

Registration No. 378410

**Registered Office :
Broadwalk House
5 Appold Street
London
EC2A 2DA**

C.L.C.M.

(Formerly Credit Lyonnais Capital Markets)

Directors' Report and Financial Statements

31 December 2003



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C.L.C.M.
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DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2003

The Directors present their report and audited financial statements for the year ended 31 December 2003.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of Credit Lyonnais Capital Markets (the "Company") is to act as an investment holding company for subsidiaries engaged in investment management and securities and futures broking and trading.

The ultimate parent undertaking and controlling entity of the Company is Crédit Agricole, a company registered in France, which together with the Company and its other subsidiary undertakings, form the Crédit Agricole Group (the "Group"). On 19 June 2003 Crédit Agricole acquired the substantial controlling interest in Crédit Lyonnais, the Company's previous ultimate controlling entity.

During the year company injected £9 million additional capital into Credit Lyonnais Rouse Limited ("CLR"). It then disposed of its interests in CLR and Credit Lyonnais Rouse (USA) Limited ("CLRUSA") to Credit Lyonnais (Investments) Limited ("CLI") for £18million and USD 6.9 million, respectively as part of the rationalisation of the group structure in the United Kingdom. Further it also disposed all its other investments to CLI for £5.2 million, which included its investments in the Chicago Mercantile Exchange, the Chicago Board of Trade, the Intercontinental Exchange and Zimbabwe Government Bonds.

The Directors consider both the financial position at the year-end and the results during the year to be satisfactory. No significant change is anticipated to the Company's principal business activity.

POST BALANCE SHEET EVENTS

Subsequent to year-end approval was obtained from the Financial Services Authority ("FSA") to repay the long and short-term subordinated loans provided to CLR. In addition the company sold its interest in its subsidiary Laing & Cruickshank Investment Management Limited ("LACIM") to UBS AG on 30 April 2004. The long and short-term subordinated loans provided to LACIM were also repaid on this date after regulatory approval was obtained for the transaction. This is further detailed in notes 9 and 11.

RESULTS AND DIVIDENDS

The profit for the year, after tax, was £3,837,406 (2002: £5,470,170 profit).

During the year, no dividends were paid (2002: £Nil). The Directors do not recommend the payment of a final dividend (2002: £Nil).

DIRECTORS

The following Directors held office throughout the year (except where otherwise shown):

BF Armstrong

J-PA Le Roy

FC Mélul

O Motte *Appointed 2 July 2003 Resigned 9 June 2004*

C Nigond

DIRECTORS' INTERESTS

None of the Directors had disclosable interests in the share and loan capital of any Group company during the year.

AUDITORS

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company has given its consent to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 27 October 2003. Accordingly, the accounts have been signed in the name of Deloitte & Touche LLP and a resolution for the re-appointment of Deloitte & Touche LLP will be proposed at the forthcoming board meeting.

DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

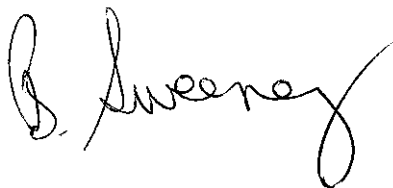
United Kingdom company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements on pages 4 to 15, the Directors are required to:

- use suitable accounting policies and consistently apply them;
- make judgements and estimates that are reasonable and prudent;
- state whether relevant accounting standards have been followed; and
- prepare the accounts on the going concern basis, where this is considered appropriate.

The Directors have responsibility for ensuring the Company keeps 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.

The Directors are also responsible for the system of internal control, for safeguarding the assets of the Company and for taking reasonable measures for the prevention and detection of fraud and other irregularities.

By order of the Board on 25 October 2004

A handwritten signature in black ink, appearing to read 'B. Sweeney', with a stylized, flowing script.

Secretary

BC Sweeney

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREDIT LYONNAIS CAPITAL MARKETS

We have audited the financial statements of Credit Lyonnais Capital Markets for the year ended 31 December 2003, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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

As described in the Statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom company law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 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 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP, London
Chartered Accountants and Registered Auditors

25 October 2004

C.L.C.M.
(Formerly Credit Lyonnais Capital Markets)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
TURNOVER	2	7,005,000	90,486
Administrative expenses		(509,502)	(754,620)
OPERATING PROFIT/(LOSS)	3	6,495,498	(664,134)
Increase in provisions against other investments		-	(167,676)
Increase in provisions against investment in subsidiaries		-	(6,106,000)
(Loss)/gain on disposal of investment in subsidiaries		(3,661,240)	10,522,061
Gain on disposal of other investments		167,677	-
Interest receivable and similar income	6	2,111,754	3,780,670
Interest payable and similar charges	7	(788,036)	(257,324)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,325,653	7,107,599
Tax on profit on ordinary activities	8	(488,247)	(1,637,428)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR		3,837,406	5,470,169

The above results all relate to continuing operations.

A reconciliation of the movement in shareholders' funds has been prepared in note 16 to the accounts.

The notes on pages 7 to 15 form an integral part of the financial statements.

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2003


	2003	2002
	£	£
PROFIT FOR THE FINANCIAL YEAR	3,837,406	5,470,169
Release of revaluation reserve	-	(10,573,000)
(Decrease)/increase in share of net assets of subsidiary	(845,250)	2,228,251
Gain on foreign currency investment hedging loans	264,142	326,939
Loss on translation of hedged foreign currency denominated investments	(264,142)	(326,939)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>2,992,156</u>	<u>(2,874,580)</u>

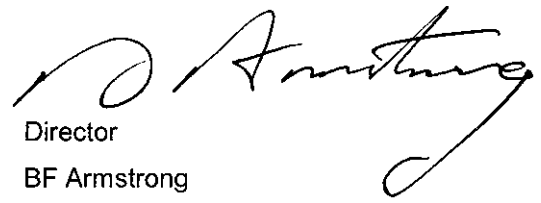
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BALANCE SHEET
AT 31 DECEMBER 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Investments	9	-	69,779,575
		-	69,779,575
CURRENT ASSETS			
Debtors	10	7,552,088	1,284,135
Current investments	11	42,634,750	-
Cash at bank and in hand	12	602,815	1,252,089
		50,789,633	2,536,224
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(62,928)	(24,581,230)
NET CURRENT ASSETS/(LIABILITIES)		50,726,725	(22,045,006)
TOTAL ASSETS LESS CURRENT LIABILITIES		50,726,725	47,734,569
CAPITAL AND RESERVES			
Called up share capital	15	60,000,000	60,000,000
Revaluation reserve	16	2,633,001	3,478,251
Profit and loss account	16	(11,906,276)	(15,743,682)
EQUITY SHAREHOLDERS' FUNDS		50,726,725	47,734,569

These financial statements were approved by the Board of Directors on 25 October 2004
Signed on behalf of the Board of Directors


Director
F C Melul


Director
BF Armstrong

The notes on pages 7 to 15 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments in subsidiaries, which are revalued, as described below, and in accordance with applicable United Kingdom law and accounting standards.

Under Section 228 of the Companies Act 1985, the Company is exempt from preparing consolidated financial statements as it is itself a subsidiary of Crédit Agricole, a société anonyme incorporated in France for which group accounts are prepared and in which the Company is consolidated. These financial statements therefore present information about the Company as an individual entity, and not about the Company's group.

b) Foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Transactions during the year in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions, or at the contracted rate, if applicable. Foreign exchange differences arising from the borrowings used as economic hedges of foreign investments denominated in the same currency are not taken to the profit and loss, but together with the investment are taken to reserves through the statement of recognised gain and losses.

c) Investments

Investments in subsidiaries are revalued to the Company's share of the amounts of the underlying net assets of the subsidiaries at year-end. Surpluses of net assets against the historical cost are taken to the revaluation reserve, unless reversing a previous deficit in which case the amount is taken first to the profit and loss account. Any deficit of net assets against historical cost are taken to the profit and loss account, unless this is reversing a previous surplus in which case the amount is taken first against the revaluation surplus. Other investments are stated at the lower of cost or directors' valuation.

d) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. These arise from the inclusion of gains and losses in tax assessments in different periods to which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

e) Pensions

The Company operates the Credit Lyonnais Group UK Pension Scheme ("Group Pension Scheme for the Credit Lyonnais United Kingdom Group ("CLUK"). The Group Pension Scheme provides either a defined benefit plan or a defined contribution plan for its members.

For members of the Group Pension Scheme defined contribution plan, pension costs charged to the profit and loss account for each year represent the contributions payable in respect of the that year.

For members of the Group Pension Scheme defined benefits plan, the pension cost charged to the profit and loss account is designed to spread the costs of benefits over the period of their pensionable employment. It is determined as a contribution, which is expected to be a constant proportion of pensionable pay. Contribution and pension costs are based on pension costs across CLUK as a whole.

The effect of any variation from regular cost is spread over the expected remaining working lifetime of members of the scheme after making suitable allowances for future withdrawals.

The regular pension cost is assessed in accordance with the advice of an independent qualified actuary.

f) Cash flow statement

Under FRS 1 (Revised 1996) *Cash Flow Statements*, the Company is exempt from producing a cash flow statement, as it is itself a subsidiary of Crédit Agricole, a company incorporated in France for which a consolidated cash flow statement is produced.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

2. TURNOVER

Turnover represents dividend income from shares in Group undertakings and rental income from the leasing of exchange seats.

3. OPERATING PROFIT/(LOSS)

	2003 £	2002 £
Operating profit/(loss) is stated after charging/(crediting)		
Auditors' remuneration - audit fees	8,303	(1,775)
Management charges	504,600	750,000

4. STAFF COSTS

The Company employed no staff during the year (2002: Nil).

5. DIRECTORS' EMOLUMENTS

	2003 £	2002 £
Total emoluments of all Directors :		
Aggregate emoluments excluding pension contributions	108,600	79,857
Aggregate contributions to pension schemes	4,507	4,385
	<u>113,107</u>	<u>84,242</u>
Disclosures in respect of the highest paid Director:		
Aggregate emoluments excluding pension contributions	73,552	36,150
Aggregate contributions to pension schemes	2,676	2,608
	<u>76,228</u>	<u>38,758</u>

Pensions contributions were in respect of two (2002: three). Directors for defined contribution schemes only.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Interest receivable from group undertakings	2,111,719	3,462,977
Other sundry income	35	-
Foreign exchange gains	-	317,693
	<u>2,111,754</u>	<u>3,780,670</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Interest payable to group undertakings	786,458	257,324
Foreign exchange losses	1,578	-
	<u>788,036</u>	<u>257,324</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the period

	2003	2002
	£	£
UK corporation tax at 30% (2002: 30%)		
Amounts charged		
On the results for the period		
- Current year	244,265	857,914
- Adjustment relating to prior periods	243,982	779,514
Total tax charge on ordinary activities	<u>488,247</u>	<u>1,637,428</u>

Reconciliation of UK Corporation Tax Charge

Profit on ordinary activities before Tax	<u>4,325,653</u>	<u>7,107,599</u>
Profit on ordinary activities multiplied by standard tax rate of 30% (2002 : 30%)	1,297,696	2,132,279
Effect of:		
- Non-deductible losses	1,099,178	1,882,103
- Gains and income not subject to tax	(2,152,609)	(3,156,618)
- Adjustment relating to prior periods	243,982	779,514
Current tax charge	<u>488,247</u>	<u>1,637,278</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

9. INVESTMENTS

	Shares in subsidiary undertakings £	Subordinated loans to group companies £	Other fixed asset investments £	Total £
Cost				
At 1 January 2003	41,861,169	45,493,896	2,632,934	89,987,999
Additions	9,000,000	3,100,136	-	12,100,136
Repaid	-	(13,475,730)	-	(13,475,730)
Disposals	(49,102,014)	-	(2,632,934)	(51,734,948)
Foreign exchange movements	(257,406)	(1,118,302)	-	(1,375,708)
Transferred to current investments	(1,501,749)	(34,000,000)	-	(35,501,749)
At 31 December 2003	-	-	-	-
Impairment provisions				
At 1 January 2003	(23,517,000)	-	(169,676)	(23,686,676)
Disposals	23,517,000	-	169,676	23,686,676
At 31 December 2003	-	-	-	-
Revaluations				
At 1 January 2003	3,478,251	-	-	3,478,251
Reductions	(845,250)	-	-	(845,250)
Transferred to current investments	(2,633,001)	-	-	(2,633,001)
At 31 December 2003	-	-	-	-
Net book value				
At 31 December 2003	-	-	-	-
At 31 December 2002	21,822,420	45,493,896	2,463,259	69,779,575

All fixed asset investments were unlisted.

As the Company's investment in its subsidiary was disposed of in 2004 and the subordinated loans were repaid also in 2004, these balances were transferred to current investments. This is further described in note 11.

10. DEBTORS

	2003 £	2002 £
Amounts owed by group undertakings	546,163	1,284,135
Other debtors	7,005,000	-
Prepayments and accrued income	925	-
	<u>7,552,088</u>	<u>1,284,135</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

11. CURRENT INVESTMENTS

	Shares in subsidiary undertakings £	Subordinated loans to group companies £	Short term deposits £	Total £
Cost				
At 1 January 2003	-	-	-	-
Additions	-	-	4,500,000	4,500,000
Transferred from fixed investments	1,501,749	34,000,000		35,501,749
At 31 December 2003	1,501,749	34,000,000	4,500,000	40,001,749
Revaluations				
At 1 January 2003	-	-	-	-
Transferred from fixed investments	2,633,001	-	-	2,633,001
At 31 December 2003	2,633,001	-	-	2,633,001
Net book value				
At 31 December 2003	4,134,740	34,000,000	4,500,000	42,634,750
At 31 December 2002	-	-	-	-

All current asset investments are unlisted.

The following is the only subsidiary, which is held by the Company:

Name of Company	Principal Activity	Country of Incorporation	% Effective Holding	% Voting Rights
Laing & Cruickshank Investment Management Limited	Private client stockbroking and asset management	England	75%	100%

On 30 April 2004 the company completed the sale of LACIM to UBS AG for £108 million. LACIM changed its name on that date to UBS Laing & Cruickshank Limited.

The company held 100% of the ordinary shares of the LACIM. In terms of the articles of association of LACIM, the ordinary shareholders are entitled to 100% of the voting rights and any return on capital until 1 January 2009, after which they will rank pari passu with the other shareholders entitled to vote or to receive a return on capital. In addition, the ordinary shareholders will be entitled to 100% of all dividends until 1 January 2005, after which they will rank pari passu with the other shareholders entitled to receive dividends.

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(Formerly Credit Lyonnais Capital Markets)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

11. CURRENT INVESTMENTS (CONTINUED)

Subordinated loans are made by the Company to its principal operating subsidiary and other group companies. Each loan is subordinated in favour of the claims of all other creditors of the company to whom the loan has been made. After regulatory approval was obtained from the FSA, the subordinated loans provided to CLR were repaid in 2004. On 30 April 2004, the subordinated loans provided to LACIM were repaid as part of the completion the sale of company and after regulatory approval had been obtained.

Subordinated Loan	Currency	Amount	Interest Rate
Credit Lyonnais Rouse Limited	GBP	11,000,000	1 Month LIBOR + 3/8%
Credit Lyonnais Rouse Limited	GBP	19,000,000	1 Month LIBOR + 3/8%
Laing & Cruickshank Investment Management Limited	GBP	1,500,000	1 Month LIBOR + 3/8%
Laing & Cruickshank Investment Management Limited	GBP	2,500,000	1 Month LIBOR + 3/8%
		<u>34,000,000</u>	

12. CASH AT BANK

	2003 £	2002 £
Bank and current accounts	602,815	1,252,089
	<u>602,815</u>	<u>1,252,089</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Amounts owed to group undertakings	-	22,897,431
Corporation tax and social security	49,265	1,452,786
Other creditors	-	211,756
Accruals and deferred income	13,663	19,257
	<u>62,928</u>	<u>24,581,230</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

14. PENSIONS

Credit Lyonnais Capital Markets has no employees and therefore there are no pension costs attributable to the company for 2003 (2002: £ nil).

Set out below are the details of the Credit Lyonnais Group UK Pension Scheme ("Group Scheme") of which eligible employees of CL Group companies are members. The Group Scheme includes both defined contribution and funded defined benefit plans. Employers make contributions, other than member's voluntary contributions, only.

Defined Contribution Plan

The cost charged to the profit and loss account for each participating employer in the defined contribution plan represents normal contributions payable in respect of the relevant year. Total contributions made to the defined contribution section of the scheme during the year were £3,702,338.

Funded Defined Benefit Plan

The group operates one defined benefit scheme in the UK. A full actuarial valuation was carried out as at 30 April 2001 and updated to 31 December 2003 by a qualified independent actuary. The contribution made to the scheme in the accounting period was £4,253,000, future contributions are agreed to continue at the following rates:

Section	Company contribution as a percentage of pensionable salary
CLUK Staff	48.6%
CLCM Staff	46.0%
CLCM Executives	63.5%
Life Assurance Only Staff	0.7%
Life Assurance Only Executives	0.9%

As the scheme is closed to new members, under the projected unit method, the current service cost will increase as the members of the scheme approach retirement.

The major assumptions used by the actuary were (in nominal terms):

	2003	2002
Rate of increase in salaries	4.75%	4.25%
Rate of increase in pensions in payment	2.25%	2.00%
Discount rate	5.50%	5.50%
Inflation assumption	2.75%	2.25%

The defined benefit assets in the scheme and the expected rate of return were:

	2003		2002	
	Expected Long Term Rate of Return	Value £'000s	Expected Long Term Rate of Return	Value £'000s
Equities	6.75%	39,096	6.75%	34,196
Bonds	4.75%	60,078	4.50%	55,340
Property	0.00%	-	0.00%	-
Total market value of assets		99,174		89,536
Present Value of Scheme Liabilities		(138,863)		(128,887)
Deficit in the Scheme		(39,689)		(39,351)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

14. PENSIONS (CONTINUED)

	2003 £'000s
Analysis of movement on deficit during the year	
Deficit in the scheme at the beginning of the year	(39,351)
Movement in the year:	
Current service cost	(2,710)
Contributions	4,370
Other finance costs	(2,244)
Actuarial gain	246
Deficit in the scheme at the end of the year	<u>(39,689)</u>
 Analysis of amounts to be charged to operating profit	
Current service cost	<u>2,710</u>
 Analysis of amounts includes as other finance costs	
Expected return on pension scheme assets	4,757
Interest costs	(7,001)
	<u>(2,244)</u>
 Analysis of amounts to be recognised in the statement of total recognised gains and losses	
Actual return less expected return on pension scheme assets	6,438
Experience gains arising on the scheme liabilities	2,822
Changes in assumptions underlying the present value of the liabilities	(9,014)
Actuarial gain	<u>246</u>
 History of experience gains and losses	
Difference between the expected and actual return on scheme assets:	<u>6,438</u>
Percentage of scheme assets	6.49%
Experience gains and losses on scheme liabilities:	<u>2,822</u>
Percentage of scheme liabilities	2.03%
Total amount to be recognised in statement of total recognised gains and loss:	<u>246</u>
Percentage of scheme liabilities	0.18%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

15. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised:		
250,000,000 ordinary shares of £1 each	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
	2003 £	2002 £
Allotted and fully paid:		
60,000,000 ordinary shares of £1 each	60,000,000	60,000,000
	<u>60,000,000</u>	<u>60,000,000</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Issued Share Capital £	Revaluation Reserve £	Profit and loss account £	Total £
At 1 January 2002	130,000,000	11,823,000	(21,213,851)	120,609,152
Profit for the year			5,470,169	5,470,169
Repayment of share capital	(70,000,000)			(70,000,000)
Release of revaluation reserve		(10,573,000)		(10,573,000)
Increase in share of net assets of subsidiary		2,228,251		2,228,251
At 1 January 2003	60,000,000	3,478,251	(15,743,682)	47,734,569
Profit for the year			3,837,406	3,837,406
Decrease in share of net assets of subsidiary		(845,250)		(845,250)
At 31 December 2003	60,000,000	2,633,001	(11,906,276)	50,726,725

17. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted under paragraph 3(c) of FRS 8 Related Party Disclosures not to disclose transactions with fellow group undertakings. There were no other related party transactions requiring disclosure.

18. ULTIMATE CONTROLLING PARTY

The Company's ultimate holding company is Crédit Agricole, a Société Anonyme registered in France, which is the smallest and largest company for which group accounts are prepared. Group financial statements can be obtained from 91-93, Boulevard Pasteur, 75710 Paris, France. The Company's direct parent is Credit Lyonnais (Investments) Limited.