

Lanebridge Investment Management Limited

Report of the Directors and Financial Statements for the year ended 31 March 2017

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Report of the Directors

The Directors present their Directors' report and the financial statements for the year ended 31 March 2017.

Principal Activity and Business Review

During the year ended 31 March 2017 Lanebridge Investment Management Limited (the Company) continued to be a real estate adviser.

The results for the year are set out in the statement of comprehensive income on page 7. The results of the Company shows a profit before tax of £59,563 for the year (2016: loss of £256,156). The reserves available for distribution at 31 March 2017 were £781,973 (2016: £734,863).

Trade receivables and accrued income includes net aggregate receivables of £704,262 owing to the Company from a fund to which the Company provides advice. £613,442 of the trade receivable with the fund was settled post year end, and, following the sale of the property asset held by the fund on 15 September 2017, the Directors expect the remaining trade receivable balance of £90,820 to be settled by the end of October 2017.

In the year the directors recommended a provision of €174,360 be taken against the Esterel Bay trade receivable of €274,360, leaving an expected recoverable receivable of €100,000. The Directors consider that the net balance will be received during the next 12 months.

Whilst the Company's main source of fee income will cease following the sale of the property by the fund, the company continues to earn advisory fees elsewhere and these are expected to continue. Accordingly the Directors consider the Company to be a going concern.

Rothschild & Co announced on the 21 March 2017 that it will change its financial year end from 31 March to 31 December. There will therefore be a 9 month accounting period until 31 December 2017. The Company will also change its year end in line with this.

Principal Risks and Uncertainties

The financial risk management objectives and policies of the Company, together with an analysis of the exposure to such risks, as required under Part 1 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, are set out in Note 1 on the financial statements.

The activities of the Company are overseen by the Board of Directors. The Board meet regularly to review all risk and compliance issues affecting the Group Companies.

The key risks of the Company and the Company's risk management policies are considered in Note 1.

Dividends

During the year the Company paid a dividend of £nil (2016: £nil).

Directors

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

Christopher Coleman

Ian Walker

Peter Griggs

Rosalyn Harper

Simon Osmond

John King

Registered number: 04473550

Lanebridge Investment Management Limited

Report of the Directors

Directors' Indemnity

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

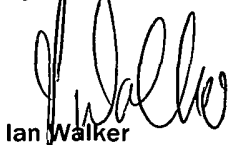
Auditor

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.

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

By Order of the Board



Ian Walker

Director

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

25 September 2017

Statement of Directors' Responsibilities in Respect of the Strategic Report, 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 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 judgments 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 its financial statements comply with the Companies Act 2006. They have a 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



Ian Walker, Director
25 September 2017

Independent Auditor's Report to the Members of Lanebridge Investment Management Limited

We have audited the financial statements of Lanebridge Investment Management Limited for the year ended 31 March 2017 set out on pages 7 to 17. 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 Auditor

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 2017 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.

Independent Auditor's Report to the Members of Lanebridge Investment Management Limited

Opinion on other matters 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.

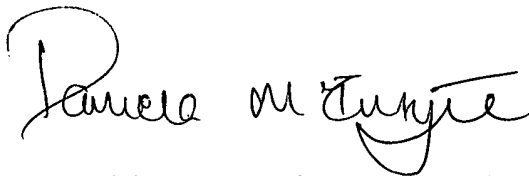
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.
- 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

25 September 2017

Statement of Comprehensive Income

For the year ended 31 March 2017

	Note	2017 £	2016 £
Revenue		397,223	572,629
Impairment of trade receivables		(181,254)	(447,155)
Other expenses		(237,647)	(513,603)
Foreign exchange gains		81,241	131,973
Profit/(loss) before tax		59,563	(256,156)
Tax	4	(12,453)	132,939
Profit/(loss) after tax		47,110	(123,217)
Other comprehensive income		-	-
Total comprehensive income for the financial year		47,110	(123,217)

All amounts are in respect of continuing activities.

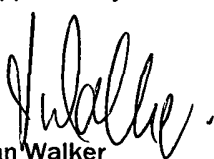
The notes on pages 11 to 17 form an integral part of these financial statements

Balance Sheet

At 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Non-current assets					
Investments in subsidiaries	6		1		1
Trade receivables			-		474,936
Prepayments and accrued income			-		217,172
Deferred tax asset	5		1,904		2,444
Non-current assets			1,905		694,553
Current assets					
Current tax asset		-		50,905	
Trade and other receivables	7	810,278		474,468	
Prepayments and accrued income	7	99,968		-	
Cash and cash equivalents		134,928		85,625	
Current assets			1,045,174		610,998
Total assets			1,047,079		1,305,551
Current liabilities					
Trade and other payables	8		243,193		560,688
Current tax liability			11,913		-
Total liabilities			255,106		560,688
Shareholders' equity					
Share capital	9		10,000		10,000
Retained earnings			781,973		734,863
Total shareholders' equity			791,973		744,863
Total equity and liabilities			1,047,079		1,305,551

Approved by the Board of Directors on 25 September 2017 and signed on its behalf by:


 Ian Walker
 Director

The notes on pages 11 to 17 form an integral part of these financial statements

Statement of Changes in Equity

For the year ended 31 March 2017

	Share capital £	Retained earnings £	Total equity £
At 1 April 2016	10,000	734,863	744,863
Profit for the financial year	-	47,110	47,110
At 31 March 2017	10,000	781,973	791,973

	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	10,000	858,080	868,080
Loss for the financial year	-	(123,217)	(123,217)
At 31 March 2016	10,000	734,863	744,863

The notes on pages 11 to 17 form an integral part of these financial statements

Cash Flow Statement

For the year ended 31 March 2017

	Note	2017 £	2016 £
Cash flow from operating activities			
Profit/(Loss) for the year		47,110	(123,217)
Income tax charge/(credit)	4	12,453	(132,939)
Profit on disposal of fixed asset		-	(3,553)
Depreciation		-	1,125
Operating profit before changes in working capital provisions		59,563	(258,584)
Decrease in prepayments, accrued income and trade and other receivables		256,330	19,799
(Decrease)/increase in trade and other payables		(317,495)	127,217
Taxation Received		50,905	83,056
Net cash flow from operating activities		49,303	(28,512)
Cash flow from investing activities			
Sale of property, plant and equipment		-	6,315
Net cash flow from investing activities		-	6,315
Net increase in cash and cash equivalents		49,303	(22,197)
Cash and cash equivalents at 1 April		85,625	107,822
Cash and cash equivalents at 31 March		134,928	85,625

The notes on pages 11 to 17 form an integral part of these financial statements

Notes to the Financial Statements

(forming part of the Financial Statements)

1. Accounting Policies

Lanebridge Investment Management Limited (the Company) is a private limited company incorporated in England and Wales. 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.

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

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Standards affecting the financial statements

In the current year, there have been no new or revised Standards or Interpretations that have been adopted that have significantly 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 2017 and therefore have not been applied in preparing these financial statements. None of these are expected to have a significantly effect on future financial statements.

(b) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less provisions to take account, where appropriate, of impairment in their value.

(c) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

(d) Revenue recognition

In respect of each income stream and property fund under management, an Advisory agreement or Deed is in place with the Company which governs the principal sources of income, primarily in respect of management fees. Unless subsequently documented to the contrary as part of a fund restructuring, the fees are recognised on an accruals basis in line with the contracted rate and terms included within the advisory contract. Interest receivable is recognised on an accruals basis up to the balance sheet date.

(e) Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes to the Financial Statements

(forming part of the Financial Statements)

1. Accounting Policies (continued)

(f) Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except to the extent that the directors do not anticipate that the timing differences will crystallise in the foreseeable future.

Deferred tax is determined using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which differences can be utilised. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

(g) Capital management

The Company is not subject to any externally imposed capital requirements. The Company follows the capital management policies of a group undertaking N M Rothschild & Sons Limited and the capital of the Company is managed at the group level.

(h) Financial risk management

The Company follows the financial risk management policies of a group undertaking, N M Rothschild & Sons Limited. The key risks arising from the Company's activities involving financial instruments, which are monitored at the group level as follows:

- Credit risk – the the risk of loss arising from client or counterparty default is not considered a significant risk to the company as all asset balances are with other group companies as detailed in note 12 Related Party Transactions.
- Market risk – Market risk comprises interest rate, foreign exchange, equity and debt position risk. The Company's exposure to market risk is limited to foreign exchange risk.
- 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 at the balance sheet date the Company held sufficient cash to fund all future obligations.

2. Audit fee

The amount receivable by the auditors and their associates in respect of the audit of these financial statements is £8,280 (2016: £9,200). 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)

3. Staff costs

No Director received any remuneration from the Company during the period (2016: £36,786). Certain Directors are directors of other group companies and receive remuneration through other group companies. Employees as at 31 March 2017 were nil.

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Directors' emoluments	-	36,786
Administrative wages and salaries	-	224,020
Compulsory social security contributions	-	26,520
Contribution to defined contribution pension plans	-	36,250
Average staff numbers:		
Directors	6	7
Employees	0	3

4. Taxation

Tax charged to the income statement:

	2017 £	2016 £
Current tax:		
-current period	(11,913)	50,905
-prior year adjustments	-	83,056
Total current tax	(11,913)	133,961
Deferred tax:		
Origination and reversal of timing differences	(540)	(1,022)
Total deferred tax	(540)	(1,022)
Total tax (charged)/recognised in the income statement	(12,453)	132,939

The tax (charge)/credit for the year may be explained as follows:

	2017 £	2016 £
Profit/(Loss) before tax	59,563	(256,156)
United Kingdom corporation tax (charge)/credit at 20% (2016: 20%)	(11,913)	51,231
Expenses not deductible for tax purposes	(540)	(1,348)
Tax losses not recognised in deferred tax	-	83,056
Total tax recognised in income statement	(12,453)	132,939

The total deferred tax recognised on accelerated capital allowances recognised at 31 March 2017 calculated at the rate of 19% is £1,904 (2016: £2,444).

Notes to the Financial Statements

(forming part of the Financial Statements)

5. Deferred tax

	2017	2016
	£	£
Recognised deferred tax assets	1,904	2,444

The movement for the year in the net deferred tax position was as follows:

	2017	2016
	£	£
At 1 April	2,444	3,466
Charge to income for the year at 19% (2016: 20%)	(540)	(1,022)
At 31 March	1,904	2,444

The deferred tax asset comprises:

Accelerated capital allowances	1,904	2,444
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6. Non-Current Assets: Investments in Subsidiary Undertakings

	2017	2016
	£	£
Cost		
At 1 April and 31 March	25,000	25,000
Impairment		
At 1 April and 31 March	(24,999)	(24,999)
Net Book Value		
At 1 April and 31 March	1	1

The subsidiary undertaking of the Company is detailed below.

	Percentage of shares held	
Subsidiary undertakings	2017	2016
Arena Plaza Jersey General Partner Limited (formerly Lanebridge (Arena Plaza) Jersey General Partner) (incorporated in Jersey with registered office at 44 Esplanade, St. Helier, Jersey, JE4 9WG)	100	100

Notes to the Financial Statements

(forming part of the Financial Statements)

7. Trade and other receivables

	2017 £	2016 £
Prepayments and accrued income: Non-current asset	-	217,172
Prepayments and accrued income: Current asset	99,968	-
Trade receivables: Non-current asset	-	474,936
Trade receivables: Current asset	791,979	463,146
Other receivables	18,299	11,322
	910,246	1,166,576

Trade receivables include an amount of £121,093 of recharged expenses due from a fund to which the Company provides advice. A provision of £30,273 has been provided against this amount in the financial year ended 31 March 2017.

Trade receivables includes a receivable balance of €274,360 which €174,360 has been provided for in the financial year ended 31 March 2017.

All amounts are expected to be settled within 12 months, therefore, all balances are designated as current.

8. Trade and other payables

	2017 £	2016 £
Accrued expenses	54,083	119,516
Amounts due to affiliated undertakings	173,750	425,247
Other payables	15,360	15,925
	243,193	560,688

9. Issued share capital

Allocated, called up and fully paid	2017 £	2016 £
10,000 Ordinary shares of £1 each	10,000	10,000
	10,000	10,000

Notes to the Financial Statements

(forming part of the Financial Statements)

10. Risk management policies

(a) Liquidity risk

The following table shows the Company's financial assets and liabilities as at 31 March 2017 analysed by maturity. The total liability is split by maturity in proportion to the contractual cash flows expected to arise during that period.

	Total		Due in less than one month		Due between three months and not later than one year	
	2017	2016	2017	2016	2017	2016
	£	£	£	£	£	£
Trade and other payables	69,443	4,226	31,082	4,226	38,362	-
Amounts due to related parties	173,750	425,247	148,750	-	25,000	425,247
Other taxes and social security	11,913	11,699	11,913	11,699	-	-
Note 8	255,106	441,172	191,745	15,925	63,362	425,247

(b) Market risk

The Company holds minimal bank balances within foreign currencies and immediately sells Euro receipts to Sterling. The Company is exposed to foreign exchange risk on the Euro denominated management fees within trade and other receivables and prepayments and accrued income.

There is no exposure to other forms of market risk.

11. 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, and whose registered office is at 23bis, Avenue de Messine, 75008 Paris. The smallest group in which they are consolidated is that headed by Rothschild & Co SCA, a French public limited partnership whose registered office is also at 23bis, Avenue de Messine, 75008 Paris. The accounts are available on Rothschild & Co website at www.rothschildandco.com.

The Company's immediate parent company is Lanebridge Holdings Limited, incorporated in England and Wales and whose registered office is at New Court, St Swithins Lane, London EC4N 8AL.

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

Notes to the Financial Statements

(forming part of the Financial Statements)

12. Related parties

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 recognised in the balance sheet in respect of related party transactions were as follows:

	2017 £	2016 £
Investment in subsidiaries	1	1
Amounts due to parent undertaking	-	389,747
Amounts due to affiliated undertaking	173,750	35,500
Amounts due from parent undertaking	87,717	-
Amounts due from affiliated undertaking	704,262	-

Amounts due from affiliated undertaking balance of £704,262 include a provision of £30,273 set against a receivable balance due from a fund to which the Company provides advice.

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

	2017 £	2016 £
Fee payable to affiliated undertaking	145,000	-
Fee receivable from affiliated undertaking	333,333	475,705

There were no loans made to Directors during the year (2016: none) and no balances outstanding at year-end (2016: £nil). The Directors did not receive any remuneration in respect of their services to the Company (2016: £36,786). There were no employees of the Company during the year (2016: 3).

13. Events after the balance sheet date

On 15 September 2017 the sole property held by the fund to which the Company acts as advisor was sold. £613,442 of the trade receivable with the fund was settled post year end and it is expected that the remaining trade receivable with the fund of £90,820 will be settled by the end of October 2017.