

J.P. MORGAN CAPITAL FINANCING LIMITED
(Registered Number: 2290621)

Annual report for the year ended 31 December 2002



J.P. MORGAN CAPITAL FINANCING LIMITED

Annual report for the year ended 31 December 2002

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J.P. MORGAN CAPITAL FINANCING LIMITED

Directors report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the Group and the Company for the year ended 31 December 2002.

Principal Activities

During the year, the Group, through subsidiary companies held a variety of financial instruments and provided loans and funding commitments to Group entities as well as a variety of commercial enterprises. The financial instruments included equities and equity derivatives.

Review of Business

On 26 March 2002, the Company's 100% owned subsidiary, JF Group Limited ("JFGL"), subscribed for a total of 34,648 preferred ordinary shares of \$10,000 each in J.P. Morgan Securities Ltd. ("JPMSL") by way of:

- (a) capitalisation of the \$196,000,000 Subordinated Debt dated 15 February 2001 (together with accrued interest) owed by JPMSL to JFGL in consideration for the issue to JFGL of 19,647 preferred ordinary shares of JPMSL credited as fully paid and one preferred ordinary share partly paid;
- (b) payment to JPMSL of \$8,225.28 being the amount remaining unpaid on the partly paid share; and
- (c) subscription for a further 15,000 preferred ordinary shares each in JPMSL at par for cash in the sum of \$150,000,000.

Fleming Martin Limited was liquidated subsequent to year-end. Fleming Martin Limited ceased trading on 18 December 1998 and the overall impact of the liquidation on the Group is minimal.

Results and Dividends

The Group profit for the year before taxation was \$23,232,000 (2001: \$50,033,000) and retained profit for the year taken to reserves was \$20,070,000 (2001: loss of \$3,300,261,000). No dividends were paid or proposed during the year (2001: \$3,335,000,000).

Post Balance Date Events

On 1 December 2003, J.P. Morgan Capital Financing Limited acquired 96% of the issued share capital of Robert Fleming Holdings Limited and 100% of the issued share capital of J.P. Morgan Strategic UK Limited from J.P. Morgan Fleming Asset Management Holdings Inc for a combined total of \$1,723,390,000.

Share Capital and Reserves

The authorised and issued share capital of the Company as at 31 December 2002, and matters relating thereto, are set out in Note 12 to the financial statements.

Total share capital and reserves of the Group amounted to \$543,739,000 as at 31 December 2002 (2001: \$523,669,000).

Directors

The directors of the Company serving during the year were as follows:

M. S. Garvin
I. R. Lyall
G. E. Stoker

J.P. MORGAN CAPITAL FINANCING LIMITED

Directors report for the year ended 31 December 2002 (continued)

Directors' Interests

None of the directors have any beneficial interest in the Company. The Company is a wholly owned subsidiary of a body corporate incorporated outside England and Wales. The directors are not required to notify the Company of any interests in shares of that or any other body incorporated outside England and Wales.

Directors' Responsibilities

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 the profit or loss of the Company for the year. 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;
- prepare the financial statements on a 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' and Officers' Liability Insurance

J.P. Morgan Chase & Co., the immediate holding company, maintains insurance cover for the directors and other officers of the Group and its subsidiaries.

Company Secretary

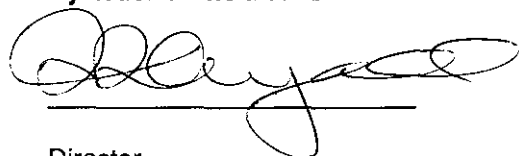
The joint secretaries of the Company serving during the year were as follows:

R. C. Carroll	(resigned 12 December 2002)
A. J. Horan	
I. R. Lyall	
J. P. Morgan Secretaries (UK) Limited	(appointed 31 January 2002)
K. A. Oates	(resigned 31 January 2002)

Auditors

Following the transfer of substantially all of the business of our auditors PricewaterhouseCoopers to a limited liability partnership (LLP) from 1 January 2003, PricewaterhouseCoopers have resigned with effect from 14 February 2003 and PricewaterhouseCoopers LLP have been appointed as auditors. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By order of the Board



Director

Date: 19/12/.....2003

J.P. MORGAN CAPITAL FINANCING LIMITED

Independent auditors' report to the members of J.P.Morgan Capital Financing Limited

We have audited the financial statements on pages 4 to 15 which comprise the Group profit and loss account, the Group and Company balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8 and 9.

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 on page 2.

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. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 accounts, if the Group 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 mis-statements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

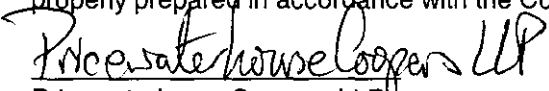
Basis of audit opinion

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 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 and 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 mis-statement, 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 and Group's affairs as at 31 December 2002 and the Group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
Date: 19 December 2003

J.P. MORGAN CAPITAL FINANCING LIMITED

Consolidated profit and loss account for the year ended 31 December 2002

	Notes	2002 \$'000	2001 \$'000
Turnover			
Trading profit/(loss)	4	3,031	(814)
General and administrative expenses		(134)	(295)
Other operating charges		(304)	(743)
Operating profit/(loss)		2,593	(1,852)
Profit from disposal of fixed asset investments		1,013	-
Income from fixed investments		10,119	-
Profit/(loss) on ordinary activities before interest and taxation		13,725	(1,852)
Interest receivable	4	14,687	52,269
Interest payable	4	(5,180)	(384)
Profit on ordinary activities before tax	4	23,232	50,033
Tax on profit on ordinary activities	5	(3,162)	(15,294)
Profit for the financial year		20,070	34,739
Dividends		-	(3,335,000)
Retained profit/(loss) for the financial year		20,070	(3,300,261)

The Group has reflected all recognised gains or losses in the reported results for the year and therefore no separate statement of total recognised gains and losses has been presented.

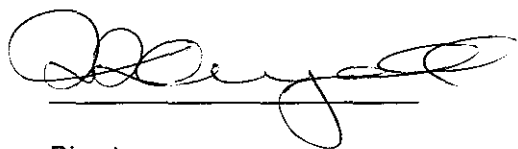
The notes on pages 7 to 15 form an integral part of the financial statements.

J.P. MORGAN CAPITAL FINANCING LIMITED

Consolidated Balance Sheet for the year ended 31 December 2002

	Notes	2002 \$'000	2001 \$'000
Fixed assets			
Investments	6	351,480	5,000
Current assets			
Debtors due within one year	7	30,248	104,824
Debtors due after more than one year	7	2,036,264	1,934,398
Cash at bank held with an affiliated undertaking		86,990	182,901
Cash at bank		-	2
		2,153,502	2,222,125
Creditors – amounts falling due within one year	10	(797,809)	(34,902)
Net current assets		1,355,693	2,187,223
Total assets less current liabilities		1,707,173	2,192,223
Creditors – amounts falling due after more than one year	10	(1,163,434)	(1,668,554)
Net assets		543,739	523,669
Capital and reserves			
Called up share capital	13	107	107
Capital contribution reserve	14	488,913	488,913
Profit and loss account	14	54,719	34,649
Total shareholders' funds	14	543,739	523,669

On behalf of the Board



Director

Date: 19/12/2003

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

J.P. MORGAN CAPITAL FINANCING LIMITED

Company Balance Sheet for the year ended 31 December 2002

	Notes	2002 \$'000	2001 \$'000
Fixed assets			
Investments in Group undertakings	6	473,707	488,815
Current assets			
Debtors	10	126,733	-
Cash at bank held with an affiliated undertaking		16,561	1,316
		143,294	1,316
Creditors – amounts falling due within one year	12	(127,027)	(365)
Net current assets		16,267	951
Total assets less current liabilities		489,974	489,766
Net assets		489,974	489,766
Capital and reserves			
Called up share capital	13	107	107
Capital contribution reserve	14	488,913	488,913
Profit and loss account	14	954	746
Total shareholders' funds	14	489,974	489,766

On behalf of the Board



Director

Date: 19/12/03

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

J.P. MORGAN CAPITAL FINANCING LIMITED

Notes to the financial statements for the year ended 31 December 2002

1. Accounting Policies

(a) Basis of preparation

The consolidated accounts have been prepared under the historical cost convention, as modified by the revaluation of equity securities and derivatives. The consolidated accounts have also been prepared in accordance with applicable accounting standards and in accordance with the requirements of the Companies Act 1985, except for the treatment of taking to the profit and loss account, profits and losses arising on the valuation of equity securities and derivatives. An explanation of this departure from the requirements of the Companies Act is given in note 1(g) Derivatives and note 1(h) Equity Securities below.

The balance sheet of the Company complies with Section 226 of, and Schedule 4 to, the Act. The Company has taken the advantage of the exemption in Section 230 not to present its own profit and loss account.

(b) Changes in accounting policies

The Company has adopted Financial Reporting Standard 19 - Deferred Tax. The adoption of this financial standard results in a change in accounting policy but this has had no impact on the current or prior year results.

(c) Turnover

The directors consider that turnover is not meaningful in the context of the Group's business and, consequently, it has not been disclosed in the accounts.

(d) Basis of consolidation

The consolidated accounts include the results of the Company and of its subsidiaries for the year ended 31 December 2002. The results of subsidiaries acquired or sold are included from the date of acquisition or to the date of sale respectively.

(e) Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into US Dollars at market rates prevailing at the balance sheet date, and resulting gains and losses are taken to income. Foreign currency income and expense items are translated at the rate prevailing at the transaction date.

Year-end exchange rate (USD/GBP): 1.60400 (2001: 1.48975)

(f) Derivatives

Derivatives are measured at fair value in the balance sheet and any gains or losses are taken directly to the profit and loss account. This represents a departure, as far as gains are concerned, from the Companies Act 1985, which states that unrealised profits be credited to a revaluation reserve. The directors consider that this departure is necessary in order that the financial statements should give a true and fair view of the results of the Company's trading activities, in accordance with section 226(5) of the Companies Act 1985.

It is not practicable to quantify the effect on the financial statements of this departure since information on original cost, being of no continuing relevance to the business, is not available.

Fair value is based generally upon listed market prices or broker or dealer price quotations. To the extent that prices are not readily available, fair value is based upon internal valuation models.

J.P. MORGAN CAPITAL FINANCING LIMITED

Notes to the financial statements for the year ended 31 December 2002 (Continued)

1. Accounting Policies (Continued)

(g) Equity securities

Equities held as current assets for trading purposes are stated at fair value and profits and losses arising from this valuation are taken to the profit and loss account. This represents a departure, as far as gains are concerned, from the Companies Act 1985, which requires that unrealised gains be credited to a revaluation reserve. The directors consider that this departure is necessary in order that the accounts should give a true and fair view of the results of the Company's trading activities, in accordance with Section 226(5) of the Companies Act 1985.

It is not practicable to quantify the effect on the accounts of this departure since information on original cost, being of no continuing relevance to the business, is not available.

Listed securities are valued based on market prices and unlisted securities are valued based on the directors' estimate, which take into consideration, discounted cash flows, price earnings ratios and other valuation techniques.

(h) Bad and doubtful debts

Provisions are made in the course of the period for bad and doubtful debts. Provisions are either specific, against known bad or doubtful debtors, or are general. Such provisions are recorded within 'General and administrative expenses' in the profit and loss account. Provisions are reviewed and monitored by Credit and Market Risk to ensure that they remain within acceptable corporate comfort levels.

(i) Investments

Investments are held at cost less provision for any permanent impairment in value.

(j) Dividends

Dividends from investments are credited to income when due.

(k) Net interest income

Net interest income comprises interest receivable on loans, advances and deposits placed, less interest payable on deposits taken, and interest on related hedging transactions, accounted for on an accruals basis.

(l) Cash Flow Statement

The company has taken advantage of the provisions of the Financial Reporting Standard 1 – Cash Flow Statements (Revised 1996), which exempts a company from preparation of a cash flow statement where it is at least a 90% owned subsidiary of a Group whose accounts are publicly available.

(m) Goodwill

Goodwill arising on the acquisition of subsidiary undertakings represents the excess of the purchase price over the fair value of the net assets acquired. Goodwill is included in the balance sheet as an intangible asset and amortised on a straight line basis over the period of its estimated useful life not exceeding 20 years.

J.P. MORGAN CAPITAL FINANCING LIMITED

Notes to the financial statements for the year ended 31 December 2002 (Continued)

1. Accounting Policies (Continued)

(n) Related Party Transaction

In accordance with the exemption afforded by Financial Reporting Standard No. 8 - Related Party Disclosures, certain details of transactions with parent and fellow subsidiary companies are not disclosed as they are included in the consolidated accounts of J.P. Morgan Chase & Co. which are publicly available.

(o) Deferred tax

Deferred tax is provided in respect of all timing differences between the accounting and tax treatment of income and expenses, the anticipated reversal of which will result in a change in future liability to tax. The provision is calculated using the rates expected to be applicable when the liability crystallises and is measured on a non discounted basis.

2. Segmental reporting

(a) By class of business

The Group has two continuing classes of business: the provision of financial services and investment banking.

	Financial Services 2002 \$'000	Investment banking 2002 \$'000	Total 2002 \$'000	Financial Services 2001 \$'000	Investment banking 2001 \$'000	Total 2001 \$'000
Trading profit/(loss)	-	3,031	3,031	-	(814)	(814)
General and administrative expenses	(134)	-	(134)	(279)	(16)	(295)
Other operating income/(charges)	614	70	684	(531)	(212)	(743)
Profit from disposal of fixed asset investments	25	-	25	-	-	-
Income from fixed asset investments	10,119	-	10,119	-	-	-
Interest receivable	13,074	1,613	14,687	51,738	531	52,269
Interest payable	(3,849)	(1,331)	(5,180)	(384)	-	(384)
Profit on ordinary activities before tax	19,849	3,383	23,232	50,544	(511)	50,033
Net assets	487,562	56,177	543,739	524,433	(764)	523,669

J.P. MORGAN CAPITAL FINANCING LIMITED

Notes to the financial statements for the year ended 31 December 2002 (Continued)

2. Segmental reporting (continued)

(b) By geographic area

The Group provides financial and investment services to its international client base largely through UK-based operations. The consolidated results of operations on a destination basis relate to customers in the UK and the rest of the world as shown below.

	United Kingdom	Rest of the world	Total	United Kingdom	Rest of the world	Total
	2002	2002	2002	2001	2001	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trading profit/(loss)	-	3,031	3,031	-	(814)	(814)
General and administrative expenses	(90)	(44)	(134)	(275)	(20)	(295)
Other operating (charges)/income	(996)	692	(304)	320	(1,063)	(743)
Profit from disposal of fixed asset investments	1,013	-	1,013	-	-	-
Income from fixed asset investments	10,119	-	10,119	-	-	-
Interest receivable	5,022	9,665	14,687	21,681	30,588	52,269
Interest payable	(5,180)	-	(5,180)	(384)	-	(384)
Profit on ordinary activities before tax	9,888	13,344	23,232	21,342	28,691	50,033
Net assets	(1,478,293)	2,022,032	543,739	(711,434)	1,235,103	523,669

3. Directors emoluments and staff costs

The directors are employees of another subsidiary company of J.P. Morgan Chase & Co. The directors do not consider that any element of their remuneration relates to the Group.

The Group had no employees, other than the directors, at any time during the year.

4. Profit on ordinary activities before tax

	2002 \$'000	2001 \$'000
Profit on ordinary activities before tax is stated after:		
i) Income:		
Interest receivable	14,687	52,269
Fees and commissions receivable	381	386
Net gain/(loss) on securities and derivatives	3,031	(814)
ii) Charges:		
Interest payable	(5,180)	(384)
Net gain/(loss) on foreign exchange translation	264	(914)
Auditors' remuneration:		
-audit services*	(17)	(12)
-audit services**	-	10
Loss on debtors due within one year	-	(189)

* With the exception of Landmark Insurance Limited and J.P. Morgan Chase International Financing Limited, all auditors' remuneration was borne by other group companies. There were no fees to the auditors for non-audit services.

**Reversal of prior year audit charge accrual. This was a recharge from an affiliated Company that will no longer be charged.

J.P. MORGAN CAPITAL FINANCING LIMITED

Notes to the financial statements for the year ended 31 December 2002 (Continued)

5. Taxation on the profit on ordinary activities

Group	2002 \$'000	2001 \$'000
(a) Analysis of tax charge in the year:		
UK corporation tax at 30% (2001: 30%)	4,081	14,969
Prior year adjustment	(919)	325
Taxation on profit on ordinary activities	3,162	15,294
(b) Factors affecting current tax charge for the year:		
Profit on ordinary activities before tax	23,232	50,033
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	6,970	15,010
Effects of:		
Adjustments to tax charge in respect of previous years	(895)	-
Non-taxable income	(3,036)	-
Other	123	284
Current tax charge for the year	3,162	15,294
Company		
(a) Analysis of tax charge in the year:		
UK corporation tax at 30% (2001: 30%)	75	358
Prior year adjustment	(7)	-
Taxation on profit on ordinary activities	68	358
(b) Factors affecting current tax charge for the year:		
Profit on ordinary activities before tax	276	1,193
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	83	358
Effects of:		
Adjustments to tax charge in respect of previous years	(7)	-
Non-taxable income	(8)	-
Current tax charge for the period	68	358

6. Fixed asset investments

	Group 2002 \$'000	Company 2002 \$'000	Group 2001 \$'000	Company 2001 \$'000
Shares in Group undertakings				
At 1 January	-	488,815	-	-
Additions	-	-	-	3,638,815
Disposals	-	(15,108)	-	-
Write-down: Impairment in subsidiary value	-	-	-	(3,150,000)
At 31 December	-	473,707	-	488,815

J.P. MORGAN CAPITAL FINANCING LIMITED

Notes to the financial statements for the year ended 31 December 2002 (Continued)

6. Fixed asset investments (continued)

External investments				
At 1 January	5,000	-	5,000	-
Additions	346,480	-	-	-
At 31 December	351,480	-	5,000	-
Net book value at 31 December	351,480	473,707	5,000	488,815

The Group's external investment of \$5,000,000 comprises a series of A notes in Ahold USA Inc. The market value as at 31 December 2002 was \$4,970,167. The impairment to the investment was temporary and the position has now matured and was repaid in full in 2003.

The Group's external investment of \$346,480,000 is J. P. Morgan Securities Ltd. On 26 March 2002 JF Group Limited subscribed at par 34,648 preferred ordinary shares of \$10,000 each in the Company. The investment represents 10% of the USD share capital of J. P. Morgan Securities Ltd.

The principal subsidiaries of the Holding Company, J.P. Morgan Capital Financing Limited, are as follows:

Subsidiary	Nature of Business
JF Group Limited (incorporated in Bermuda)	Investment Company
Aldermanbury Investments Limited (formerly Chase Equities Limited)	Investment Company
J.P. Morgan Chase International Financing Limited	Finance Company
Landmark Insurance Limited (incorporated in Bermuda)	Investment Company

Each subsidiary is either owned 100% by the Company or is owned 100% by a subsidiary of the Company. The above companies are registered in England and Wales, apart from where otherwise stated.

7. Debtors - Group

Note	Debtors due within one year	Debtors due after more than one year	Total	Debtors due within one year	Debtors due after more than one year	Total
	2002	2002	2002	2001	2001	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owed by affiliated undertakings	26,310	-	26,310	91,341	-	91,341
Loans and advances to customers	8	-	209,146	9,041	69,044	78,085
Trade debtors*	34	1,827,118	1,827,152	-	1,669,354	1,669,354
Other debtors	9	3,904	3,904	4,442	-	4,442
Subordinated loan**	-	-	-	-	196,000	196,000
	30,248	2,036,264	2,066,512	104,824	1,934,398	2,039,222

*Letters of credit guaranteeing the above trade debtors falling due after more than one year have been issued by a syndicate of financial institutions in favour of the Group. The value of the guarantees provided was \$2,027,979,002 as at 31 December 2002 (2001: \$1,817,641,018). \$51,431,410 of these guarantees were from another member of the JP Morgan Chase group (2001: \$133,469,406).

J.P. MORGAN CAPITAL FINANCING LIMITED

Notes to the financial statements for the year ended 31 December 2002 (Continued)

7. Debtors – Group (continued)

** On 15 February 2001, the Group entered into a subordinated loan agreement with J.P. Morgan Securities Ltd., an affiliated undertaking, for the principal amount of \$196 million, repayable on 18 February 2011. On 26 March 2002, the subordinated loan was capitalised in consideration for the issue to the Group of 19,647 preferred ordinary shares of J.P. Morgan Securities Ltd. credited as fully paid, and one preferred ordinary share partly paid. Interest is payable annually at a rate of LIBOR plus 50 basis points.

8. Loans and advances to customers

	Group 2002 \$'000	Group 2001 \$'000
Remaining maturity:		
Over 5 years	177,291	58,258
5 years or less but over 1 year	31,855	10,786
1 year or less but over 3 months	-	7,651
3 months or less	-	1,390
At 31 December	209,146	78,085

The Company itself had no such balances at the 2002 and 2001 year ends.

9. Other debtors

	Group 2002 \$'000	Group 2001 \$'000
Accrued interest receivable from loans	1,308	754
Other taxation and social security	1,821	3,573
Other assets	775	115
At 31 December	3,904	4,442

10. Debtors - Company

	Company 2002 \$'000	Company 2001 \$'000
Amounts owed by affiliated undertakings	126,733	-

J.P. MORGAN CAPITAL FINANCING LIMITED

Notes to the financial statements for the year ended 31 December 2002 (Continued)

11. Creditors – Group

	Creditors due within one year	Creditors due after more than one year	Total	Creditors due within one year	Creditors due after more than one year	Total
	2002	2002	2002	2001	2001	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank overdraft with an affiliated undertaking	-	-	-	10,353	-	10,353
Amounts owed to affiliated undertakings	786,373	1,142,816	1,929,189	266	1,227,477	1,227,743
Deferred income	-	16,310	16,310	46	49,974	50,020
Trade creditors	-	4,308	4,308	-	391,103	391,103
Corporation tax	10,973	-	10,973	24,181	-	24,181
Other creditors	463	-	463	56	-	56
	797,809	1,163,434	1,961,243	34,902	1,668,554	1,703,456

12. Creditors of the Company – amounts falling due within one year

	Company 2002 \$'000	Company 2001 \$'000
Amounts owed by affiliated undertakings	126,544	-
Corporation tax	483	365
	127,027	365

13. Called up share capital

	Company 2002 \$'000	Company 2001 \$'000
Authorised		
60,000 ordinary shares of £1 each	107	107
Issued, allotted, called up and fully paid		
60,000 ordinary shares of £1 each	107	107

14. Reconciliation of movements in reserves and shareholders' funds

Group	Profit and loss account 2002 \$'000	Total shareholders' funds 2002 \$'000	Profit and loss account 2001 \$'000	Total shareholders' funds 2001 \$'000
At 1 January	34,649	523,669	(90)	17
Profit/(loss) for the year	20,070	20,070	(3,300,261)	(3,300,261)
Capital contribution received	-	-	-	3,823,913
Transfer from capital contribution reserve	-	-	3,335,000	-
At 31 December	54,719	543,739	34,649	523,669

J.P. MORGAN CAPITAL FINANCING LIMITED

Notes to the financial statements for the year ended 31 December 2002 (Continued)

14. Reconciliation of movements in reserves and shareholders' funds (continued)

Company

	Share capital	Capital contribution reserve	Profit and loss account	Total shareholders' funds
	2002	2002	2002	2002
	\$'000	\$'000	\$'000	\$'000
At 1 January	107	488,913	746	489,766
Profit for the year	-	-	208	208
At 31 December	107	488,913	954	490,974

	Share capital	Capital contribution reserve	Profit and loss account	Total shareholders' funds
	2001	2001	2001	2001
	\$'000	\$'000	\$'000	\$'000
At 1 January	107	-	(90)	17
Loss for the year	-	-	(3,334,164)	(3,334,164)
Capital contribution received	-	3,823,913	-	3,823,913
Transfer between reserves	-	(3,335,000)	3,335,000	-
At 31 December	107	488,913	746	489,766

15. Parent undertakings

At 31 December 2002 the immediate and ultimate parent undertaking was J.P. Morgan Chase & Co. which is incorporated in the United States of America. J.P. Morgan Chase & Co. is also the smallest and largest Group into which the Company is consolidated.

Details of the parent's consolidated accounts can be obtained from:

The Office of the Secretary
125 London Wall
London, EC2Y 5AJ