

Company Registration Number: 1931397

UBS UK HOLDING LIMITED

**DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

31 DECEMBER 2002

2



LD8
COMPANIES HOUSE

L55LAPN2

0885
31/10/03

UBS UK HOLDING LIMITED

CONTENTS

	Page
Company information	3
Directors' report	4 to 5
Auditors' report	6 to 7
Consolidated profit and loss account	8
Statement of total consolidated recognised gains and losses	9
Consolidated balance sheet	10
Company balance sheet	11
Notes to the accounts	12 to 23

UBS UK HOLDING LIMITED

COMPANY INFORMATION

Directors

S Ryan (Chairman)
N Anderson
R Casselle
S James
N Livingstone
P Price
N Thomas

Secretary

P E Hare

Registered Office

1 Finsbury Avenue
London
EC2M 2PP

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

UBS UK HOLDING LIMITED

DIRECTORS' REPORT

The Directors present their report and the consolidated financial statements of the UBS UK Holding Limited group ('the Group') for the year ended 31 December 2002.

The Group consists of UBS UK Holding Limited ('the Company') and its subsidiary undertakings.

Results and dividends

The consolidated profit after dividends of the Group amounted to £7,767,000 (2001: loss £12,273,000).

The Directors do not recommend the payment of an ordinary dividend (2001: £ nil).

S.G. Warburg Group plc, a wholly owned subsidiary of the Company, paid cumulative preference dividends of £728,000 during the year (2001: £728,000) to parties outside the Group.

The Directors consider the state of the Group's affairs to be satisfactory.

Principal activities and review of the business

The Group, through the Company and its subsidiary undertakings, predominantly carries on investment and property holding activities.

Board of Directors

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

S Ryan (Chairman)	
N Anderson	
R Casselle	appointed 11 March 2003
S James	
N Livingstone	appointed 30 August 2002
P Price	
N Thomas	appointed 23 July 2003
M Kerrison	resigned 30 August 2002

Directors' interests

No Director held any interests in any shares of the Company as at 31 December 2002 (2001: nil) according to the Register of Directors' Interests kept under Section 325 of the Companies Act 1985.

UBS UK HOLDING LIMITED

DIRECTORS' REPORT

Statement of Directors' Responsibilities in relation to financial statements

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 and of the Group and of the profit or loss of the Group for that period. In preparing those 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint Ernst & Young LLP as the Company's auditor will be put to the members at the Annual General Meeting.

By order of the board



P E Hare
Secretary
30 October 2003

UBS UK HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UBS UK HOLDING LIMITED

We have audited the Company's financial statements for the year ended 31 December 2002 which comprise the Consolidated Profit and Loss Account, Statement of Total Consolidated Recognised Gains and Losses, Consolidated Balance Sheet, Company Balance Sheet, and the related notes 1 to 25. These financial statements have been prepared on the basis of 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 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

As described in the Statement of Directors' Responsibilities on page 5, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 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 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 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 Group's circumstances, consistently applied and adequately disclosed.

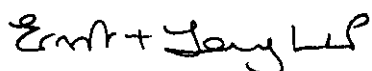
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

UBS UK HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UBS UK HOLDING LIMITED

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2002 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

30 October 2003

UBS UK HOLDING LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £000	2001 £000
Turnover		83,584	81,779
Operating expenses		(84,349)	(89,111)
Other operating income		<u>3,731</u>	<u>2,069</u>
Operating profit/(loss)	4	2,966	(5,263)
Interest receivable and similar income	7	79,938	142,004
Interest payable and similar charges	8	(94,749)	(166,496)
Profit on disposal of investments		<u>132</u>	<u>5,642</u>
Loss on ordinary activities before taxation		(11,713)	(24,113)
Taxation	9	<u>20,208</u>	<u>12,568</u>
Profit/(loss) on ordinary activities after taxation		8,495	(11,545)
Non-equity minority interests			
Preference dividends on non-equity shares	10	<u>(728)</u>	<u>(728)</u>
Retained profit/(loss) transferred to reserves	22	<u>7,767</u>	<u>(12,273)</u>

The notes on pages 12 to 23 form part of the financial statements.

All of the Group's activities in 2002 and 2001 represent continuing operations.

UBS UK HOLDING LIMITED

STATEMENT OF TOTAL CONSOLIDATED RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 £000	2001 £000
Profit/(loss) for the year	7,767	(12,273)
Foreign exchange differences on the translation of net investments in subsidiaries	79	-
Total recognised gains/(losses) for the year	<u>7,846</u>	<u>(12,273)</u>

The notes on pages 12 to 23 form part of the financial statements.

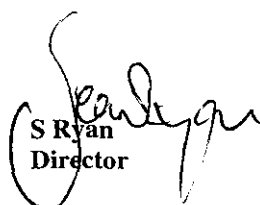
UBS UK HOLDING LIMITED


CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Tangible assets	12	46,466	59,025
Investments	13	519,538	520,402
		<u>566,004</u>	<u>579,427</u>
Current assets			
Debtors	14	2,045,444	2,558,167
Securities owned	15	265,620	-
Investments	16	1,018	7,919
Cash at bank and in hand		47,506	51,435
		<u>2,359,588</u>	<u>2,617,521</u>
Creditors: amounts falling due within one year	17	(2,673,043)	(2,903,923)
Net current liabilities		<u>(313,455)</u>	<u>(286,402)</u>
Total assets less current liabilities		252,549	293,025
Creditors: amounts falling due after more than one year	18	(14,437)	(55,033)
Provisions for liabilities and charges	20	(11,448)	(19,174)
		<u>226,664</u>	<u>218,818</u>
Capital and reserves			
Called up share capital	21	5,000	5,000
Profit and loss account	22	(774,841)	(782,608)
Other reserves	22	986,956	986,877
Equity shareholders' funds		217,115	209,269
Minority interests		9,549	9,549
Total shareholders' funds		<u>226,664</u>	<u>218,818</u>

The notes on pages 12 to 23 form part of the financial statements.

Approved by the Board on 30 October 2003 and signed on its behalf by:


S Ryan
Director


N Livingstone
Director

UBS UK HOLDING LIMITED


COMPANY BALANCE SHEET AT 31 DECEMBER 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Investments	13	<u>545,996</u>	<u>545,684</u>
Current assets			
Debtors	14	3,671,647	3,974,334
Cash at bank and in hand		<u>2,626</u>	<u>1,367</u>
		<u>3,674,273</u>	<u>3,975,701</u>
Creditors: amounts falling due within one year	17	<u>(4,200,752)</u>	<u>(4,295,539)</u>
Net current liabilities		<u>(526,479)</u>	<u>(319,838)</u>
Total assets less current liabilities		<u>19,517</u>	<u>225,846</u>
Capital and reserves			
Called up share capital	21	5,000	5,000
Profit and loss account	22	(972,503)	(766,174)
Other reserves	22	987,020	987,020
Equity shareholders' funds		<u>19,517</u>	<u>225,846</u>

The notes on pages 12 to 23 form part of the financial statements.

Approved by the Board on 30 October 2003 and signed on its behalf by:


S Ryan
Director


N Livingstone
Director

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 BASIS OF PREPARATION

The Group accounts consolidate the accounts of UBS UK Holding Limited and its subsidiary undertakings, all of which prepare accounts to 31 December. The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain investments, and in accordance with applicable accounting standards.

As permitted by Section 230 of the Companies Act 1985, no profit and loss account has been presented for the Company.

The Company, a wholly owned subsidiary undertaking, has elected to utilise the exemption available in Financial Reporting Standard ('FRS') 1, 'Cash Flow Statements (revised 1996)', and not produce a cash flow statement.

In addition, the Company has taken advantage of the exemption given to subsidiaries in FRS 8, 'Related Party Disclosures', from disclosing related party transactions with other group companies.

2 PRINCIPAL ACCOUNTING POLICIES

Turnover

Turnover predominantly relates to property related income, and is after deduction of value added tax.

Foreign currencies

Group

The accounts of overseas subsidiary undertakings are translated at the rates of exchange ruling at the year-end. Exchange differences arising from the retranslation of opening foreign currency net assets are accounted for in reserves.

Exchange differences arising on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves together with the exchange difference on the carrying amount of the related investments.

Other exchange differences are recognised in the profit and loss account.

Company

Transactions in foreign currencies are recorded at the rates ruling at the date of the transaction or at the contracted rate if a transaction is covered by a forward exchange contract.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the year-end or, if appropriate, at the forward contract rate. All exchange differences are recognised in the profit and loss account, with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments.

Repurchase and reverse repurchase agreements

Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralised financing transactions and are stated at the amounts at which the securities will subsequently be resold or repurchased.

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

Securities owned

Securities are investments stated at market value. Unrealised gains and losses are taken to the profit and loss account and included in 'Other operating income'. This treatment is not in accordance with Schedule 4 to the Companies Act 1985, which requires that such assets be stated at the lower of cost and realisable value. The directors consider that these requirements would fail to give a true and fair view of the result for the year of the company since the marketability of the investments enables decisions to be taken continually about whether to hold or sell and hence the economic measure of profit in any period is properly made by reference to market values.

Current asset investments

Current asset investments are included in the balance sheet at the lower of cost and net realisable value. Any profit or loss on realisation of these investments is recognised in the profit and loss account as it arises.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation calculated on the straight-line basis to write off the assets over their estimated useful lives as follows:

- | | |
|-----------------------------|----------------------|
| • Office equipment | 33% per annum |
| • Communications equipment | 33% per annum |
| • Other operating equipment | 20% or 33% per annum |
| • Computer software | 33% per annum |
| • EDP equipment | 20% or 33% per annum |
| • Motor vehicles | 20% or 25% per annum |
| • Leasehold improvements | 4% to 33% per annum |

Leasehold property was not depreciated as it was maintained to such a standard that the Directors considered that the property is in such a condition that its value is not impaired by the passage of time. As a consequence, any element of depreciation would, in the opinion of the Directors, be immaterial.

Fixed asset investments

Fixed asset investments are stated at cost less a provision if, in the opinion of the Directors, there has been a permanent diminution in value. Profits or losses arising from disposals of investments are treated as part of the result from ordinary activities.

Operating leases

Rental costs payable under operating leases are accounted for on a straight-line basis over the periods of the leases and included in 'Operating expenses'.

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

Deferred taxation

Deferred taxation is recognised in respect of all timing differences, at the rates of taxation anticipated to apply when these differences crystallise, arising from the inclusion of items of income and expenditure in taxation computations in periods different from those for which they are included in the financial statements.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

3 SEGMENTAL INFORMATION

The analysis of Group turnover and profit/(loss) on ordinary activities before taxation is as follows:

	Turnover		Profit/(loss) before taxation	
	2002	2001	2002	2001
	£000	£000	£000	£000
Total UK based activities	81,073	78,863	(11,817)	(24,455)
Overseas based activities	2,511	2,916	104	342
Total	83,584	81,779	(11,713)	(24,113)

All activities are investment related.

Turnover by geographical destination is not materially different to the analysis by geographical origin provided above.

An analysis of net assets and total assets has not been disclosed as such disclosures would not provide meaningful information. The net assets and total assets of the Group are principally based in the United Kingdom.

4 OPERATING PROFIT

Operating profit/loss is stated after charging/(crediting):

	2002	2001
	£000	£000
Depreciation on owned assets	19,249	30,778
Rentals under operating leases - premises	55,654	56,619
Rental income	<u>(81,074)</u>	<u>(78,518)</u>

The average monthly number of employees during the year was 21 (2001: 24).

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

5 DIRECTORS' EMOLUMENTS

For the year to 31 December 2002, the aggregate emoluments of the Directors of the Company, computed in accordance with Part I of Schedule 6 of the Companies Act 1985, amounted to £ nil (2001: £ nil).

6 AUDITORS' REMUNERATION

Auditors' remuneration costs were borne by the ultimate parent undertaking.

7 INTEREST RECEIVABLE

	2002 £000	2001 £000
Interest from parent undertaking	75,834	128,588
Other interest receivable	<u>4,104</u>	<u>13,416</u>
	<u>79,938</u>	<u>142,004</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £000	2001 £000
Interest payable to parent undertaking	91,893	163,531
Other interest payable	1,782	1,591
Unwinding of discount on provision (Note 20)	<u>1,074</u>	<u>1,374</u>
	<u>94,749</u>	<u>166,496</u>

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

9 TAXATION

	2002 £000	2001 £000
<i>UK corporation tax</i>		
Current tax credit on loss for the period	(5,370)	(4,002)
Adjustment in respect of previous periods	397	(8,785)
<i>Overseas tax</i>		
Current tax charge on loss for the period	2,266	219
Adjustment in respect of previous periods	146	-
Total current tax credit	(2,561)	(12,568)
Deferred tax credit (Note 14)	(17,647)	-
Tax on loss on ordinary activities	(20,208)	(12,568)

Factors affecting tax charge/credit for period

The current tax charge/credit for the period assessed for the period differs from the standard rate of corporation tax in the UK of 30% (2001: 30%). The differences are explained below:

	2002 £000	2001 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(11,713)	(24,113)
Current tax credit at 30% (2001: 30%)	(3,514)	(7,234)
Effects of:		
Group relief surrendered without charge	893	3,140
Income/expenses not recognised for tax purposes	757	2,616
Depreciation for period in excess of capital allowances	5,750	9,179
Overseas tax paid in excess of 30%	15	-
Adjustment in respect of previous periods	543	(8,785)
Tax losses brought forward	(7,005)	(11,484)
Total current tax credit	(2,561)	(12,568)

10 DIVIDENDS

	2002 £000	2001 £000
<i>Non-equity dividends on preference shares</i>		
Paid on 7 ³ / ₈ per cent cumulative preference shares of £1	728	728

11 PROFIT OF THE COMPANY

The loss of the Company for the year to 31 December 2002 was £206,329,000 (2001: £140,587,000).

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

12 TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Fixtures and fittings</i> £000	<i>Motor vehicles</i> £000	<i>Leasehold improvements</i> £000	<i>Total</i> £000
Cost				
At 1 January 2002	818	139	197,005	197,962
Additions	58	-	6,657	6,715
Disposals	-	(47)	-	(47)
Exchange movements	(44)	-	-	(44)
At 31 December 2002	832	92	203,662	204,586
Depreciation				
At 1 January 2002	577	75	138,285	138,937
Charge for year	67	18	19,164	19,249
Disposals	-	(47)	-	(47)
Exchange movements	(19)	-	-	(19)
At 31 December 2002	625	46	157,449	158,120
Net book value				
At 31 December 2002	207	46	46,213	46,466
At 31 December 2001	241	64	58,720	59,025

13 INVESTMENTS

(a) Group

Fixed asset investments	<i>Investment property</i> £000	<i>Other investments</i> £000	<i>Total</i> £000
Net book value 1 January 2002	6,095	514,307	520,402
Disposals	-	(666)	(666)
Revaluation	-	(2)	(2)
Exchange movements	-	(196)	(196)
At 31 December 2002	6,095	513,443	519,538

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

(b) *Company*

Fixed asset investments	<i>Shares in subsidiary undertakings £000</i>
Net book value 1 January 2002	545,684
Additions	299,296
Revaluation	(298,672)
Exchange movements	(312)
At 31 December 2002	545,996

(c) *Subsidiary undertakings of the Company*

The principal subsidiary undertakings of the Company at 31 December 2002 were:

	<i>Percentage holding</i>
UBS Assets (UK) Limited	100
UBS UK Finance Limited	100
SBCI IB Limited (formerly SBCI Investment banking Ltd)	100
S.G. Warburg & Co. International BV	100
S.G. Warburg Holdings Limited	100
S.G. Warburg Overseas Limited	100
UBS Overseas (UK) Limited	100
UBS Securities International Limited (formerly UBS Warburg International Limited)	100
UBS UK Limited	100
S.G. Warburg Group plc and subsidiaries	99.9

All principal subsidiaries are incorporated in England, except for S.G. Warburg & Co. International BV, which is incorporated in the Netherlands.

In accordance with Section 231(5) of the Companies Act 1985, the information disclosed above is provided solely in relation to principal subsidiary undertakings. Full information on all subsidiaries is included in the Annual Return.

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

14 DEBTORS

	<i>Group</i>		<i>Company</i>	
	2002	2001	2002	2001
	£000	£000	£000	£000
Amounts due from parent undertaking in respect of buy-sell back agreements	1,918,666	2,473,192	-	-
Other amounts due from parent undertaking	22,667	-	22,190	-
Amounts due from group undertakings	836	-	3,637,735	3,953,562
Corporation tax recoverable	13,950	5,726	11,146	20,043
Deferred tax asset	19,818	2,020	-	-
Other debtors	120,096	76,175	576	729
Prepayments and accrued income	10	1,054	-	-
	<u>2,096,043</u>	<u>2,558,167</u>	<u>3,671,647</u>	<u>3,974,334</u>

Deferred tax asset

<i>Group</i>	2002	2001
	£000	£000
At 1 January	2,020	1,719
Credit to profit and loss account (Note 9)	17,647	-
Corporation tax payable	151	301
At 31 December	<u>19,818</u>	<u>2,020</u>
Comprising:		
Accelerated capital allowances	10,714	-
Tax losses carried forward	6,933	-
Tax profits not recognised for accounting purposes	2,171	2,020
	<u>19,818</u>	<u>2,020</u>

The deferred tax asset in respect of accelerated capital allowances and tax losses carried forward has been recognised because projections indicate that there will be profits in future years.

15 SECURITIES OWNED

	2002	2001
	£000	£000
Fixed income securities	50,599	-
Other securities	215,021	-
	<u>265,620</u>	<u>-</u>

Fixed income securities represent bonds held at market valuation. The cost of these bonds is £43,928,000.

Other securities represent shares held at market valuation.

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

16 CURRENT ASSET INVESTMENTS

<i>Group</i>	£000
Net book value at 1 January 2002	7,919
Disposals	(6,687)
Exchange movements	(214)
	<hr/>
At 31 December 2002	<u>1,018</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>Group</i>		<i>Company</i>	
	2002	2001	2002	2001
	£000	£000	£000	£000
Financial instruments	265,620	-	-	-
Amounts owed to parent undertaking	2,326,529	2,877,713	399,127	471,420
Amounts owed to group undertakings	-	-	3,801,564	3,824,060
Bank loans and overdrafts (Note 19)	39,690	9,031	-	-
Corporation tax	20,933	-	-	-
Other creditors	18,487	16,545	61	59
Accruals and deferred income	1,784	634	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,673,043</u>	<u>2,903,923</u>	<u>4,200,752</u>	<u>4,295,539</u>

Financial instruments disclosed above represents the market value of the Group's obligation under certain option contracts.

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

<i>Group</i>	2002	2001
	£000	£000
£113 million 9% perpetual subordinated notes	8,337	9,243
Bank loans (Note 19)	-	39,690
Other loans	6,100	6,100
	<hr/>	<hr/>
	<u>14,437</u>	<u>55,033</u>

The subordinated notes were issued by S.G. Warburg Group plc, a wholly owned subsidiary of the Company.

Other loans are repayable in more than one year, but not more than five years, at 31 December 2002 and 31 December 2001.

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

19 BANK LOANS AND OVERDRAFTS

<i>Group</i>	2002		2001	
	£000	£000	£000	£000
Repayable in one year or less or on demand:				
— Bank overdrafts	-		347	
— Bank loans	<u>39,690</u>		<u>8,684</u>	
		39,690		9,031
Repayable in more than one year but not more than two years:				
— Bank loans		-		8,808
Repayable in more than two years but not more than five years:				
— Bank loans		<u>-</u>		<u>30,882</u>
		<u>39,690</u>		<u>48,721</u>

20 PROVISIONS FOR LIABILITIES AND CHARGES

<i>Group</i>	£000
At 1 January 2002	19,174
Amounts utilised	(8,800)
Unwinding of interest	<u>1,074</u>
At 31 December 2002	<u>11,448</u>

The provision relates to future rental shortfalls in respect of a sub-let property.

21 CALLED UP SHARE CAPITAL

	2002 £000	2001 £000
Authorised		
<i>Equity share capital</i>		
5,000,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
<i>Equity share capital</i>		
5,000,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<i>Group</i>	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Other reserves £000</i>	<i>Total £000</i>
At 1 January 2001	5,000	(270,335)	486,877	221,542
Transfer from profit and loss account for the year	-	(12,273)	-	(12,273)
Transfer	-	(500,000)	500,000	-
At 1 January 2002	5,000	(782,608)	986,877	209,269
Transfer from profit and loss account for the year	-	7,767	-	7,767
Foreign exchange differences on the translation of net investments in subsidiaries	-	-	79	79
At 31 December 2002	5,000	(774,841)	986,956	217,115

<i>Company</i>	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Other reserves £000</i>	<i>Total £000</i>
At 1 January 2001	5,000	(625,587)	987,020	366,433
Transfer from profit and loss account for the year	-	(140,587)	-	(140,587)
At 1 January 2002	5,000	(766,174)	987,020	225,846
Transfer from profit and loss account for the year	-	(206,329)	-	(206,329)
At 31 December 2002	5,000	(972,503)	987,020	19,517

UBS UK HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

23 LEASE COMMITMENTS

At the year-end, the Group was committed to making the following payments during the next year in respect of operating leases:

	2002 £000	2001 £000
<i>Leasehold land and buildings</i>		
Operating leases which expire:		
— within one year	1,680	4,564
— in two to five years	2,365	1,083
— in over five years	64,865	62,778
	<u>68,910</u>	<u>68,425</u>

24 CAPITAL COMMITMENTS

There were no capital commitments in respect of the Group at 31 December 2002 and 31 December 2001.

25 ULTIMATE PARENT UNDERTAKING

UBS AG, a company incorporated in Switzerland, is the immediate and ultimate parent undertaking and is the parent undertaking of the largest and smallest group for which group financial statements are prepared.

Copies of the group financial statements can be obtained from UBS AG, 100 Liverpool Street, London EC2M 2RH.