

# **UBS UK HOLDING LIMITED AND SUBSIDIARY UNDERTAKINGS**

## **Report and Accounts**

31 December 2000



The directors present their report and the audited accounts for the company and the group for the year ended 31 December 2000.

## PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company is an investment holding company.

## RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5.

The group made a loss for the year of £30,418,000 (1999 - £76,932,000).

The directors consider the state of the company's affairs to be satisfactory.

S.G. Warburg Group Plc, a subsidiary of the company, paid cumulative preference dividends of £834,000 during the year (1999: £417,000).

## DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

S Ryan	(Chairman)
N Anderson	
M Kerrison	
I Martin	(Resigned 17 April 2001)
P Price	(Appointed 17 April 2001)
S James	(Appointed 4 September 2001)

There are no disclosable directors' interests under section 324 of the Companies Act 1985.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# UBS UK Holding Limited

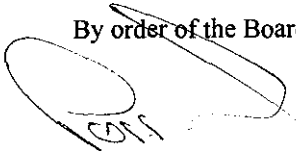
---

Registered No. 1931397

## AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



**Paul Hare, Secretary**  
**8 October 2001**

1 Finsbury Avenue  
London  
EC2M 2 PP

**AUDITORS REPORT TO THE MEMBERS**  
at 31 December 2000

**REPORT OF THE AUDITORS**

to the members of UBS UK Holding Limited and Subsidiary Undertakings

We have audited the accounts on pages 5 to 26, which have been prepared under the historical cost convention and the accounting policies set out on page 10 to 13.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the annual report. As described on page 1 this includes responsibility for preparing the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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 the information specified by law or the Listing Rules regarding directors' remuneration and transactions with the group is not disclosed.

We read the other information contained in the annual report and consider whether it is consistent with the audited accounts. We consider the implications of our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

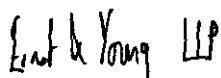
**Basis of audit opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 December 2000 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditors

8 October 2001

# UBS UK Holding Limited

## CONSOLIDATED PROFIT & LOSS

For the year ended 31 December 2000

	Note	2000 £000	1999 £000
Turnover	2	95,225	234,250
Administrative Expenses		(129,102)	(227,596)
Other Operating Income		3,045	48,172
Operating (Loss)/Profit	3	(30,832)	54,826
Dividends receivable		10,474	-
Interest receivable and similar income	4	146,126	359,442
Interest payable and similar charges	4	(167,137)	(394,366)
Profit/(loss) on disposal of investments		4,398	(97,149)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(36,971)</b>	<b>(77,247)</b>
Tax credit on profit on ordinary activities	6	7,387	732
<b>LOSS FOR THE YEAR AFTER TAXATION</b>		<b>(29,584)</b>	<b>(76,515)</b>
Preference dividends on non-equity shares	7	(834)	(417)
<b>RETAINED LOSS FOR THE YEAR</b>	8	<b><u>(30,418)</u></b>	<b><u>(76,932)</u></b>

With the exception of those items referred to in accounting policy 1 (a), there is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis.

Turnover and operating loss arise from continuing operations. The notes on pages 10 to 23 form part of these financial statements.

# UBS UK Holding Limited

## STATEMENT OF RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2000

	Notes	2000 £000	1999 £000
Loss for the financial year attributable to members of the parent company		(29,584)	(76,515)
(Deficit)/Surplus on revaluation of fixed asset investment		(500,000)	987,020
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b>(529,584)</b>	<b>910,505</b>

# UBS UK Holding Limited

## CONSOLIDATED BALANCE SHEET at 31 December 2000

	Notes	2000 £000	1999 £000
<b>FIXED ASSETS</b>			
Tangible assets	9	63,037	80,749
Investments	10	527,551	1,027,339
		<u>590,588</u>	<u>1,108,088</u>
<b>CURRENT ASSETS</b>			
Holdings in securities	11	2,835,199	1,593,617
Debtors	12	124,648	135,658
Cash at bank and in hand		28,958	83,190
		<u>2,988,805</u>	<u>1,812,465</u>
<b>CREDITORS: amounts falling due within one year</b>			
Creditors	13	(3,261,927)	(2,012,715)
		<u>(3,261,927)</u>	<u>(2,012,715)</u>
<b>NET CURRENT ASSETS</b>			
		<u>(273,122)</u>	<u>(200,250)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		317,466	907,838
<b>CREDITORS: amounts falling due after more than one year</b>			
	14	(86,374)	(146,329)
		<u>231,092</u>	<u>761,509</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	5,000	5,000
Profit and loss account	17	(271,720)	(241,303)
Other Reserves	17	487,020	987,020
Foreign exchange translation reserve	17	(143)	(143)
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
		<u>220,157</u>	<u>750,574</u>
Minority Interests		10,935	10,935
<b>TOTAL SHAREHOLDERS' FUNDS</b>			
		<u><u>231,092</u></u>	<u><u>761,509</u></u>

UBS UK Holding Limited

---

CONSOLIDATED BALANCE SHEET  
at 31 December 2000

Approved by the Board of Directors on 8 October 2001.

S Ryan  ) DIRECTOR

M Kerrison  ) DIRECTOR

# UBS UK Holding Limited

## COMPANY BALANCE SHEET

at 31 December 2000

	Notes	2000 £000	1999 £000
<b>FIXED ASSETS</b>			
Investments	10	545,788	1,182,255
		<u>545,788</u>	<u>1,182,255</u>
<b>CURRENT ASSETS</b>			
Debtors	12	3,955,273	3,403,731
Cash at bank and in hand		20,638	43,931
		<u>3,975,911</u>	<u>3,447,662</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(4,155,266)	(3,733,484)
<b>NET CURRENT ASSETS</b>		<u>(179,355)</u>	<u>(285,822)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>366,433</u>	<u>896,433</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	-	-
		<u>366,433</u>	<u>896,433</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	5,000	5,000
Profit and loss account	17	(625,587)	(95,587)
Other reserves		987,020	987,020
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>366,433</u>	<u>896,433</u>

Approved by the Board of Directors on 8 October 2001

S Ryan

) DIRECTOR

M Kerrison

) DIRECTOR

at 31 December 2000

## 1. ACCOUNTING POLICIES

### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments and by the inclusion of futures and swap positions, holdings in securities, short positions in securities at market value as defined in Note 1 (e) below and in accordance with applicable accounting standards. In so far as the valuation of these positions at market value represents a departure from current statutory requirements, the Directors consider it necessary for the accounts to show a true and fair view. The effects of this departure, which is consistent with the industry standard, have not been disclosed since, along with other companies in a similar business, the company does not retain records on a historical basis which would provide reasonable quantification.

The company, which is a wholly owned undertaking, has elected to utilise the exemption provided in Financial Reporting Standard 1 and not produce a cash flow statement. In addition it has utilised the disclosure exemptions provided in Financial Reporting Standard 8 "Related Party Transactions" available to wholly owned undertakings.

### (b) Basis of consolidation

The Group accounts consolidate the financial statements of the Company and its subsidiary undertakings for the year to 31 December 2000. A list of the principal subsidiary undertakings is provided in note 12(c) below.

Intra-group turnover, expenses, profits, interest payable and interest receivable are excluded from the results for the year.

As permitted by section 230 (1) of the Companies Act 1985, UBS UK Holding Limited has not presented its own profit and loss account which has been approved by the Directors.

### (c) Investments

Investments are included at cost, except for certain fixed asset investments which are included at directors' valuation. The basis for this is observed market conditions of comparable publicly traded companies.

### (d) Tangible fixed assets

Depreciation is provided on the cost of tangible fixed assets in equal annual instalments over the estimated useful economic lives of the assets.

The following depreciation rates are used:

Vehicles	20% or 25% per annum
EDP equipment	20% or 33% per annum
Office equipment	33% per annum
Communication equipment	33% per annum
Other operating equipment	20% or 33% per annum
Computer software	33% per annum
Leasehold improvements	10% per annum

(d) Tangible fixed assets - continued

The 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.

(e) Position valuations

i) Holdings in securities and short positions in securities

The holdings in securities and short positions in securities represent the aggregate value of net positions in individual stocks. The positions include holdings in securities and money market instruments.

The holdings and short positions in securities have been valued at market value determined by reference to applicable bid and offer prices or, if unlisted, at the directors' estimate of market value, adjusted for any provisions which the directors consider necessary, at the close of business on the accounting date. Any associated profit or loss is reflected in turnover together with realised profits and losses.

ii) Futures and Options positions

Open positions in financial futures and options contracts are valued at the closing market prices, adjusted for any provisions which the directors consider necessary, and the resultant profits and losses are reflected in the trading results together with realised profits and losses on closed out positions.

iii) Swaps and similar instruments

Swaps and similar instruments have been marked to market by applying appropriate discount rates to future cashflows, adjusted for any provisions which the directors consider necessary, and the resultant profits and losses are reflected in the trading results together with realised profits and losses.

(f) Balances with clients and counterparties

In accordance with market practice, certain balances with clients, Stock Exchange member firms and recognised settlement offices are included in debtors and creditors gross for their unsettled bought and sold transactions respectively.

(g) Operating Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

(h) Turnover

Turnover relates to property related income. Turnover is stated after deduction of value added tax.

(i) Deferred Taxation

Deferred taxation is provided on all timing differences where it is expected that the potential tax liability will be payable in the foreseeable future.

(j) Foreign currencies

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the

at 31 December 2000

contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to 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.

#### Group

The accounts of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to 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 group equity investments in foreign enterprises, which are taken directly to reserves together with the exchange difference on the net investment in these enterprises.

#### (k) Client segregated funds

Client monies are held in bank accounts separate from that of the group undertaking. Client monies and all futures and options contracts are the subject of a trust agreement with the relevant group undertaking. In recognition of the trust agreement, the individual balances of the segregated funds are not included in the balance sheet of the undertaking.

#### (l) Balances with UBS AG

The company has a banking relationship with UBS AG, the ultimate parent undertaking. Transactions include, inter alia, current accounts and deposits. In these financial statements such balances are treated as bank accounts and not as amounts owed to and by group undertakings.

## 2. SEGMENTAL INFORMATION

The analysis of turnover and profit before taxation for the year is as follows:

	TURNOVER		PROFIT/(LOSS) BEFORE TAXATION	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Investment related activities	91,953	200,187	(203,487)	(75,347)
Fund management activities	-	18,957	-	2,835
Total UK based activities	91,953	219,144	(203,487)	(72,512)
Overseas based activities	3,272	15,106	166,516	(4,735)
Group Total	95,225	234,250	(36,971)	(77,247)

Turnover by geographical destination is not materially different to the analysis by geographical origin provided above. An analysis of net assets has not been disclosed as such disclosures would not provide meaningful information. The net assets of the group are principally based in the UK.

# UBS UK Holding Limited

at 31 December 2000

## 3. OPERATING PROFIT

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Operating profit is stated after charging		
Staff costs:		
Wages and salaries	-	7,581
Social security costs	-	283
Pension contributions	-	310
Total staff costs	<u>-</u>	<u>8,174</u>

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Depreciation on owned assets	36,408	74,042
Hire of assets on operating leases:		
Plant and machinery	-	19
Land and buildings	51,040	23,407
Other assets	-	479
Rents received	(82,153)	(78,291)

## 4. INTEREST RECEIVABLE AND PAYABLE

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
INTEREST RECEIVABLE		
Interest from group companies	128,699	354,862
Interest from third parties	<u>17,427</u>	<u>4,580</u>
	<u>146,126</u>	<u>359,442</u>

# UBS UK Holding Limited

at 31 December 2000

## 4. INTEREST RECEIVABLE AND PAYABLE (CONTINUED)

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
INTEREST PAYABLE		
On borrowings repayable within 5 years:		
Interest payable on loans from group companies	152,216	385,640
Interest payable to third parties	<u>14,703</u>	<u>8,603</u>
	166,919	394,243
On other borrowings repayable after more than 5 years:		
Interest payable to third parties	<u>218</u>	<u>123</u>
	<u>167,137</u>	<u>394,366</u>

## 5. DIRECTORS EMOLUMENTS

No directors received any emoluments in respect of their services to the company for the year ended 31 December 2000 (1999 £ Nil).

## 6. TAXATION CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Corporation tax at 30% (1999: 30.25%)	(7,659)	(1,229)
Prior year adjustment	-	(2,816)
Overseas taxation	1,263	4,922
Deferred tax – current year	-	(1,609)
Deferred tax – prior years	<u>(991)</u>	<u>-</u>
	<u>(7,387)</u>	<u>(732)</u>

# UBS UK Holding Limited

at 31 December 2000

## 7. DIVIDENDS

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Non-equity dividends on preference shares:		
Dividends paid and payable from subsidiary undertakings	<u>834</u>	<u>417</u>

## 8. HOLDING COMPANY PROFIT AND LOSS ACCOUNT

The company's profit and loss account was approved by the Board on 6 July 2001.

The loss dealt with and retained in the accounts of the parent company was £530,000,000 (1999: £28,321,000).

Note 17 details movements on the group's and company's reserves.

## 9. TANGIBLE FIXED ASSETS

### (a) Group

	Fixtures & Fittings £'000	EDP Equipment £'000	Motor Vehicles £'000	Leasehold Improvements £'000	Total £'000
<u>Cost/Valuation</u>					
At 1 January 2000	47,356	245	50	81,918	129,569
Additions	1,909	30	0	20,545	22,484
Disposals	<u>(36)</u>	<u>-</u>	<u>-</u>	<u>(4,718)</u>	<u>(4,754)</u>
At 31 December 2000	<u>49,229</u>	<u>275</u>	<u>50</u>	<u>97,745</u>	<u>147,299</u>
<u>Depreciation</u>					
At 1 January 2000	<u>6,228</u>	<u>12</u>	<u>14</u>	<u>42,566</u>	<u>48,820</u>
Charge for the year	25,309	-	13	11,085	36,407
Disposals	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>(944)</u>	<u>(965)</u>
At 31 December 2000	<u>31,516</u>	<u>12</u>	<u>27</u>	<u>52,707</u>	<u>84,262</u>
<u>Net Book Value</u>					
At 31 December 2000	<u>17,713</u>	<u>263</u>	<u>23</u>	<u>45,038</u>	<u>63,037</u>
At 31 December 1999	<u>41,128</u>	<u>233</u>	<u>36</u>	<u>39,352</u>	<u>80,749</u>

# UBS UK Holding Limited

at 31 December 2000

## 10. INVESTMENTS

### (a) Group

Fixed asset investments

	<u>Investment Property £'000</u>	<u>Other Investments £'000</u>	<u>Total £'000</u>	<u>1999 £'000</u>
<u>Net Book Value</u>				
At 1 January 2000	6,095	1,021,244	1,027,339	20,061
Additions	-	105	105	1,133,701
Disposals	-	-	-	(132,531)
Revaluation	-	(499,893)	(499,893)	6,108
At 31 December 2000	<u>6,095</u>	<u>521,456</u>	<u>527,551</u>	<u>1,027,339</u>

The group had a commitment at 31 December 2000 to invest a further £226,450 (1999 - £233,740) in other investments.

### (b) Company

	<u>Shares in group and related undertakings £'000</u>	<u>Total £'000</u>
<u>Cost</u>		
At 1 January 2000	1,182,255	1,182,255
Additions	4,531	4,531
Disposals	(145,409)	(145,409)
Revaluation	(495,589)	(495,589)
At 31 December 2000	<u>545,788</u>	<u>545,788</u>

# UBS UK Holding Limited

at 31 December 2000

## (c) Subsidiary undertakings

During the year UBS Warburg Reorganisation (Number 7) Ltd (formerly UBS Services (Japan) Limited) was placed in liquidation, and the following companies were liquidated:

UBS Holdings Limited

UBS Warburg Reorganisation (Number 3) Ltd (formerly UBS Investment Services Ltd)

UBS Warburg Reorganisation (Number 4) Ltd (formerly UBS Project Finance Ltd)

UBS Warburg Reorganisation (Number 5) Ltd (formerly Union Bank of Switzerland (Securities) Ltd)

UBS Warburg Reorganisation (Number 6) Ltd (formerly UBS Research Ltd)

The principal subsidiaries consolidated in the accounts are:

% held

100	UBS Assets (UK) Limited
100	UBS UK Finance Limited
100	UBS UK Limited
100	UBS Futures & Options Limited
100	UBS Services Limited
100	SBCI Investment banking Limited
100	UBS Warburg International Limited
100	UBS Overseas (UK) Limited
100	S.G. Warburg & Co. International B.V
100	S.G. Warburg Overseas Limited
100	S.G. Warburg Holdings Limited
99.9	S.G. Warburg Group plc and Subsidiaries

With the exception of S.G. Warburg & Co. International B.V (incorporated in the Netherlands), all principal subsidiaries are incorporated in England.

In accordance with S231(5) of the Companies Act 1985 the above information is provided solely in relation to principal subsidiary undertakings. Full information on all subsidiaries is included in the Annual Return.

## 11. **HOLDINGS IN SECURITIES**

	<b>Year ended</b> <b>31 December 2000</b> <b>£'000</b>	<b>Year ended</b> <b>31 December 1999</b> <b>£'000</b>
<u>Group</u>		
Listed on a recognised stock exchange	<u>2,835,199</u>	<u>1,593,617</u>
	<u>2,835,199</u>	<u>1,593,617</u>

# UBS UK Holding Limited

at 31 December 2000

## 12. DEBTORS

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
(a) <u>Group</u>		
Other debtors	110,993	122,960
Prepayments and accrued income	<u>13,655</u>	<u>12,698</u>
	<u>124,648</u>	<u>135,658</u>

Included in other debtors is a deferred tax asset of £1,719,000 attributable to timing differences in relation to the recognition of profit (1999 - £3,000).

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
(b) <u>Company</u>		
Amounts owed by parent undertaking and fellow subsidiary undertakings	3,947,061	3,403,481
Other debtors	<u>8,212</u>	<u>250</u>
	<u>3,955,273</u>	<u>3,403,731</u>

# UBS UK Holding Limited

at 31 December 2000

## 13. CREDITORS (amounts falling due within one year)

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
(a) <u>Group</u>		
Amounts owed to parent undertaking and fellow subsidiary undertakings	3,127,235	1,930,378
Bank loans and overdrafts	5,523	4,944
Other creditors including taxation and social security	126,758	65,876
Accruals and deferred income	2,411	11,517
	<u>3,261,927</u>	<u>2,012,715</u>
	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
(b) <u>Company</u>		
Amounts owed to parent undertaking and fellow subsidiary undertakings	3,988,691	3,730,410
Accruals and deferred income	166,362	1,049
Other creditors including taxation and social security	213	2,025
	<u>4,155,266</u>	<u>3,733,484</u>

# UBS UK Holding Limited

at 31 December 2000

## 14. CREDITORS (amounts falling due after more than one year)

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
(a) <u>Group</u>		
Amounts repayable between one and two years:		
Bank loans	21,546	35,109
Other creditors and accruals	19,038	64,912
	<u>40,584</u>	<u>100,021</u>
Amounts repayable between two and five years:		
Bank loans	39,690	40,208
	<u>39,690</u>	<u>40,208</u>
Amount repayable in 5 years or more:		
Other liabilities	6,100	6,100
	<u>6,100</u>	<u>6,100</u>
	<u>86,374</u>	<u>146,329</u>

All amounts are unsecured. Amounts repayable in five years or more attract a rate of interest dependent on group profitability.

## 15. OBLIGATIONS UNDER OPERATING LEASES

The group's annual obligations under operating leases analysed according to the period in which the commitments are due to expire as follows:

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
<u>Land and Buildings</u>		
Within the next year	1,192	-
In the 2 <sup>nd</sup> to 5 <sup>th</sup> year inclusive	2,305	2,305
Over 5 years	53,122	50,385
	<u>56,619</u>	<u>52,690</u>

# UBS UK Holding Limited

at 31 December 2000

## 16. SHARE CAPITAL

Authorised, allotted, issued and fully paid Ordinary Shares of £1 each	2000 £'000	1999 £'000
As at January 1	5,000	360,000
Capitalisation issue	-	1,000,000
Share reduction	-	(1,355,000)
As at December 31	<u>5,000</u>	<u>5,000</u>

## 17. RESERVES

(a) <u>Group</u>	<u>Other Reserves</u> £'000	<u>Foreign Exchange Translation Reserve</u> £'000	<u>Profit and Loss Account</u> £'000
At 1 January 2000	987,020	(143)	(241,303)
Revaluation deficit	(500,000)	-	-
Retained loss for the year	-	-	(30,417)
At 31 December 2000	<u>487,020</u>	<u>(143)</u>	<u>(271,720)</u>

(b) <u>Company</u>	<u>Other Reserves</u> £'000	<u>Foreign Exchange Translation Reserve</u> £'000	<u>Profit and Loss Account</u> £'000
At 1 January 2000	987,020	-	(95,587)
Profit/(loss) for the year	-	-	(530,000)
At 31 December 2000	<u>987,020</u>	<u>-</u>	<u>(625,587)</u>

# UBS UK Holding Limited

at 31 December 2000

## 18. CAPITAL COMMITMENTS

Apart from further investment commitments disclosed in note 12 the group and company had the following authorised future capital expenditure not provided for at 31 December 2000.

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Commitments for which contracts have been placed	-	2,139

## 19. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
(a) <u>Group</u>		
Total recognised gains and losses	(529,584)	910,505
Preference dividends on non-equity shares	(834)	(417)
Movement in share capital	-	(355,000)
Increase in minority interests	-	10,935
Total movements during the year	(530,418)	566,023
Opening shareholders funds	<u>761,509</u>	<u>195,486</u>
Closing shareholders funds	<u>231,091</u>	<u>761,509</u>
	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
(b) <u>Company</u>		
(Loss)/Profit for the year	(530,000)	1,015,341
Movement in called up share capital	-	(355,000)
Opening shareholders funds	<u>896,433</u>	<u>236,092</u>
Closing shareholders funds	<u>366,433</u>	<u>896,433</u>

at 31 December 2000

**20. PARENT UNDERTAKING**

The parent and ultimate parent undertaking and controlling entity is UBS AG, a company incorporated in Switzerland.

Copies of the Group accounts can be obtained from:

UBS AG  
100 Liverpool Street  
LONDON EC2M 2RH