

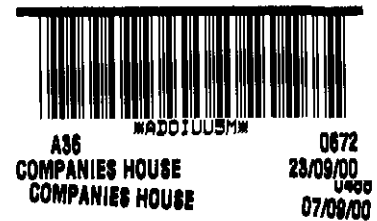


WALBROOK ASSETS LIMITED

Report of the Directors and Financial Statements for the period ended 31st March 2000

Report of the Directors	2
Statement of Directors' Responsibilities in Relation to Financial Statements	4
Report of the Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

REGISTERED NUMBER:3510923





REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31st March 2000.

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 profit and loss account on page 6.

PROPOSED DIVIDEND

The directors do not recommend the payment of a dividend (1999: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

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

Anthony Chapman

Alan Graham

Sir Clive Whitmore

At 31st March 2000 an executive share option scheme for all of the directors of the Rothschilds Continuation Holdings AG Group was interested in shares in Rothschilds Continuation Holdings AG. Specific directors of the Rothschilds Continuation Holdings AG Group have options over 60,510 (1999: 42,010) of these shares.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company. Sir Clive Whitmore and Mr Anthony Chapman are directors of the immediate parent undertaking, Rothschilds Continuation Limited, and their interests in the shares of Group undertakings are disclosed in those financial statements. Apart from the above mentioned share option scheme, which has not allocated Mr Alan Graham any options under the share option scheme, Mr Alan Graham did not have any disclosable interest in the shares of Group undertakings.

REPORT OF THE DIRECTORS

YEAR 2000

The Rothschilds Continuation Limited Group's Year 2000 project is co-ordinated by N M Rothschild & Sons Limited, a wholly owned subsidiary. As of 31st December 1999, management had completed the preparations for Year 2000 compliance. While no problems have been identified since that date, management continues to check for any Year 2000 related problems, both with its own systems and with those of the third parties with whom it deals. As is the case with computerised systems generally, management is aware that there can be no certainty that errors or failures related to the Year 2000 issue may not arise in the future, including those as a result of errors or failures at third parties with whom it deals.

The Company has not incurred any costs in connection with Year 2000. Most of the cost of achieving Year 2000 compliance was incurred by N M Rothschild & Sons Limited as part of a major computer systems project which was completed in May 1998. Other costs specifically attributable to other Year 2000 related work are being written-off as incurred.

AUDITORS

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit plc will therefore continue in office.

By Order of the Board

N M Rothschild & Sons Limited

Secretary



for

New Court

St. Swithin's Lane

London EC4P 4DU

17th May 2000



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The directors have responsibility for ensuring that the Company keep 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 profit and loss 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.



REPORT OF THE AUDITORS, KPMG AUDIT PLC, TO THE MEMBERS OF WALBROOK ASSETS LIMITED

We have audited the financial statements on pages 6 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Group is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF AUDIT 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 2000, and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants

Registered Auditor

London

17th May 2000



PROFIT AND LOSS ACCOUNT

for the year ended 31st March 2000

	2000	
	£	
TURNOVER		
Rent receivable	120,000	
OPERATING PROFIT	120,000	
Interest payable	(159,341)	
Note 2 LOSS ON ORDINARY ACTIVITIES BEFORE TAX	(39,341)	
Note 4 Tax credit on loss on ordinary activities	11,802	
LOSS FOR THE FINANCIAL PERIOD	(27,539)	
Retained loss brought forward	(44,755)	
LOSS CARRIED FORWARD	(72,294)	

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

A statement of total recognised gains and losses is not required as all recognised gains and losses incurred during the year are shown in the profit and loss account.

The notes on pages 8 to 11 form an integral part of these financial statements



BALANCE SHEET

at 31st March 2000

	2000	2000
	£	£
FIXED ASSETS		
<i>Note 5</i> Tangible assets		3,131,024
CURRENT ASSETS		
<i>Note 6</i> Debtors	11,804	
<i>Note 7</i> CREDITORS: amounts falling due within one year	(3,215,120)	
NET CURRENT LIABILITIES		(3,203,316)
TOTAL ASSETS LESS CURRENT LIABILITIES		(72,292)
CAPITAL AND RESERVES		
<i>Note 7</i> Called up share capital		2
Profit and loss account		(72,294)
<i>Note 8</i> EQUITY SHAREHOLDERS' FUNDS		(72,292)

Approved by the Board of Directors on 17th May 2000 and signed on its behalf by:

Alan Graham

Director

The notes on pages 8 to 11 form an integral part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March 2000

1

Accounting Policies

The principal accounting policies which have been consistently adopted in the presentation of the financial statements are as follows:

- a) *Basis of presentation:* The financial statements are prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt from the requirement of Financial Reporting Standard 1 (Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary of Rothschilds Continuation Limited.

- b) *Accounting period:* The financial statements have been prepared for the year ended 31st March 2000. Comparative figures are for the period from 16th February 1998 to 31st March 1999.

- c) *Fixed assets and depreciation:* Fixed assets are recorded at cost less provisions for any impairment in their value. Incidental costs relating to the purchase of these assets are capitalised.

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.

- d) *Related party transactions:* As the Company is an indirect wholly owned subsidiary undertaking of Rothschilds Continuation Holdings AG, for which consolidated accounts are publicly available, it is exempt from the disclosure requirements of Financial Reporting Standard 8 in respect of transactions with other entities within the Rothschilds Continuation Holdings AG group which have been eliminated upon consolidation.

2

Loss on Ordinary Activities Before Tax

	2000
	£
Is stated after:	
(i) Charges:	
Interest payable to Group undertakings	159,341

The audit fee is paid on a group basis by N M Rothschild & Sons Limited in whose financial statements the costs are disclosed.

NOTES TO THE FINANCIAL STATEMENTS

3

Directors' Emoluments

None of the directors received any remuneration from the Company during the year (1999: £nil).

4

Tax on Loss on Ordinary Activities

	2000
	£
<u>United Kingdom corporation tax at 30% (1999: 31%)</u>	<u>11,802</u>

5

Tangible Fixed Assets

	Freehold Land and Building
<u>COST</u>	
<u>At beginning of year and end of year</u>	<u>3,131,024</u>

No depreciation was charged on the above property.

6

Debtors: Amounts Falling Due Within One Year

	2000
	£
<u>Group relief receivable</u>	<u>11,802</u>
<u>Prepayments and accrued income</u>	<u>2</u>
	<u>11,804</u>

NOTES TO THE FINANCIAL STATEMENTS

7

*Creditors:
Amounts Falling
Due Within One
Year*

	2000
	£
Overdraft with a Group undertaking	3,181,424
Amounts owed to Group undertakings	3,696
Deferred income	30,000
	3,215,120

8

*Called Up
Share Capital*

	2000
	£
AUTHORISED	
100,000 Ordinary shares of £1 each	100,000
ALLOTTED, CALLED UP AND FULLY PAID	
2 Ordinary shares of £1 each	2

9

*Reconciliation of
Movements in
Equity
Shareholders'
Funds*

	2000
	£
Opening equity shareholders' funds	(44,753)
Issue of called up share capital	-
Loss for the financial period	(27,539)
Closing equity shareholders' funds	(72,292)

NOTES TO THE FINANCIAL STATEMENTS

10

*Parent
Undertaking
and
Ultimate
Holding
Company*

The largest group in which the results of the Company are consolidated is that headed by Rothschild Concordia AG, incorporated in Switzerland. The smallest group in which they are consolidated is that headed by Rothschilds Continuation Limited, registered in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from Companies House.

The Company's ultimate parent company is Rothschild Concordia AG which is incorporated in Switzerland. Throughout the year, Rothschild Concordia AG was controlled by the Rothschild family and their interests.

The Company's registered office is located at New Court, St. Swithins Lane, London EC4P 4DU.