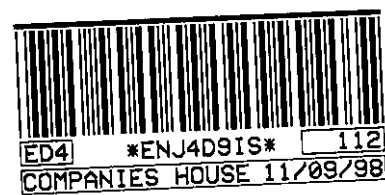


J. ROTHSCHILD INVESTMENTS LIMITED

(Registered Number 414450)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997



J. ROTHSCHILD INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and accounts of the company for the year ended 31 December 1997.

Activities

The company is an investment holding company.

Financial Results and Dividends

The company did not conduct any business during the year, has not incurred any liabilities and consequently has made neither profit nor loss. No profit and loss account is therefore prepared.

The directors do not recommend the payment of a dividend (period ended 31 December 1996 - £Nil).

Directors

The directors who held office during the year were:

D F Connon - resigned 12 January 1998

S R Sanders - resigned 9 May 1997

D N Wood - resigned 12 January 1998

A V Langfield - appointed 23 April 1997 and resigned 12 January 1998

Lord Rothschild - appointed 12 January 1998

Lady Rothschild - appointed 12 January 1998

Directors' Interests

The directors have no interests in the shares of the company. The interests in shares or debentures of St. James's Place Capital plc, the company's ultimate parent undertaking, are as follows:

SAYE Share Option Scheme

Director	Options held at 1 January 1997 / date of appointment	Granted in Year	Options held at 31 December 1997	Exercise Price	Date From which exercisable	Expiry Date
A Langfield	-	9,112	9,112	£1.07	Sep 2000	Mar 2001

Share Holding

Director	31 December 1997 Ordinary Shares of 15 pence each		31 December 1996 / date of appointment Ordinary Share of 15 pence each	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
A Langfield	10,174	-	10,174	-
D Wood	23,534	-	50,534	-
D Connon	259	-	9,793	-

The share interests disclosed above at 31 December 1996 relate to interests in ordinary 15 pence shares of SJPC 1993 plc, previously known as St. James's Place Capital plc, which on 31 December 1996, was the ultimate parent undertaking of the company.

J. ROTHSCHILD INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (Continued)

Directors' Interests (continued)

As at 31 December 1997 the share price was £1.69. The range of prices between 1 January 1997 and 31 December 1997 was £0.95 to £1.69.

The company's register of director's interests, which is open to inspection, contains full details of director's shareholdings and options to subscribe.

Post balance sheet event

In January 1998 the company was sold to The Lord Rothschild and, at that point, was therefore no longer part of the St James's Place Capital plc group.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The company is exempt from the obligation to appoint auditors.

By Order of the Board



S. A. Gallagher
Secretary

J. ROTHSCHILD INVESTMENTS LIMITED

BALANCE SHEET AT 31 DECEMBER 1997

	<u>Notes</u>	<u>31 December 1997</u> £	<u>31 December 1996</u> £
Current Assets:			
Amounts owed by parent undertakings		101	101
		—	—
Total Assets		101	101
		=====	=====
Capital and Reserves:			
Called up share capital	3	101	101
Profit and loss account		-	-
		—	—
Equity Shareholders' Funds	5	101	101
		=====	=====

The company was dormant within the meaning of Section 252 of the Companies Act 1985 throughout the year ended 31 December 1997.

The accounts were approved by the Board of Directors on and are signed on the Board's behalf by:

Roche Wild

Director

The notes on pages 4 and 5 form an integral part of these accounts.

J. ROTHSCHILD INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

(1) Accounting Policies

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption permitted under FRS1 (Revised 1996) not to prepare a cashflow statement.

(2) Directors' Emoluments

None of the directors received any emoluments in respect of their services to the company (period ended 31 December 1996 - £Nil).

The number of directors to whom pension benefits are accruing is nil (period ended 31 December 1996 - Nil).

The number of directors who exercised share options is nil (period ended 31 December 1996 - Nil).

(3) Share Capital

	<u>31 December 1997</u>	<u>31 December 1996</u>
Authorised:	£	£
100 ordinary shares of £1 each	100	100
1 Special Rights Redeemable Preference Share of £1	1	1
	<hr/>	<hr/>
	101	101
	<hr/>	<hr/>
Allotted, issued and fully paid:		
Equity Interests:		
100 ordinary shares of £1 each	100	100
1 Special Rights Redeemable Preference Share of £1	1	1
	<hr/>	<hr/>
	101	101
	<hr/>	<hr/>

The company has issued one Special Rights Redeemable Preference Share of £1 to The J. Rothschild Name Company Limited, an entity formed to protect the use of the corporate name J. Rothschild.

J. ROTHSCHILD INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

(4) Ultimate Parent Undertaking

The parent undertaking of the smallest and largest group to consolidate the accounts of the company is St. James's Place Capital plc, a company registered in England and Wales, which is also the ultimate parent undertaking.

Copies of the group accounts of St. James's Place Capital plc may be obtained from the Company Secretary, St. James's Place Capital plc, J. Rothschild House, Dollar Street, Cirencester, Gloucestershire, GL7 2AQ.

(5) Related Party Transactions

Advantage has been taken of the exemption from disclosure of related party transactions on the grounds that 90 per cent of the company's voting rights are controlled within the St James's Place Capital plc group.