

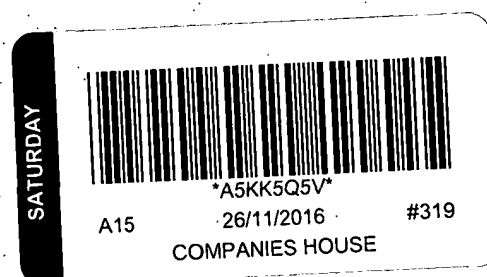


Walbrook Assets Limited

Report of the Directors and Financial Statements for the year ended 31 March 2016



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Report of the Directors

The Directors present their Directors' report and the financial statements for the year ended 31 March 2016.

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Principal Activities and Business Review

The principal activity of Walbrook Assets Limited (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 7. The Company's profit before tax was £104,152 (2015: £104,125).

Although the Company has significant borrowings, it continues to generate profit and, furthermore, has received a letter of financial support from the Directors of Rothschilds Continuation Limited, the parent undertaking. Consequently the Directors consider it appropriate that the financial statements are prepared on a going concern basis.

On 23 June 2016 the UK voted to leave the EU. At the date of signing these financial statements the Directors do not foresee any immediate impact on the Company but acknowledge the uncertainty that exists. The Directors will continue to keep this under review.

Dividends

The Directors do not recommend the payment of a dividend (2015: £nil).

Directors

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

Peter Barbour (Appointed 8 September 2015)

Anthony Chapman

Anthony Coghlan

Jonathan Westcott (Resigned 8 September 2015)

Directors' Indemnity

The Company has provided qualifying third-party indemnities for the benefit of the Directors. These were provided during the period and remain in force at the date of this report.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



Report of the Directors

Audit Information

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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 ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By Order of the Board

Helen Horton for
N M Rothschild & Sons Limited
Secretary

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

12 September 2016



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

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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.

By Order of the Board

Anthony Coghlan, Director

12 September 2016

Independent Auditor's Report to the Members of Walbrook Assets Limited

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We have audited the financial statements of Walbrook Assets Limited for the year ended 31 March 2016 set out on pages 7 to 15. 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 4, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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.

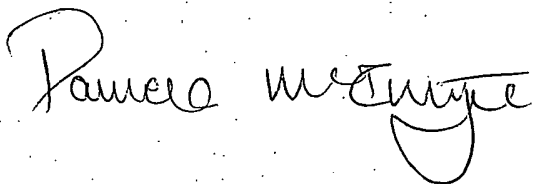
Independent Auditor's Report to the Members of Walbrook Assets Limited

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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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Pamela McIntyre
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

12 September 2016



Statement of Comprehensive Income

For the year ended 31 March 2016

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	Note	2016 £	2015 £
Rent receivable		120,000	120,000
Interest payable		(15,848)	(15,875)
Profit before tax		104,152	104,125
Taxation	5	(20,831)	(21,866)
Profit for the financial year		83,321	82,259
Other comprehensive income		-	-
Total comprehensive income for the financial year		83,321	82,259

All amounts are in respect of continuing activities.

The notes on pages 11 to 15 form an integral part of these financial statements

Registered number: 3510923

Walbrook Assets Limited



Balance Sheet

At 31 March 2016

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	Note	2016 £	2016 £	2015 £	2015 £
Non-current assets					
Property, plant and equipment	6		1,750,000		1,750,000
Current assets					
Other assets	7	5,153		37,415	
		5,153		37,415	
Current liabilities					
Overdraft with parent undertaking	8	(3,121,004)		(3,237,600)	
Current tax payable		(20,831)		(21,866)	
Other financial liabilities	9	(2,311)		(263)	
Net current liabilities			(3,138,993)		(3,222,314)
Total assets less current liabilities			(1,388,993)		(1,472,314)
Shareholders' equity					
Share capital	10		2		2
Retained earnings			(1,388,995)		(1,472,316)
Total shareholders' equity			(1,388,993)		(1,472,314)

Approved by the Board of Directors on 12 September 2016 and signed on its behalf

by.

Anthony Coghlan, Director

The notes on pages 11 to 15 form an integral part of these financial statements

Registered number: 3510923

Walbrook Assets Limited



Statement of Changes in Equity

For the year ended 31 March 2016

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	Share Capital £	Retained Earnings £	Total Equity £
At 1 April 2015	2	(1,472,316)	(1,472,314)
Total comprehensive income for the financial year	-	83,321	83,321
At 31 March 2016	2	(1,388,995)	(1,388,993)
At 1 April 2014	2	(1,554,575)	(1,554,573)
Total comprehensive income for the financial year	-	82,259	82,259
At 31 March 2015	2	(1,472,316)	(1,472,314)

The notes on pages 11 to 15 form an integral part of these financial statements

Registered number: 3510923

Walbrook Assets Limited



Cash Flow Statement

For the year ended 31 March 2016

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	Note	2016 £	2015 £
Cash flow from operating activities			
Profit for the financial year		83,321	82,259
Income tax charge		20,831	21,866
Profit before tax		104,152	104,125
Net decrease in other assets		32,262	37,138
Net increase/(decrease) in other financial liabilities		2,048	(11)
Income taxes paid		(21,866)	(23,699)
Net cash flow from operating activities		116,596	117,553
Net increase in cash and cash equivalents		116,596	117,553
Cash and cash equivalents at 1 April		(3,237,600)	(3,355,153)
Cash and cash equivalents at 31 March	8	(3,121,004)	(3,237,600)

Interest paid during the year was as follows :

	2016 £	2015 £
To parent undertaking	15,848	15,886

The notes on pages 11 to 15 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 2016

1. Accounting Policies

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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 and presented in sterling, unless otherwise stated.

Although the Company has significant borrowings, it continues to generate profit and furthermore, has received a letter of financial support from the Directors of Rothschilds Continuation Limited, the parent undertaking. Consequently the Directors consider it appropriate that the financial statements are prepared on a going concern basis.

Standards affecting the financial statements

In the current year, there have been no new or revised Standards and Interpretations that have been adopted that have materially affected the amounts reported in these financial statements.

Future accounting developments

A number of new standards, amendments to standards and interpretations are effective for accounting periods ending after 31 March 2016 and therefore have not been applied in preparing these financial statements. None of these is expected to have a significant effect on future financial statements.

b. Property, plant and equipment

Property, plant and equipment is stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These gains and losses are recognised in the income statement.

No depreciation is provided on freehold properties. 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.



Notes to the Financial Statements

(forming part of the Financial Statements)

1. Accounting Policies (continued)

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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.

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.

f. Capital management

The Company is not subject to any externally imposed capital requirements. It is dependent on Rothschilds Continuation Limited (the parent undertaking) to provide capital resources which are therefore managed on a group basis.

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 the main risk to the Company. Management monitors outstanding receivables on a continuing basis and steps are taken to recover any amounts that are past due.
- 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 which provides financial support to the Company.

3. Audit Fee

The amount receivable by the auditors and their associates in respect of the audit of these financial statements is £3,893 (2015: £3,817). The audit fee is paid on a group basis by N M Rothschild & Sons Limited.



Notes to the Financial Statements

(forming part of the Financial Statements)

4. Directors' Emoluments

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None of the Directors received any remuneration in respect of their services to the Company during the year (2015: £nil).

5. Taxation

	2016 £	2015 £
Total tax charged to the income statement	20,831	21,866

The tax charge for the year may be explained as follows:

	2016 £	2015 £
Profit before tax	104,152	104,125
Tax charge at UK standard corporation tax rate of 20% (2015: 21%)	20,831	21,866
Total tax charge for the year	20,831	21,866

6. Property, Plant and Equipment

	2016 £	2015 £
Freehold Land and Buildings		
Cost		
At beginning and end of year	3,131,024	3,131,024
Impairment losses		
At beginning and end of year	(1,381,024)	(1,381,024)
Net book value at end of year	1,750,000	1,750,000

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:

	2016 £	2015 £
Less than one year	120,000	120,000
Between one and five years	480,000	480,000
More than five years	270,000	390,000
	870,000	990,000

The rental receipts during the year were £154,575 (2015: £159,514).



Notes to the Financial Statements

(forming part of the Financial Statements)

7. Other Assets

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	2016	2015
	£	£
Rent receivable	463	34,858
Other assets	4,690	2,557
	5,153	37,415

8. Overdraft with Parent Undertaking

At the year end the Company had an overdraft with the parent undertaking of £3,121,004 (2015: £3,237,600). The Company pays interest at 0.5% (2015: 0.5%).

9. Other Financial Liabilities

	2016	2015
	£	£
Amounts owed to parent undertaking	-	263
Amounts owed to fellow subsidiary undertaking	2,311	-
	2,311	263

10. Share Capital

	2016	2015
Authorised		
Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	2	2



Notes to the Financial Statements

(forming part of the Financial Statements)

11. Related Party Transactions

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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 key management personnel, the parent company, subsidiaries and fellow subsidiaries.

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

	2016 £	2015 £
Overdraft with parent undertaking	3,121,004	3,237,600
Amounts owed to parent undertaking	-	263
Amounts owed to fellow subsidiary undertaking	2,311	-

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

	2016 £	2015 £
Interest expense to parent undertaking	15,848	15,875

There were no loans made to Directors during the year (2015: none) and no balances outstanding at year-end (2015: £nil). The Directors did not receive any remuneration in respect of their services to the Company. There were no employees of the Company during the year (2015: none).

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 & Co SCA, a French public limited partnership.

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

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