



LCF Rothschild Asset Management Limited

(Company Number 1831706)

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2001



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LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

Contents

	<u>Page</u>
Officers and Professional Advisors	1
Directors' Report	2-3
Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7-11

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Mr. J. B. A. Alexander Mr. R. M. Sopher Mr. P. J. R. Maddison Mr R. Sandstrom	(Chairman) (Managing Director)
Secretary	Mr. P. J. R. Maddison	
Registered Office	Orion House 5 Upper St. Martin's Lane London WC2H 9EA	
Auditors	PricewaterhouseCoopers Chartered Accountants and Registered Auditors	
Solicitors	Freshfields	
Bankers	Lloyds TSB Bank Plc	
Regulator	Financial Services Authority	

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

1. ACTIVITIES

The Company has continued trading as a financial adviser.

2. REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the results achieved during the year to be satisfactory and expect improvements during 2002.

3. DIVIDENDS

The directors recommend that no dividend be paid in respect of the year ended 31 December 2001 (2000 – £0.40). The profit for the financial year of £808,631 (2000 - profit £11,866) will be transferred to reserves.

4. DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss for that period. In preparing the financial statements, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis. The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT (Continued)

5. DIRECTORS

The present membership of the board is set out on Page 1. On 17th August 2001 Randall Sandstrom was appointed a director. There were no other changes during the year. None of the directors had, at any time during the year, any interest in the shares of the company or of other group companies, that required disclosure in accordance with the Companies Act 1985.

6. CLOSE COMPANY PROVISIONS

As far as the directors are aware, the company is a close company as defined by the Income and Corporation Taxes Act 1988.

7. AUDITORS

A resolution to reappoint PricewaterhouseCoopers as the company's auditors will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



P. J. R. Maddison
Secretary

15th March 2002

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements, which comprise the profit and loss account and the balance sheet and the related notes, which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

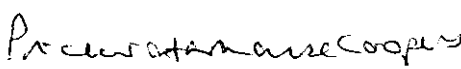
Basis of audit opinion

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 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 at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

20 March 2002

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
Turnover		2,443,405	745,670
Administrative expenses	3	<u>(1,300,000)</u>	<u>(600,000)</u>
Operating profit		1,143,405	145,670
Interest receivable		<u>11,783</u>	<u>14,139</u>
Profit on ordinary activities before taxation		1,155,188	159,809
Tax on profit on ordinary activities	6	<u>(346,557)</u>	<u>(47,943)</u>
Profit on ordinary activities after taxation		808,631	111,866
Dividends proposed	11	<u>0</u>	<u>(100,000)</u>
Retained profit for the year		<u><u>£808,631</u></u>	<u><u>£11,866</u></u>

STATEMENT OF RETAINED PROFITS

	2001 £	2000 £
Balance at 1 January	311,577	299,711
Retained profit for the year	<u>808,631</u>	<u>11,866</u>
Balance at 31 December	<u><u>£1,120,208</u></u>	<u><u>£311,577</u></u>

There are no movements in shareholders funds other than in respect of retained profits.

The operating profit of the company is derived entirely from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial period stated above and their historical cost equivalents.

The company has no recognised gains and losses other than those included in the profit and loss account, and therefore no separate statement of recognised gains and losses has been presented.

The notes on pages 7 to 11 form part of these financial statements.

Auditors' Report page 4

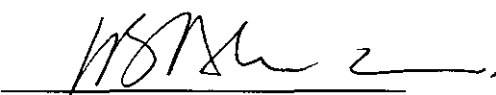
LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

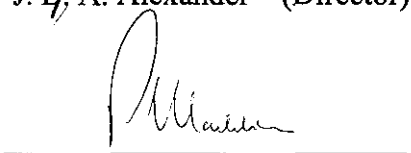
BALANCE SHEET

31 DECEMBER 2001

	Notes	2001	2000
		£	£
FIXED ASSETS			
Investments	7	80,347	71,472
CURRENT ASSETS			
Debtors	8	1,005,195	347,978
Cash at bank		<u>284,666</u>	<u>272,811</u>
		1,289,861	620,789
CREDITORS: amounts falling due within one year	9	<u>0</u>	<u>(130,684)</u>
		1,289,861	490,105
Total assets less current liabilities		<u><u>£1,370,208</u></u>	<u><u>£561,577</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	250,000	250,000
Profit and loss account		1,120,208	311,577
Equity Shareholders' Funds		<u><u>£1,370,208</u></u>	<u><u>£561,577</u></u>

These financial statements were approved by the Board on 15th March 2002.


J. B. A. Alexander (Director)


P. J. R. Maddison (Director)

The notes on pages 7 to 11 form part of these financial statements.
Auditors' Report page 4

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

1 ACCOUNTING POLICIES

(a) Accounting Convention

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

(b) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at rates ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the end of the month in which the transaction occurred. Profits and losses on exchange arising in the ordinary course of business are taken to the profit and loss account.

(c) Taxation

The charge for taxation is based on the profit for the year, as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of the timing differences, as reduced by the tax benefit of any accumulated losses, is treated as a deferred tax liability.

(d) Cash Flow Information

As permitted by FRS 1, these financial statements do not include a cash flow statement, because the consolidated financial statements of LCF Rothschild Limited, which include this company as a wholly owned subsidiary and which are publicly available, include a consolidated cash flow statement dealing with the cash flows of the group.

(e) Related Party Disclosure

Advantage has been taken of the exemption in FRS 8, which permits a wholly owned subsidiary undertaking, which is included in the consolidated financial statements of a group, which are publicly available, from disclosing any transactions with other entities which are 90% or more owned within the group.

(f) Turnover

Turnover represents fees charged for the provision of advisory services, which are recognised on an accruals basis. The balance is stated exclusive of VAT and other related taxes.

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2001

1 ACCOUNTING POLICIES (continued) (g) Investments Held As Fixed Assets

Investments, which are held as fixed assets, are included in the balance sheet at cost less provision for impairment in value.

2 SEGMENTAL AND GEOGRAPHICAL ANALYSIS

The directors consider that a geographical split of turnover, results and assets is inappropriate, as the company's services are provided to a world market and the company operates in one category of business, that of the provision of financial services.

3 ADMINISTRATIVE EXPENSES

Administrative expenses include a management charge of £1,300,000 (2000 - £600,000) from the parent company. This includes directors' emoluments for management services, as detailed below, and audit fees of £5,000 (2000 - £2,750).

4 DIRECTORS' EMOLUMENTS

	2001	2000
	£	£
Aggregate emoluments (excluding pension contributions)	463,461	334,728
Aggregate value of company contributions to defined contribution pension scheme (in respect of 4 directors)	30,083	22,566
Highest paid director		
Aggregate emoluments (excluding pension contributions)	250,949	294,538
Company pension contributions to defined contribution pension schemes	6,711	6,711

Apart from the directors' emoluments information disclosed above, there are no other related party transactions with directors or other officers of the company that are required to be disclosed under FRS 8 Related Party Disclosure.

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2001

5 EMPLOYEES

No staff were employed directly by the company during the year (2000 – Nil).

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
U.K. Corporation tax based on profit for the year at 30% (2000 - 30%)	<u>£346,557</u>	<u>£47,943</u>

7 INVESTMENTS HELD AS FIXED ASSETS

<u>Name</u>	<u>Country of Registration or Incorporation</u>	<u>Description and amount of Shares Held</u>	<u>Proportion of Nominal Value of Issued Shares Held</u>	<u>Principal Activity</u>
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(a) Held by the Company and included in the balance sheet at cost less provision for impairment in value:

Other Investments

ACH Management S.A.	Luxembourg	150 Ordinary Shares of Flux 1,000 each	5%	Fund Adviser
ECH Investments Limited	Luxembourg	5,000 Ordinary Shares of EUR 1 each	5%	Fund Adviser
ECH Investments Limited	Luxembourg	7,500 Preference 'E' Shares of EUR 1 each	100%	Fund Adviser

(b)

	Other Investments
Cost	£
At 1 January 2001	71,472
Additions	8,875
At 31 December 2001	<u>£80,347</u>
Provisions	
At 1 January 2001	0
Provided during the year	0
At 31 December 2001	<u>£0</u>
Net Book Value at 31 December 2001	<u>£80,347</u>
Net Book Value at 31 December 2000	<u>£71,472</u>

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2001

8 DEBTORS

	2001	2000
	£	£
Trade debtors	143,168	285,569
Accrued interest	0	73
Amounts owed by group companies	862,027	62,336
	<u>£1,005,195</u>	<u>£347,978</u>

9 CREDITORS: amounts falling due within one year

	2001	2000
	£	£
U.K. Corporation tax	0	30,684
Dividend proposed	0	100,000
	<u>£0</u>	<u>£130,684</u>

10 CALLED UP SHARE CAPITAL

	<u>Ordinary Shares of £1 each</u>	
	2001	2000
Authorised, issued and fully paid	<u>£250,000</u>	<u>£250,000</u>

11 DIVIDENDS

	2001	2000
Ordinary final dividend proposed	<u>£0</u>	<u>£100,000</u>

LCF ROTHSCHILD ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2001

12 CONTINGENT LIABILITIES

There are no contingent liabilities known to the directors (2000 – Nil).

13 ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of LCF Rothschild Limited, a company registered in England and Wales. Copies of financial statements can be obtained from the registered office.

The directors consider the ultimate holding company and ultimate controlling party to be La Compagnie Financière Holding Benjamin et Edmond de Rothschild, Genève S.A., a company incorporated in Switzerland.