

New Court Securities Limited

Report of the Directors and Financial Statements
for the year ended 31 March 2008



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Report of the Directors

The Directors present their Directors' report and financial statements for the year ended 31 March 2008.



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Principal Activities and Business Review

The principal activity of the Company is that of an investment holding company. The results for the year are set out in the income statement on page 6.

Dividends

The Directors do not recommend the payment of a dividend (2007: £nil).

Directors

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

Anthony Chapman

Andrew Didham

Mr Anthony Chapman retires in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.

Auditors

KPMG Audit Plc are the appointed auditors of the Company and in accordance with the elective regime adopted on 11 May 2005 the Company has dispensed with the obligation to appoint auditors annually.

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

By Order of the Board
N M Rothschild & Sons Limited
Secretary

New Court, St. Swithin's Lane, London EC4P 4DU
11 August 2008

Statement of Directors' Responsibilities in Relation to the Report of Directors and Financial Statements



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The Directors are responsible for preparing the Report of the Directors 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 the law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position of the Company and the performance for that period; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these 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 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 proper accounting records that 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 1985. 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.

Independent Auditors' Report to the Members of New Court Securities Limited

We have audited the financial statements of New Court Securities Limited for the year ended 31 March 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.



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This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 Auditors

The Directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Independent Auditors' Report to the Members of New Court Securities Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRS as adopted by the EU, of the state of the Company's affairs as at 31 March 2008, and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

11 August 2008



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Income Statement

For the year ended 31 March 2008



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| | Note | 2008 £ | 2007 £ |
|--------------------------------------|----------|---------------|---------------|
| Interest receivable | | 2,936,151 | 2,403,845 |
| Interest payable | | (2,908,725) | (2,378,376) |
| Administrative expenses | | (8,169) | (6,380) |
| Profit before tax | 2 | 18,957 | 19,089 |
| Taxation | 4 | (5,687) | (5,727) |
| Profit for the financial year | | 13,270 | 13,362 |

Statement of Recognised Income and Expense

There was no other recognised income or expense during the financial year apart from the profit shown in the income statement (2007: £nil).

The notes on pages 9 to 13 form an integral part of these financial statements

Balance Sheet

At 31 March 2008



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| | Note | 2008 £ | 2007 £ |
|-----------------------------------|-----------|-------------------|-------------------|
| Current assets | | | |
| Loans to parent undertaking | 5 | 53,092,901 | 53,329,941 |
| Cash and cash equivalents | 6 | 228,854 | 215,215 |
| Other assets | 7 | 915 | 924 |
| | | 53,322,670 | 53,546,080 |
| Current liabilities | | | |
| Loan notes in issue | 8 | (3,605,715) | (3,842,755) |
| Current tax payable | | (5,687) | (5,727) |
| Other financial liabilities | 9 | (14,784) | (14,384) |
| Net current assets | | 49,696,484 | 49,683,214 |
| Non-current liabilities | | | |
| Loan notes in issue | 8 | (49,487,186) | (49,487,186) |
| Net assets | | 209,298 | 196,028 |
| Shareholders' equity | | | |
| Share capital | 10 | 50,000 | 50,000 |
| Retained earnings | | 159,298 | 146,028 |
| Total shareholders' equity | 11 | 209,298 | 196,028 |

Approved by the Board of Directors on 11 August 2008 and signed on its behalf by:

Andrew Didham, Director

The notes on pages 9 to 13 form an integral part of these financial statements

Cash Flow Statement

For the year ended 31 March 2008



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| | 2008 £ | 2007 £ |
|--|----------------|----------------|
| Cash flows from operating activities | | |
| Net profit for the financial year | 13,270 | 13,362 |
| Taxation | 5,687 | 5,727 |
| Operating profit before changes in working capital and provisions | 18,957 | 19,089 |
| Net decrease/(increase) in other assets | 9 | (223) |
| Net increase in other financial liabilities | 400 | 727 |
| Cash generated from operations | 19,366 | 19,593 |
| Taxation paid | (5,727) | (5,107) |
| Net cash from operating activities | 13,639 | 14,486 |
| Cash flows from financing activities | | |
| Decrease in loan to parent undertaking | 237,040 | 304,999 |
| Repayment of loan notes in issue | (237,040) | (304,999) |
| Net cash from financing activities | - | - |
| Net increase in cash and cash equivalents | 13,639 | 14,486 |
| Cash and cash equivalents at 1 April | 215,215 | 200,729 |
| Cash and cash equivalents at 31 March | 228,854 | 215,215 |

Cash paid and recieved for interest during 2008 was £2,908,325 (2007: £2,378,087) and £2,936,160 (2007: £2,403,622) respectively.

The notes on pages 9 to 13 form an integral part of these financial statements

Notes to the Financial Statements

(forming part of the Financial Statements)

For the year ended 31 March 2008



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1. Accounting Policies

New Court Securities Limited ("the Company") is a company incorporated in the United Kingdom. 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 1985 applicable to companies reporting under IFRS. The financial statements are prepared under the historical cost accounting rules.

b. Interest receivable and payable

Interest is recognised in the income statement using the effective interest rate method.

c. Taxation

Tax payable on profits is recognised in the income statement.

d. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and balances with banks.

e. Capital management

The capital of the Company is managed at the group level by the parent undertaking, Rothschilds Continuation Limited.

f. Financial risk management

The Company follows the financial risk management policies of the parent undertaking, Rothschilds Continuation Limited. The key risks arising from the Company's activities involving financial instruments, which are monitored at the group level, are as follows:

- Credit risk – 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 – exposure to changes in market variables such as interest rates, currency exchange rates, equity and debt prices is not considered significant as the terms of financial assets substantially match those of financial liabilities.
- 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 interest cash inflows and outflows are substantially matched and non current liabilities are funded by current assets.

Notes to the Financial Statements

(forming part of the Financial Statements)



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2. Profit Before Tax

| | 2008 £ | 2007 £ |
|--|-----------|-----------|
| Is stated after | | |
| i. Income | | |
| Interest receivable on loan to parent undertaking | 2,924,289 | 2,394,144 |
| Other interest receivable from fellow subsidiary undertaking | 11,862 | 9,701 |
| ii. Charges | | |
| Interest payable on loan notes issued to fellow subsidiary undertaking | 2,704,338 | 2,198,242 |
| Interest payable on loan notes issued to external counterparties | 204,387 | 180,134 |

The amount receivable by the auditors and their associates in respect of the audit of these financial statements is £750 (2007: £750). The audit fee is paid on a group basis by N M Rothschild & Sons Limited.

3. Directors' Emoluments

None of the Directors received any remuneration from the Company during the year (2007: £nil).

4. Taxation

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Profit before tax | 18,957 | 19,089 |
| United Kingdom corporation tax at 30% (2007: 30%) | 5,687 | 5,727 |

5. Loans to parent undertaking

| | 2008 £ | 2007 £ |
|-----------------------------|------------|------------|
| Loans to parent undertaking | 53,092,901 | 53,329,941 |

The interest rate charged on a loan of £49,487,186 is 3-month LIBOR minus 15/32 per cent and the interest rate charged on the remaining balance is 3-month LIBOR minus 0.5 per cent. The weighted average effective interest rate was 5.42% as at 31 March 2008 (2007: 4.85%). The rate re-prices within 3 months.

Notes to the Financial Statements

(forming part of the Financial Statements)



6. Cash and Cash Equivalents

At the year end the Company held cash of £228,854 (2007: £215,215) at a fellow subsidiary undertaking. The Company receives interest at base rate.

7. Other assets

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Amounts owed by fellow subsidiary undertaking | 915 | 924 |

8. Loan Notes in Issue

| | 2008 £ | 2007 £ |
|--|------------|------------|
| Current liabilities | | |
| Loan notes issued to external counterparties | 3,605,715 | 3,842,755 |
| Non-current liabilities | | |
| Loan notes issued to fellow subsidiary undertaking | 49,487,186 | 49,487,186 |

The loan notes in issue are unsecured and the interest rate payable is 3-month LIBOR minus 0.5 per cent. The effective interest rate was 5.39% as at 31 March 2008 (2007: 4.82%). The rate re-prices within 3 months.

The following table shows contractual cash flows payable by the Company on the loan notes in issue, analysed by remaining contractual maturity at the balance sheet date. Interest cashflows on the loan notes issued to a fellow subsidiary undertaking are shown up to five years only, with the principal balance being shown in the > 5yr column.

| | Demand £ | Demand-3m £ | 3m – 1yr £ | 1yr – 5yr £ | > 5yr £ | Total £ |
|---------------------|-------------|----------------|---------------|----------------|------------|------------|
| Loan notes in issue | - | 4,323,035 | 2,013,956 | 10,731,296 | 49,487,186 | 66,555,473 |

9. Other Financial Liabilities

| | 2008 £ | 2007 £ |
|-------------------|-----------|-----------|
| Other liabilities | 14,784 | 14,384 |

Notes to the Financial Statements

(forming part of the Financial Statements)



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10. Share Capital

| | 2008 £ | 2007 £ |
|---|-----------|-----------|
| Authorised | | |
| 100,000 Ordinary shares of £1 each | 100,000 | 100,000 |
| Allotted, called up and fully paid | | |
| 50,000 Ordinary shares of £1 each | 50,000 | 50,000 |

11. Reconciliation of Movements in Shareholders' Equity

| | Share Capital £ | Retained Earnings £ | Total £ |
|-------------------------------|--------------------|------------------------|----------------|
| At 1 April 2007 | 50,000 | 146,028 | 196,028 |
| Profit for the financial year | - | 13,270 | 13,270 |
| At 31 March 2008 | 50,000 | 159,298 | 209,298 |
| At 1 April 2006 | 50,000 | 132,666 | 182,666 |
| Profit for the financial year | - | 13,362 | 13,362 |
| At 31 March 2007 | 50,000 | 146,028 | 196,028 |

12. Related Party Transactions

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 the parent company, subsidiaries and fellow subsidiaries.

Amounts receivable from and payable to related parties at the year end were as follows:

| | 2008 £ | 2007 £ |
|--|------------|------------|
| Loans to parent undertaking | 53,092,901 | 53,329,941 |
| Cash at fellow subsidiary undertaking | 228,854 | 215,215 |
| Amounts owed by fellow subsidiary undertaking | 915 | 924 |
| Loan notes issued to fellow subsidiary undertaking | 49,487,186 | 49,487,186 |

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

| | 2008 £ | 2007 £ |
|--|-----------|-----------|
| Interest receivable from parent undertaking | 2,924,289 | 2,394,144 |
| Interest receivable from fellow subsidiary undertaking | 11,862 | 9,701 |
| Interest payable to fellow subsidiary undertaking | 2,704,338 | 2,198,242 |

Notes to the Financial Statements

(forming part of the Financial Statements)

13. Parent Undertaking and Ultimate Holding Company



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The largest group in which the results of the Company are consolidated is that headed by Rothschild Concordia SAS, incorporated in France. 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 immediate parent company is Second Continuation Limited.

Until 20 November 2007, the Company's ultimate parent company was Concordia BV, a company incorporated in The Netherlands. On 20 November 2007 Paris Orléans SA, a company incorporated in France, became the Company's ultimate parent company, and on 22 January 2008 Rothschild Concordia SAS became the Company's ultimate parent company. Rothschild Concordia SAS, Paris Orléans SA and Concordia BV are controlled by the Rothschild family and their interests.

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