

Five Arrows Finance Limited

Report of the Directors and Financial Statements
for the year ended 31 March 2004



Chairman's Statement	2
Report of the Directors	3
Statement of Directors' Responsibilities in Relation to Financial Statements	5
Report of the Independent Auditors	6
Consolidated Profit and Loss Account	8
Statement of Total Recognised Gains and Losses	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Notes to the Financial Statements	12

1



Chairman's Statement



Five Arrows Finance Limited is the holding company for the UK leasing and invoice discounting activities of the Rothschilds Continuation Holdings AG Group. The leasing business was acquired in May 1996 with the invoice discounting business purchased two months later.

2

In the seventh full year of operation we are able to report a profit before tax of £4.1 million (2003: £5.1 million). After tax earnings were £2.4 million (2003: £3.9 million). Net investment in leases and debts purchased was £148 million at the year end (2003: £137 million).

Five Arrows Leasing Group Limited (FALG)

FALG showed another solid performance with profit before tax of £3.3 million (2003: £4.1 million). Included in this amount is an exceptional charge of £0.8 million relating to the write-down of the remaining goodwill in Benton Finance Limited. During the year, FALG acquired 97.64 per cent of the share capital of State Securities Holdings Limited. FALG is focused on asset finance business and is particularly strong in local authority financing, vendor leasing and agreement administration.

Net advances at 31 March 2004 were £148 million (2003: £84 million).

Five Arrows Commercial Finance Limited (FACF)

FACF showed another solid performance with a profit before tax for the year of £1.0 million (2003: £1.2 million). During the year, the portfolio of debts purchased by FACF was transferred to NM Rothschild & Sons Limited (NMR), by means of an agency agreement, whereby income accrues to NMR and the agency fee payable by NMR covers overheads and a small margin.

The Five Arrows Finance Limited group continues to maintain close links with other members of the Rothschild Group resulting in a healthy amount of business introduced to and from other Rothschild Group companies.

P. G. Birch

Peter G Birch
12 May 2004

Report of the Directors



The directors present their annual report and the audited financial statements for the year ended 31 March 2004.

Principal Activities and Business Review

3

The principal activity of the Company is to carry on business as a general commercial company. The results for the year are set out in the consolidated profit and loss account on page 8.

On 31 March 2004, the ownership of the Company was transferred from Rothschild Holdings Limited to N M Rothschild & Sons Limited.

Proposed Dividend

The directors do not recommend the payment of a dividend (2003: £nil).

Directors and Directors' Interests

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

Peter G Birch (Chairman)

Malcolm Aish

(resigned 31 December 2003)

Glenn Beatham

John Brown

Sam Geneen

Peter Johns

Charles Keay

Ian Steward

Paul Tuckwell

At 31 March 2004 an executive share option scheme for all of the directors of the Rothschilds Continuation Holdings AG Group was interested in shares in Rothschilds Continuation Holdings AG. Specific directors of the Rothschilds Continuation Holdings AG Group have options over 110,840 (2003: 122,140) of these shares.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company. Mr Glenn Beatham, Mr Peter Birch, Mr Charles Keay, Mr Peter Johns, and Mr Paul Tuckwell are directors of a related Group company, N M Rothschild & Sons Limited, and their interests in the shares of the Group companies are disclosed in those financial statements. Apart from the above mentioned share option scheme, which has not allocated Mr Sam Geneen, Mr John Brown and Mr Ian Steward any options under the share option scheme, none of the directors had any interest in any of the shares of group undertakings except for the following:

Sam Geneen	Five Arrows Leasing Group Limited	12,853 shares
------------	-----------------------------------	---------------

Report of the Directors



Auditors

KPMG Audit Plc have indicated their willingness to continue in office and a resolution to re-appoint them as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

4

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

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

12 May 2004



Statement of Directors' Responsibilities in Relation to Financial Statements



5

The directors have responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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. The directors are required to use the going concern basis in preparing the financial statements unless this is inappropriate.

Report of the Independent Auditors, KPMG Audit Plc, to The Members of Five Arrows Finance Limited



We have audited the financial statements on pages 8 to 24.

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.

6

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Group is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit 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 Group'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.

Report of the Independent Auditors, KPMG Audit Plc, to The Members of Five Arrows Finance Limited



Opinion

7

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 March 2004, and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

12 May 2004

Consolidated Profit and Loss Account

For the year ended 31 March 2004



8

	Note	Acquisition £'000	Continuing £'000	2004 £'000	2003 £'000
Turnover	2	6,011	27,594	33,605	33,410
Operating costs		(3,784)	(24,416)	(28,200)	(28,781)
Operating profit		2,227	3,178	5,405	4,629
Interest receivable	3	21	199	220	164
Amortisation of goodwill	9	-	(1,477)	(1,477)	(603)
Gain on sale of subsidiary	11	-	-	-	945
Profit on ordinary activities before tax	4	2,248	1,900	4,148	5,135
Tax on profit on ordinary activities	7			(1,746)	(1,226)
Profit on ordinary activities after tax	8			2,402	3,909
Attributable to minority interests	21			(238)	(373)
Retained profit of the group for the financial year	20			2,164	3,536
Retained profit bought forward				17,146	13,610
Retained profit carried forward				19,310	17,146

The notes on pages 12 to 24 form an integral part of these financial statements

Statement of Total Recognised Gains and Losses

For the year ended 31 March 2004



9

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Profit/(loss) attributable to shareholders for the financial year	2,164	(57)	3,536	(62)
Revaluation of investments in subsidiary undertakings	–	2,221	–	3,598
	2,164	2,164	3,536	3,536

The notes on pages 12 to 24 form an integral part of these financial statements

Consolidated Balance Sheet

At 31 March 2004



10

	Note	2004 £'000	2004 £'000	2003 £'000	2003 £'000
Fixed assets					
Intangible fixed assets	9		3,580		2,700
Tangible fixed assets	10		7,080		7,208
			10,660		9,908
Securitised debtors	12		45,532		44,854
Less non-recourse finance			(45,532)		(44,854)
Current assets					
Debtors due within one year	13	58,296		131,861	
Debtors due after one year	13	102,612		50,383	
		160,908		182,244	
Cash at bank	15	21,518		10,740	
		182,426		192,984	
Creditors: amounts falling due within one year	16	(115,535)		(114,986)	
Net current assets			66,891		77,998
Total assets less current liabilities			77,551		87,906
Creditors: amounts falling due after more than one year	17		(40,330)		(52,983)
Net assets			37,221		34,923
Represented by capital and reserves					
Called up share capital	18		14,750		14,750
Profit and loss account	19		19,310		17,146
Equity shareholders' funds	20		34,060		31,896
Equity and non-equity minority interests	21		3,161		3,027
			37,221		34,923

Approved by the Board of Directors on 12 May 2004 and signed on its behalf by:

Peter G Birch, Director

The notes on pages 12 to 24 form an integral part of these financial statements

Company Balance Sheet

At 31 March 2004



	Note	2004 £'000	2004 £'000	2003 £'000	2003 £'000
Fixed assets					
Investments	11		36,858		34,637
Current assets					
Debtors	13	63		99	
Cash at bank	15	—		—	
		63		99	
Creditors: amounts falling due within one year	16	(1,061)		(1,040)	
Net current liabilities			(998)		(941)
Total assets less current liabilities			35,860		33,696
Creditors: amounts falling due after more than one year	17		(1,800)		(1,800)
Net assets			34,060		31,896
Capital and reserves					
Called up share capital	18		14,750		14,750
Revaluation reserve	19		20,029		17,808
Profit and loss account	19		(719)		(662)
Equity shareholders' funds	20		34,060		31,896

Approved by the Board of Directors on 12 May 2004 and signed on its behalf by:

Peter G Birch, Director

The notes on pages 12 to 24 form an integral part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2004



1. Accounting Policies

The principal accounting policies which have been consistently adopted in the presentation of the financial statements are as follows:

12

a. Basis of presentation

The financial statements are prepared in accordance with applicable accounting standards issued by the Accounting Standards Board and the recommendations of the Finance and Leasing Association Statement of Recommended Accounting Practice and under the historical cost convention, as modified by the revaluation of investments in subsidiary undertakings.

b. Basis of consolidation

The financial statements of the Group are made up to 31 March 2004 and consolidate the audited financial statements of the Company and its subsidiary undertakings. Goodwill arising on the purchase of subsidiary undertakings is amortised over its useful economic life (between 3 and 10 years). The results of Capital Asset Finance Limited up to the date of disposal are included in the profit and loss account as discontinued activities. The results of Specialist Fleet Services Limited are shown in the profit and loss account as 'acquisition' from the date of acquisition.

c. Interest expense

Interest expense is included in operating costs.

d. Operating leases

Income on operating leases is credited to the profit and loss account on the basis of rentals due. Depreciation on some assets subject to operating leases has been charged to the profit and loss account using the reverse annuity method.

e. Finance leases

The net investment in lease and lease purchase contracts is equal to the total of the minimum lease rentals receivable less the amounts apportioned to finance charges for future periods.

The finance charges are allocated to accounting periods to give a constant periodic rate of return on the net investment in the leases and profit is recognised using the actuarial before tax method.

f. Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset, on a straight-line basis over its estimated useful life as follows:

Motor vehicles	3-4 years
Office equipment	3-5 years
Computer equipment and software	3-5 years
Leasehold improvements	5 years
Assets leased out on operating leases	The length of the lease

Notes to the Financial Statements



1. Accounting Policies (continued)

13

g. Deferred tax

Except where otherwise required by accounting standards, full provision is made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

h. Interests in shares in subsidiary undertakings

Shares in subsidiary undertakings are stated in the balance sheet of the Company at the attributable share of net asset value, including goodwill.

i. Pensions

Contributions paid by the companies to the defined contribution schemes are charged to the profit and loss account as incurred.

j. Cash flow statement

The Group 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 N M Rothschild & Sons Limited.

k. Derivatives and other Financial Instruments

The Group is exempt from the requirements of Financial Reporting Standard 13 "Derivatives and other Financial Instruments" in respect of Part B on the basis that the Group does not fall within the definition of "Bank or similar institution" and in respect of Parts A and C on the basis that the Group has no capital instruments listed or publicly traded.

l. Related party transactions

As the Company is an indirect 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 which have been eliminated on consolidation.

m. Intangible Fixed Assets

Intangible Fixed Assets comprise Goodwill and Intellectual Property Rights. Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Positive goodwill arising on the acquisition of subsidiaries is capitalised as an intangible fixed asset and amortised on a straight line basis over its useful economic life of five or ten years. Intellectual Property Rights are amortised on a straight line basis over ten years.

Notes to the Financial Statements



2. Turnover

The Directors regard the business of the group, which is asset based financing (including invoice discounting and factoring), lease portfolio management and the financing of motor cars as comprising a single segment. Turnover is wholly attributable to markets within the UK.

14

Aggregate lease and lease purchase rentals and other finance instalments receivable in the year to 31 March 2004 amounted to £107,406,000 (2003: £104,508,000). Operating lease rentals receivable in the year to 31 March 2004 amounted to £1,063,000 (2003: £1,543,000)

3. Interest Receivable

	2004 £'000	2003 £'000
Inter-company interest	106	2
Other interest	114	162
	220	164

Notes to the Financial Statements



4. Profit on Ordinary Activities Before Tax

The profit on ordinary activities before tax is arrived at after charging:

15

	2004 £'000	2003 £'000
Depreciation of tangible fixed assets	2,767	2,113
Amortisation of intangible fixed assets	685	603
Inter-company interest	2,929	2,788
Interest on bank loans and overdrafts wholly repayable within five years	3,472	4,170
Other interest	174	391
Hire of other assets – operating leases	74	84

The auditor's remuneration was £198,000 (2003: £151,000) of which £4,000 (2003: £4,000) related to the Company. Remuneration payable to the auditor and its associates for non-audit work was £39,000 (2003: £58,000).

5. Remuneration of Directors

During the year, Directors' emoluments totalled £282,093 (2003: £238,495). The emoluments of the highest paid director were £212,436 (2003: £167,313) and company pension contributions of £31,395 (2003: £30,590). Retirement benefits are accruing to 1 (2003: 1) director under money purchase schemes.

6. Employees

Staff costs (excluding Directors) consist of:

	2004 £'000	2003 £'000
Wages and salaries	7,110	5,913
Social security costs	821	681
Other pension costs	381	353
	8,312	6,947

The average number of employees during the year was as follows:

	2004	2003
Sales staff	49	44
Administration	168	149
	217	193

Notes to the Financial Statements



7. Tax on Profit on Ordinary Activities

	2004 £'000	2003 £'000
Current tax		
United Kingdom corporation tax at 30% (2003: 30%)	1,449	1,829
Adjustments in respect of prior periods	(69)	52
	1,380	1,881
Deferred tax	366	(655)
	1,746	1,226

16

The current tax charge for the year may be explained as follows:

	2004 £'000	2003 £'000
Tax charge at UK corporation tax rate of 30% (2002: 30%)	1,245	1,541
Capital allowances in excess of depreciation	(282)	271
Permanent differences	341	26
Prior year adjustments	(69)	52
Goodwill written off	206	181
Non-taxable income	-	(283)
Other	(61)	93
Current tax charge for the year	1,380	1,881

8. Group Profit on Ordinary Activities After Tax

Of the Group profit for the financial year attributable to ordinary shareholders, a loss of £57,000 (2003: £62,000) has been dealt with in the financial statements of the Company. As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the Company has not been presented separately.

Notes to the Financial Statements



17

9. Intangible Fixed Assets

	Note	Goodwill £'000	Intellectual Property £'000	Total £'000
At 1 April 2003		1,775	925	2,700
On acquisition	11	2,127	-	2,127
Other additions		230	-	230
Amortisation		(585)	(100)	(685)
Impairment losses		(792)	-	(792)
At 31 March 2004		2,755	825	3,580

10. Tangible Fixed Assets

	Leasehold Improvements £'000	Office Equipment, Fixtures & Fittings £'000	Commercial & Motor Vehicles £'000	Total £'000
Cost				
At 1 April 2003	153	5,848	7,044	13,045
Acquisition	-	466	646	1,112
Additions	-	679	1,785	2,464
Disposals	-	(734)	(1,001)	(1,735)
At 31 March 2004	153	6,259	8,474	14,886
Depreciation				
At 1 April 2003	119	3,287	2,431	5,837
Acquisition	-	272	100	372
Disposals	-	(672)	(498)	(1,170)
Charge for the year	14	956	1,797	2,767
At 31 March 2004	133	3,843	3,830	7,807
Net book value at 31 March 2004	20	2,416	4,644	7,080
Net book value at 31 March 2003	34	2,561	4,613	7,208

Included within the net book value of commercial and motor vehicles as at 31 March 2004 is £3,465,000 (2003: £3,883,000) which relates to assets leased out on operating leases. Included within the net book value of office equipment, fixtures and fittings as at 31 March 2004 is £1,561,000 (2003: £2,129,000) which relates to assets leased out on operating leases.

Notes to the Financial Statements



11. Fixed Assets Investments

The Company's investments in subsidiary undertakings at 31 March 2004 comprise:

18

	£'000
At valuation at 1 April 2003	34,637
Revaluation in year	2,221
At valuation at 31 March 2004	36,858

Investments in subsidiary undertakings are carried at attributable net asset value, as disclosed in the financial statements of the subsidiary undertakings, plus attributable goodwill. The historical cost of the investments held was £16,829,000.

The Company's principal subsidiary undertakings at 31 March 2004, all of which are registered in England and Wales, are detailed below. In the opinion of the directors, disclosure of all the subsidiary undertakings of the Company would lead to a statement of excessive length. Accordingly, the information has been limited to those subsidiaries which principally affect the results of the Group and the amount of its assets.

	Principal Activity	Percentage Held
Five Arrows Leasing Group Limited Ordinary shares*	Leased Asset Finance	91.03
Five Arrows Commercial Finance Limited Ordinary shares*	Invoice Discounting	100

*Owned by a subsidiary undertaking

During the year ended 31 March 2004, the Company acquired, via a subsidiary undertaking, the following subsidiary undertaking:

	Date acquired	Percentage held
State Securities Holdings Limited	29 October 2003	97.64

Notes to the Financial Statements



11. Fixed Assets Investments (continued)

Total assets acquired and the consideration given is analysed below:

19

	Note	£'000
Net assets acquired		
Fixed assets		740
Debtors		74,516
Cash		2,570
Trade and other creditors		(69,057)
Minority interest		(251)
		8,518
Goodwill	9	2,127
		10,645
Satisfied by:		
Cash		10,645

It is the directors' opinion that the above net asset value acquired reflected its fair value and no adjustment was necessary. The goodwill has been capitalised on the Group's balance sheet and is being amortised over 5 years.

12. Securitised Debtors - Non-Recourse Finance

Benton Finance Limited (Benton), a wholly owned subsidiary of the group, has securitised finance arrangements to the Car Loan Asset Securitisation group of companies, which are owned by a charitable trust. This securitisation was wound up on 28 November 2002, with costs of £613,000 being written off.

As at 31 March 2004, Benton Finance Limited and County Leasing and Finance Limited (County), have securitised finance agreements with a book value £101 million (2003: £64 million) to Auto Receivables Conduit No 1 Plc (ARC).

Neither Five Arrows Finance Limited nor any of its subsidiary companies own, directly or indirectly, any of the share capital of ARC. The terms of the sale to ARC include provisions that ARC has no recourse to Five Arrows Finance Limited or its subsidiary companies.

Benton Finance Limited and County Leasing and Finance Limited have the option to make a number of further securitisations into the same company over a fixed period of time.

The income in the year arising from the securitised assets amounted to £3,609,000 (2003: £3,896,000).

Notes to the Financial Statements



20

13. Debtors

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Net investment in lease contracts	39,006	–	32,241	–
Net investment in lease purchase contracts	94,769	–	50,651	–
Net investment in other loans	14,122	–	917	–
Discounted debts less amounts due to clients	–	–	52,903	–
Trade debtors	3,394	–	1,983	–
Receivable on sale of subsidiary	–	–	34,737	–
Other debtors	1,357	–	2,701	–
Corporation tax recoverable	63	63	99	99
Deferred tax asset	2,996	–	813	–
Securitised debtors	4,328	–	4,304	–
Prepayments and accrued income	873	–	895	–
	160,908	63	182,244	99

The cost of assets acquired during the year and leased to customers under lease, lease purchase and other finance contracts was £99,588,000 (2003: £85,663,000).

The deferred tax asset at 31 March 2004 represented the future tax benefit from timing differences relating to:

	2004 £'000	2003 £'000
Accelerated capital allowances	2897	810
Other	99	3
	2,996	813

The movements during the year were:

	£'000
As at 1 April 2003	813
Charge to profit and loss account	(366)
Acquisition of subsidiary	2,549
As at 31 March 2004	2,996

Notes to the Financial Statements



13. Debtors (continued)

The amounts included in debtors due after one year are as follows:

21

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Net investment in lease contracts	24,892	–	21,743	–
Net investment in lease purchase contracts	74,750	–	27,922	–
Deferred tax	2,970	–	718	–
	102,612	–	50,383	–

14. Residual Values

The Group has an interest in residual values in equipment that has been leased to customers on finance and operating leases. The Group manages its exposure proactively by monitoring the residual value set against prices obtained for similar assets in the market place, and, in the event of a shortfall, the residual value would be written down to the realisable value and a charge taken to the profit and loss account.

The residual values mature on the following basis:

	Under 1 year £'000	1-2 years £'000	2 -5 years £'000	Over 5 years £'000	Total £'000
Operating leases					
Commercial vehicles	32	103	46	–	181
Cars	288	357	325	–	970
Other plant and equipment	229	187	276	–	692
Total operating leases	549	647	647	–	1,843
Finance leases					
Commercial vehicles	561	716	858	133	2,268
Other plant and equipment	35	208	42	44	329
Total operating leases	596	924	900	177	2,597

15. Cash at Bank

At the year end the Group and the Company held cash of £7,060,000 and £nil (2003: £3,774,000 and £nil) respectively at a fellow subsidiary undertaking. The remaining balance of £14,458,000 (2003: £6,966,000) was held at a third-party bank.

Notes to the Financial Statements



22

16. Creditors: Amounts Falling Due Within One Year

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Bank loans and overdrafts	30,241	–	26,292	–
Trade creditors	14,061	–	10,851	–
Amounts due to immediate parent undertaking	54,789	190	850	850
Amounts due to fellow subsidiary undertakings	850	850	62,469	172
Corporation tax	1,978	–	1,393	–
Other creditors	6,071	–	6,204	–
Accruals and deferred income	7,545	21	6,927	18
	115,535	1,061	114,986	1,040

17. Creditors: Amounts Falling Due After More Than One Year

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Bank loans and overdrafts	38,530	–	51,183	–
Amounts due to immediate parent undertaking	–	–	1,800	1,800
Amounts due to fellow subsidiary undertakings	1,800	1,800	–	–
	40,330	1,800	52,983	1,800
Of which bank loans and overdrafts				
Amounts due within 1-2 years	24,053	–	36,683	–
Amounts due within 2-5 years	14,477	–	14,500	–

The loan due to the immediate parent undertaking of £1,800,000 is repayable within five years.

18. Called Up Share Capital

	2004 £	2003 £
Authorised		
20,000,000 ordinary shares of £1 each	20,000,000	20,000,000
Allotted, called up and fully paid		
14,750,000 ordinary shares of £1 each	14,750,000	14,750,000

Notes to the Financial Statements



23

19. Reserves

	Group £'000	Company £'000
a. Profit and Loss Account		
At 1 April 2003	17,146	(662)
Retained profit/(loss) for the year	2,164	(57)
At 31 March 2004	19,310	(719)
b. Revaluation Reserve		Company £'000
At 1 April 2003		17,808
Revaluation of subsidiary undertakings		2,221
At 31 March 2004		20,029

20. Reconciliation of Movements in Shareholders' Funds

	Group 2004 £'000	Company 2004 £'000	Group 2003 £'000	Company 2003 £'000
Equity shareholders' funds at 1 April	31,896	31,896	28,360	28,360
Retained profit/(loss) for the year	2,164	(57)	3,536	(62)
Revaluation of subsidiary undertakings	–	2,221	–	3,598
Equity shareholders' funds at 31 March	34,060	34,060	31,896	31,896

21. Minority Interests

The minority interests in subsidiary companies comprise:

	Total £'000
At 1 April 2003	3,027
Acquisition of subsidiary	251
Share of profits	238
Reduction in minority	(355)
At 31 March 2004	3,161

Notes to the Financial Statements



22. Pensions

The Group operates three separate defined contribution pension schemes. The assets of the scheme are held separately from those of the relevant company in independently administered funds. The pension cost charge represents contributions payable by the companies within the Group to the funds and amounted to £381,000 (2003: £353,000).

24

23. Annual Commitments

The Group has the following annual commitments under non-cancellable operating leases on:

	Property 2004 £'000	Property 2003 £'000
Expiring within 1 year	96	11
Expiring in 1-5 years	526	92
Expiring after 5 years	118	181
	740	284

24. Parent Undertaking and Ultimate Holding Company

The largest group in which the results of the Company are consolidated is that headed by Concordia BV, incorporated in The Netherlands. 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.

With effect from July 2003, the Company's ultimate parent company is Concordia BV, which is incorporated in The Netherlands. Prior to then, the Company's ultimate parent company was Rothschild Concordia AG, which is incorporated in Switzerland. Throughout the year, the Company's ultimate parent company has been 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.