

2008260

FIVE ARROWS INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2001



COMPANY INFORMATION

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DIRECTORS

Lord Rothschild  
H T Stanton  
T R N Barakett  
F A Bromovsky  
R J Wyber  
P J C Troughton

SECRETARY

S Gerrish

REGISTERED OFFICE

14 St James's Place  
London  
SW1A 1NP

REGISTERED NUMBER

2008260

REGISTERED AUDITORS

Saffery Champness  
Chartered Accountants  
Lion House  
Red Lion Street  
London  
WC1R 4GB

DIRECTORS' REPORT

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The directors present their report, together with the financial statements of the company for the year ended 31 December 2001.

## RESULTS AND DIVIDENDS

The profit and loss account shows a loss of £381,573 (2000: profit £ 371,857) after taxation for the year. Accumulated profits of £2,505,602 (2000: £ 2,887,175) are carried forward.

## REVIEW OF THE BUSINESS

The principal activity of the company is that of investment dealing. The directors anticipate that the company will return to profitable trading in the foreseeable future.

## DIRECTORS

The directors who have served since 1 January 2001 were as follows:

Lord Rothschild  
H T Stanton (appointed 20 June 2001)  
T R N Barakett  
F A Bromovsky  
R J Wyber  
P J C Troughton

There are no schemes to benefit directors by enabling them to buy shares in or debentures of the company or any other company.

None of the current directors have an interest in the share capital of the company.

## DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which provide 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,
- 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 to 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.


DIRECTORS' REPORT (continued)

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AUDITORS

A resolution to re-appoint Saffery Champness as auditors will be put to the members at the Annual General Meeting.

By order of the board



Stuart Gerrish  
Secretary

22 May 2002

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

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We have audited the financial statements of Five Arrows Investments Limited on pages 5 to 9. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. 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 company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

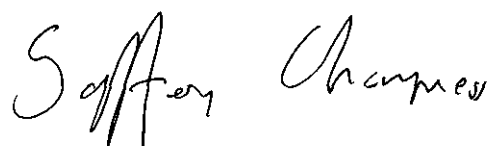
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 judgments 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 affairs of the company as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants  
Registered Auditors  
Lion House  
Red Lion Street  
London  
WC1R 4GB

22 May 2002

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
Net (loss)/profit on investment dealing	1	(721,019)	559,283
Administrative expenses		(106,120)	(274,394)
OPERATING (LOSS)/PROFIT		(827,139)	284,889
Investment income	2	369,572	353,485
Interest payable	3	(95,809)	(124,984)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(553,376)	513,390
Taxation	5	171,803	(141,533)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(381,573)	371,857
Retained profit brought forward		2,887,175	2,515,318
RETAINED PROFIT CARRIED FORWARD		2,505,602	2,887,175

The company has no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 7 to 9 form part of these financial statements.

BALANCE SHEET  
31 DECEMBER 2001

	Notes	2001 £	2000 £
<b>CURRENT ASSETS</b>			
Stocks		37,423	37,423
Debtors	6	23,603	-
Investments	7	6,703,519	7,310,285
Cash at bank and in hand		141,185	6,543,169
		<u>6,905,730</u>	<u>13,890,877</u>
<b>CREDITORS</b>			
Creditors: Amounts falling due within one year	8	(4,079,808)	(10,535,163)
		<u>2,825,922</u>	<u>3,355,714</u>
<b>NET CURRENT ASSETS</b>			
Provision for liabilities and charges	9	(320,220)	(468,439)
		<u>2,505,702</u>	<u>2,887,275</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100	100
Profit and loss account		2,505,602	2,887,175
		<u>2,505,702</u>	<u>2,887,275</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
	11	<u>2,505,702</u>	<u>2,887,275</u>

Approved by the board on 22 May 2002


Richard Wyber  
Director

The notes on pages 7 to 9 form part of these financial statements.

ACCOUNTING POLICIES

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## A BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

## B CURRENT ASSET INVESTMENTS

Investments listed on a recognised stock exchange are stated at the lower of cost and net realisable value.

## C INVESTMENT INCOME

Dividends and interest on investments are credited to the profit and loss account in the period to which they relate by reference to payment dates. Bank interest is credited on an accruals basis.

## D FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the transaction date.

Foreign currency current assets and liabilities have been translated into sterling at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

## E STOCK

Stocks comprising goods for resale are valued at the lower of cost and net realisable value.

## F DEFERRED TAXATION

Deferred taxation is accounted for to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, and is provided at 30%.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2001

1	PROFIT LESS LOSSES ON INVESTMENT DEALING	2001 £	2000 £
	This is stated after crediting:		
	Exchange gains	112,683	144,778
2	INVESTMENT INCOME		
	Current asset investments:		
	Listed	234,061	228,641
	Interest receivable	135,511	124,844
		369,572	353,485
3	INTEREST PAYABLE		
	On bank loans and overdrafts repayable within five years not by installments	95,809	124,984
4	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
	This is stated after charging:		
	Auditors' remuneration	6,200	6,000
	The company has no employees other than the directors, who receive no remuneration.		
5	TAXATION		
	Corporation tax at 30 % (2000: 30%) on the result for the year	-	157,195
	Receipt in respect of group relief	(23,603)	-
	Decrease in deferred tax provision	(148,219)	(11,700)
	Corporation tax under/(over) provided in prior years	19	(3,962)
		(171,803)	141,533

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2001 (continued)

	2001 £	2000 £
<b>6 DEBTORS</b>		
Amounts due from group companies	23,603	-
	<u>23,603</u>	<u>-</u>
<b>7 CURRENT ASSET INVESTMENTS</b>		
Investments listed on a recognised stock exchange	6,692,427	7,310,285
Unlisted Investments	11,092	-
	<u>6,703,519</u>	<u>7,310,285</u>
Aggregate market value of listed investments	24,999,587	29,494,318
	<u>24,999,587</u>	<u>29,494,318</u>
<b>8 CREDITORS</b>		
Amounts falling due within one year:		
Bank Loan - secured	-	1,750,000
Corporation tax payable	-	78,895
Amounts due to group companies	4,068,763	8,616,123
Accruals	11,544	90,145
	<u>4,080,307</u>	<u>10,535,163</u>
<b>9 PROVISION FOR LIABILITIES AND CHARGES</b>		
At 1 January 2001	468,439	480,139
Deferred taxation written back during the year (note 5)	(148,219)	(11,700)
	<u>320,220</u>	<u>468,439</u>
<b>10 SHARE CAPITAL</b>		
Equity:		
Authorised, allotted, called up and fully paid:		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

**11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

A separate movement of shareholders' funds statement is not provided as there are no changes for the current or previous year other than the retained profit in the profit and loss account.

**12 ULTIMATE PARENT COMPANY**

The ultimate parent company is Five Arrows Limited, which is registered in England and Wales.