrease/(increase) in other assets		(18,354)	(66,368)
Net (decrease)/increase in other financial liabilities		(1,563)	3,497
Income taxes (paid)/received		(10,621)	9,177
<b>Net cash flow from/(used in) operating activities</b>		<b>71,621</b>	<b>(15,760)</b>
Net increase/(decrease) in cash and cash equivalents		71,621	(15,760)
Cash and cash equivalents at 1 April		(3,596,440)	(3,580,680)
<b>Cash and cash equivalents at 31 March</b>	<b>8</b>	<b>(3,524,819)</b>	<b>(3,596,440)</b>

Interest paid during the year were as follows

	2012 £	2011 £
<b>Interest paid</b>		
To parent undertaking	19,404	17,938

The notes on pages 10 to 14 form an integral part of these financial statements

# Notes to the Financial Statements

*(forming part of the Financial Statements)*

For the year ended 31 March 2012



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## I Accounting Policies

Walbrook Assets Limited ("the Company") is a company incorporated in the United Kingdom. The principal accounting policies which have been consistently adopted in the presentation of the financial statements are as follows:

### a Basis of preparation

The financial statements are prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, endorsed by the European Union ("EU") and with those requirements of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are prepared under the historical cost accounting rules.

These financial statements have been prepared on a going concern basis.

The financial statements have been prepared on a going concern basis as the Directors of Rothschilds Continuation Holdings AG, an intermediate holding company, have given a letter of financial support to ensure the Company is adequately funded for normal business operations.

### Standards affecting the financial statements

In the current year, there have been no new or revised Standards and Interpretations that have been adopted that had a material effect on the amounts reported in these financial statements.

### b Property, plant and equipment

Property, plant and equipment is stated at cost less provisions for any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the asset.

No depreciation is provided on freehold properties or properties on leases with more than twenty years to run at the balance sheet date. It is the Company's policy to maintain these properties in a good state of repair and it is considered that the residual values, based on prices prevailing at the time of acquisition or subsequent valuation, are such that any depreciation is insignificant.

At each balance sheet date property, plant and equipment is assessed for indications of impairment. If such indications are present, the assets are subject to an impairment review. If impaired, the carrying values of assets are written down by the amount of impairment and the loss is recognised in the income statement in the period in which it occurs.

### c Interest payable

Interest is recognised in the statement of comprehensive income using the effective interest rate method.

### d Taxation

Tax payable on profits is recognised in the statement of comprehensive income.

# Notes to the Financial Statements

*(forming part of the Financial Statements)*



## I Accounting Policies (continued)

### e Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprises an overdraft with the parent undertaking used in the cash management of the Company. In the balance sheet, this overdraft is included in current liabilities

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### f Capital management

The capital of the Company is managed at the group level by the parent undertaking, Rothschilds Continuation Limited

## 2 Financial risk management

The Company follows the financial risk management policies of the parent undertaking, Rothschilds Continuation Limited. The key risks arising from the Company's activities involving financial instruments, which are monitored at the group level, are as follows

- Credit risk – the risk of loss arising from client or counterparty default is not considered a significant risk to the Company as all debtor balances are with other group companies as detailed in note 11 Related Party Transactions
- Market risk – exposure to changes in market variables such as interest rates, currency exchange rates, equity and debt prices is limited to interest rates payable on the overdraft with the parent undertaking. Interest is payable at the Bank of England base rate
- Liquidity risk – the risk that the Company is unable to meet its obligations as they fall due or that it is unable to fund its commitments is not considered significant as material cash outflows are to the parent undertaking who provides financial support to the Company

## 3 Profit/Loss Before Tax

	2012 £	2011 £
Is stated after		
I Income		
Rental Income	120,000	70,000
II Charges		
Interest payable on overdraft with parent undertaking	17,841	17,938

The amount receivable by the auditors and their associates in respect of the audit of these financial statements is £3,750 (2011 £750). The audit fee is paid on a group basis by N M Rothschild & Sons Limited

## 4 Directors' Emoluments

None of the Directors received any remuneration from the Company during the year (2011 £nil)

# Notes to the Financial Statements

*(forming part of the Financial Statements)*

## 5 Taxation



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	2012 £	2011 £
United Kingdom corporation tax charge at 26% (2011: 28%)	26,561	10,621

The tax charge for the year may be explained as follows

	2012 £	2011 £
Profit before tax	102,159	37,934
Tax charge at UK standard corporation tax rate of 26% (2011: 28%)	26,561	10,621
<b>Total tax charge for the year</b>	<b>26,561</b>	<b>10,621</b>

The UK Corporation tax rate has been changed from 26 per cent to 24 per cent with an effective date of 1 April 2012. This rate has been substantively enacted at the balance sheet date but has not affected the amounts reported in these financial statements.

## 6 Property, Plant and Equipment

### Freehold Land and Buildings

	2012 £
<b>Cost</b>	
At beginning and end of year	3,131,024
<b>Impairment losses</b>	
At beginning and end of year	(1,381,024)
<b>Net book value at 31 March 2012</b>	<b>1,750,000</b>

	2011 £
<b>Cost</b>	
At beginning and end of year	3,131,024
<b>Impairment losses</b>	
At beginning and end of year	(1,381,024)
<b>Net book value at 31 March 2012</b>	<b>1,750,000</b>

# Notes to the Financial Statements

*(forming part of the Financial Statements)*



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## 6 Property, Plant and Equipment (continued)

The freehold land and buildings have been leased out under an operating lease. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2012 £	2011 £
Less than one year	120,000	120,000
Between one and five years	480,000	480,000
More than five years	750,000	870,000
	<b>1,470,000</b>	<b>1,470,000</b>

The rental receipts during the year was £105,000 (2011: £nil)

## 7. Other Assets

	2012 £	2011 £
Rent receivable	85,000	70,000
Other assets	6,849	3,495
	<b>91,849</b>	<b>73,495</b>

## 8. Overdraft with Parent Undertaking

At the year end the Company had an overdraft with the parent undertaking of £3,524,819 (2011: £3,596,440). The Company pays interest at base rate.

## 9 Other Financial Liabilities

	2012 £	2011 £
Amounts owed to parent undertaking	2,277	3,840

# Notes to the Financial Statements

*(forming part of the Financial Statements)*



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## 10 Share Capital

	2012 £	2011 £
<b>Authorised</b>		
Ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	2	2

## 11 Related Party Transactions

Parties are considered related if one party controls, is controlled by or has the ability to exercise significant influence over the other party. This includes the parent company, subsidiaries and fellow subsidiaries.

Amounts payable to related parties at the year end were as follows

	2012 £	2011 £
Overdraft with parent undertaking	3,524,819	3,596,440
Amounts owed to parent undertaking	2,277	3,840

Amounts recognised in the statement of comprehensive income in respect of related party transactions were as follows

	2012 £	2011 £
Interest payable to parent undertaking	17,841	17,938

## 12. Parent Undertaking and Ultimate Holding Company

The largest group in which the results of the Company are consolidated is that headed by Rothschild Concordia SAS, incorporated in France. The smallest group in which they are consolidated is that headed by Rothschild Continuation Limited, registered in England and Wales.

The Company's immediate parent company is Rothschild's Continuation Limited.

The Company's registered office is located at New Court, St Swithin's Lane, London EC4N 8AL.