

3633863

TRADITION LONDON CLEARING LIMITED

Report and Accounts

31 December 2000



Tradition London Clearing Limited

Registered No. 3633863

DIRECTORS

G Boehi
G Craggs
N Houet-Dutruge
R M Houldsworth

SECRETARY

M W Hickman

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS

NatWest
116 Fenchurch Street
London EC3M 5AN

SOLICITORS

Rowe & Maw
20 Blackfriars Lane
London EC4V 6HD

REGISTERED OFFICE

Beaufort House
15 St Botolph Street
London EC3A 7DT

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The profit for the year was £4,533 (period ended 31 December 1999 – loss £22,941) as shown in the profit and loss account on page 5. The directors do not propose a dividend and propose that the loss is transferred from reserves.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company provides clearing services to other group companies.

FUTURE DEVELOPMENTS

In the directors' opinion the company's affairs and future prospects are satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as shown on page 1.

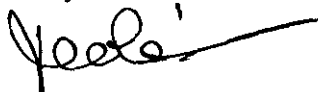
None of the directors had any interests in the share capital of the company or any other UK group company at any time during the year.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

By order of the board



Secretary

Tradition London Clearing Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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.

REPORT OF THE AUDITORS

to the members of Tradition London Clearing Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

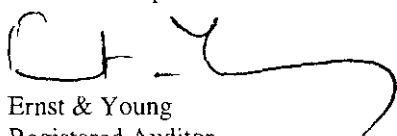
Basis of opinion

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 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 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 as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'C. Y.', written over the printed name of the auditor.

Ernst & Young
Registered Auditor
London

28 March 2001

Tradition London Clearing Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

		Year ended 31 December 2000	Period ended 31 December 1999
	Notes	£	£
TURNOVER	2	354,303	7,849
Total expenses		(413,120)	(30,790)
OPERATING LOSS	3	(58,817)	(22,941)
Interest receivable		63,350	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,533	(22,941)
Taxation	4	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		4,533	(22,941)
Retained loss brought forward		(22,941)	-
RETAINED LOSS CARRIED FORWARD		(18,408)	(22,941)

The company had no recognised gains or losses other than the profit for the year.

BALANCE SHEET

at 31 December 2000

The accounts were approved by the board of directors and were signed on its behalf by:

Director *Ed. H. H. H. H.*

Date 28-3-01

Tradition London Clearing Limited

NOTES TO THE ACCOUNTS

at 31 December 2000

1. ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention in compliance with the requirements of the Companies Act 1985 and in accordance with applicable accounting standards.

Transaction accounting

Securities transactions are recorded on a trade date basis. The accounts reflect assets and liabilities relating to transactions which are due for settlement after the balance sheet date.

Foreign currencies

Assets and liabilities are translated into sterling at the rates ruling at 31 December 2000. Profits arising in foreign currencies which have been remitted have been translated at the rates ruling at the time of their remittance. Foreign currency retained to finance overseas dealings is translated into sterling at the rates ruling at 31 December 2000. Differences arising on year-end translation are dealt with through the profit and loss account.

Depreciation

Depreciation is provided on the cost of all tangible fixed assets in use during the year at a rate calculated to write off the cost of each asset evenly over its expected useful life. The following annual rate is used:

Equipment - 20%

2. TURNOVER

Turnover represents income earned from continuing operations (net of VAT) in connection with the provision of clearing services (all of which were incurred in the United Kingdom).

3. OPERATING LOSS

This is stated after charging/(crediting):

	<i>Year ended 31 December 2000 £</i>	<i>Period ended 31 December 1999 £</i>
Auditors' remuneration	14,050	4,700
Exchange loss/(gain)	5,918	(65)
Depreciation	96	-
	<u> </u>	<u> </u>

4. TAXATION

The company has no tax liability on its profit for the year due to losses brought forward.

5. STAFF COSTS

None of the directors received any remuneration during the year in respect of their services as directors of the company.

There were no employees, apart from the directors during the year.

Tradition London Clearing Limited

NOTES TO THE ACCOUNTS

at 31 December 2000

6. TANGIBLE FIXED ASSETS

	<i>Equipment</i>	<i>Total</i>
	<i>£</i>	<i>£</i>
Cost		
At 31 December 1999	—	—
Additions in year	1,155	1,155
At 31 December 2000	1,155	1,155
Depreciation		
At 31 December 1999	—	—
Charge for the year	96	96
At 31 December 2000	96	96
Net book value:		
At 31 December 2000	1,059	1,059
At 31 December 1999	—	—

7. DEBTORS

	<i>2000</i>	<i>1999</i>
	<i>£</i>	<i>£</i>
Trade debtors	370,374	1,522
Due from clearing houses	442,559	574,940
Intercompany receivables	288,686	—
	1,101,619	576,462

Prior year amount of £574,940 reclassified from cash to intercompany receivable.

8. CREDITORS: amounts falling due within one year

	<i>2000</i>	<i>1999</i>
	<i>£</i>	<i>£</i>
Amounts owed to group undertakings	935,671	443,091
Other creditors and accruals	284,111	155,970
	1,219,782	599,061

Tradition London Clearing Limited

NOTES TO THE ACCOUNTS at 31 December 2000

9. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised ordinary shares of £1 each	1,000,000	1,000,000
Alotted and fully paid ordinary shares of £1 each	1,000,000	1,000,000

All shares have one vote and participate equally in the event of the winding up of the company.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total shareholders' funds £
Share capital subscribed	1,000,000	—	1,000,000
Loss for the period	—	(22,941)	(22,941)
At 31 December 1999	1,000,000	(22,941)	977,059
Profit for the year	—	4,533	4,533
At 31 December 2000	1,000,000	(18,408)	981,592

11. RELATED PARTY

The company's immediate parent undertaking is Holding Tradition Clearing SA, a company registered in Switzerland.

The company's ultimate parent company and controlling party is Viel et Cie Finance, which is incorporated in France. Copies of its group accounts, which include the company, are available from 253, Bd. Pereire, 75017 Paris.

The company has taken advantage of the exemption from disclosing transactions with related parties that are part of Viel et Cie Finance group or investees of the group. The company has taken advantage of the exemption from disclosing a statement of cashflows.

12. UNSETTLED TRADES

An amount of £Nil (1999 - £303) is included in other creditors and accruals and an amount of £ 370,374 (1999 - £1,522) in trade debtors which represent net amounts due to/from settlement agents on unsettled trades.

The gross obligations relating to unsettled trades for receipts and payments are £88,036,341 (1999 - £3,356,121) and £87,665,967 (1999 - £3,354,902) respectively.