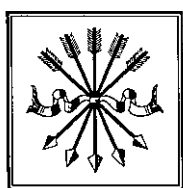


Signed Copy

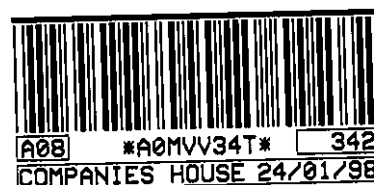


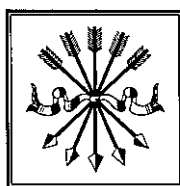
NEW COURT INTERNATIONAL LIMITED

Report of the Directors and Financial Statements for the year ended 31st March 1997

REGISTERED NUMBER: 2965424

Report of the Directors	<i>page 2</i>
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





Report of the Directors

The directors present their annual report and the audited financial statements for the year ended 31st March 1997.

Principal Activities and Business Review

The principal activity of the Company is to provide group services. 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 (1996: £nil).

Fixed Assets

Additions to fixed assets are set out in note 5.

Directors and Directors' Interests

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

Keith Palmer	(Chairman)
Michael Phair	(resigned 30th April 1996)
Sir Derek Thomas	
James Yates	

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company. All of the directors are also directors of the fellow subsidiary undertaking, N M Rothschild & Sons Limited, and their interests in the shares of group companies are disclosed in those financial statements.

Report of the Directors

Auditors

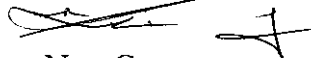
In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors for the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board
N M Rothschild & Sons Limited

Secretary

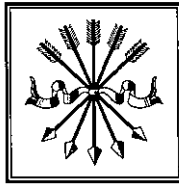
PER PRO

N. M. ROTHSCHILD & SONS LIMITED



New Court
St. Swithin's Lane
London EC4P 4DU

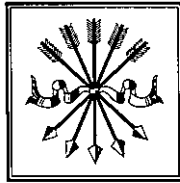
21st January 1998



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 or 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 to the Members of New Court International Limited

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

Respective Responsibilities of Directors and Auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 1997, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

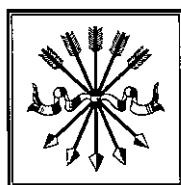
KPMG Audit Plc

Chartered Accountants

Registered Auditor

London

21st January 1998



Profit and Loss Account

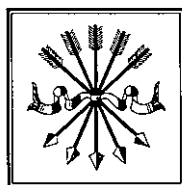
for the year ended 31st March 1997

		1997 £	1996 £
<i>Note 1</i>	TURNOVER	220,567	155,545
	Administrative expenses	(198,343)	(146,555)
	Interest payable	(8,311)	(3,353)
<i>Note 2</i>	PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	13,913	5,637
<i>Note 4</i>	Tax on profit on ordinary activities	1,549	(8,000)
	RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	15,462	(2,363)
	Retained profit brought forward	629	2,992
	RETAINED PROFIT CARRIED FORWARD	16,091	629

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 1997

	1997 £	1997 £	1996 £	1996 £
FIXED ASSETS				
<i>Note 5</i> Tangible Assets		17,994		19,805
CURRENT ASSETS				
<i>Note 6</i> Debtors	24,458		13,756	
<i>Note 7</i> Cash at Bank	53,230		116,856	
	77,688		130,612	
<i>Note 8</i> CREDITORS: amounts falling due within one year	(4,591)		(74,788)	
NET CURRENT ASSETS		73,097		55,824
TOTAL ASSETS LESS CURRENT LIABILITIES		91,091		75,629
CAPITAL AND RESERVES				
<i>Note 9</i> Called up share capital		75,000		75,000
Profit and loss account		16,091		629
<i>Note 10</i> EQUITY SHAREHOLDERS' FUNDS		91,091		75,629

J.M.G. Yates
James Yates
Director

Approved by the Board of Directors on 21st January 1998

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 1997

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.

b) Fixed assets and depreciation: Depreciation is provided by the Company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor Vehicles	-	5 years
Fixtures and Fittings	-	4 years
Computer Equipment	-	3 years

c) Foreign currencies: Transactions in foreign currencies are recorded using the rate of exchange ruling at the end of the month of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

d) Turnover: Turnover represents fees for providing advisory and expert services.

e) Cash flow statement: 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 Holdings AG.

f) Related party transactions: As the Company is a 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.

NEW COURT INTERNATIONAL LIMITED

Notes to the Financial Statements

2		1997 £	1996 £
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	Is stated after:		
	(i) <i>Income:</i>		
	Exchange difference arising on translation	3,818	-
	(ii) <i>Charges:</i>		
	Depreciation	6,148	2,133
	Interest payable to Group undertaking	8,311	3,353
	Exchange difference arising on translation	-	2,098
		<u>14,459</u>	<u>7,584</u>

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

3 DIRECTORS' EMOLUMENTS	None of the directors received any remuneration from the company during the year (1996: £nil).
-------------------------------	--

4		1997 £	1996 £
TAX ON PROFIT ON ORDINARY ACTIVITIES	United Kingdom corporation tax at 33% (1996: 33%)	4,591	8,000
	Overprovision in prior year	(6,140)	-
		<u>1,549</u>	<u>8,000</u>

5 TANGIBLE FIXED ASSETS	Motor Vehicles	Fixtures and Fittings	Computer Equipment	Total
	£	£	£	£
COST				
At beginning of period	17,922	1,694	2,438	22,054
Additions	-	-	4,337	4,337
At end of period	<u>17,922</u>	<u>1,694</u>	<u>6,775</u>	<u>26,391</u>
DEPRECIATION AND DIMINUTION IN VALUE				
At beginning of period	896	495	858	2,249
Charge for period	3,585	423	2,140	6,148
At end of period	<u>4,481</u>	<u>918</u>	<u>2,998</u>	<u>8,397</u>
NET BOOK VALUE				
AT 31ST MARCH 1997	<u>13,441</u>	<u>776</u>	<u>3,777</u>	<u>17,994</u>
AT 31ST MARCH 1996	<u>17,026</u>	<u>1,199</u>	<u>1,580</u>	<u>19,805</u>

NEW COURT INTERNATIONAL LIMITED

Notes to the Financial Statements

6		1997	1996
DEBTORS		£	£
	Corporate tax receivable	6,141	—
	Other debtors	—	13,756
	Prepayments	18,317	—
		<u>24,458</u>	<u>13,756</u>
7			
CASH AT BANK	At the year end the Company held cash of £53,230 (1996: £116,856) at a fellow subsidiary undertaking.		
WITH GROUP			
UNDERTAKING			
8		1997	1996
CREDITORS:		£	£
AMOUNTS			
FALLING DUE	Corporation tax payable	4,591	8,000
WITHIN	Other creditors	—	66,788
ONE YEAR		<u>4,591</u>	<u>74,788</u>
9		1997	1996
CALLED UP SHARE		£	£
CAPITAL			
	AUTHORISED		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	ALLOTTED, CALLED UP AND FULLY PAID		
	75,000 Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>
10		1997	1996
RECONCILIATION		£	£
OF MOVEMENTS			
IN EQUITY	Opening equity shareholders' funds	75,629	77,992
SHAREHOLDERS'	Profit/(Loss) for the financial year	<u>15,462</u>	<u>(2,363)</u>
FUNDS	Closing equity shareholders' funds	<u>91,091</u>	<u>75,629</u>

Notes to the Financial Statements

II

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 period, Rothschild Concordia AG was controlled by the Rothschild family and their interests.
