

Company Registered No. 378410

Crédit Agricole CIB UK IH

Directors' Report and Financial Statements

31 December 2012

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Crédit Agricole CIB UK IH

Registered No 378410

Directors

M T Payne
D Subramanian

Auditors

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

Registered Office

Broadwalk House
5 Appold Street
London EC2A 2DA

Bankers

Crédit Agricole CIB
Broadwalk House
5 Appold Street
London EC2A 2DA

Solicitors

Clifford Chance
10 Upper Bank Street
London E14 5JJ

Registered No 378410

Directors' Report

The directors present their report with the financial statements of the Company for the year ended 31 December 2012

Principal activity

The principal activity of the Company is to act as an investment holding company for subsidiaries engaged in investment management

Business review

Post-tax income decreased to £4.3m (2011: £11.7m). The Company received dividends totalling £2.0m (2011: £10.3m) from its subsidiary undertaking, Aylesbury Investments BV ("Aylesbury"), and £nil income (2011: £1.9m) from loan investments. The Company also received interest from deposits totalling £3.1m (2011: £1.1m).

The Company decided that Aylesbury should close its business following the repayment of its investment in a joint venture in November 2011. The Company increased its investment in the A shares of Aylesbury from £0.02m to £0.15m in January 2012. This allowed Aylesbury to repurchase its B shares held by the Company for £501m in January 2012. Aylesbury went into liquidation in April 2012 and the liquidation was completed in December 2012.

In July 2012 the Company's capital was reduced from £501m to £1m by repaying £500m in cash to Crédit Agricole Corporate & Investment Bank and cancelling 500m £1 ordinary shares.

The Company paid £95.1m of interim dividends during the year (2011: £22.5m). The directors do not recommend the payment of a final dividend for the year.

Going concern

On the basis of current financial projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and accordingly the going concern basis is adopted in the preparation of the financial statements.

Principal risks and uncertainties

Equity risk The Company is exposed to the risk that it will not receive dividend income from its investments. It mitigates the risk by its active involvement in the management of the companies it has invested in and by monitoring the underlying investments.

Credit risk The Company was also exposed to the credit risk inherent in the timely payment of interest and repayment of its loan investment (repaid in 2012).

Operational risk The Company is aware that there are many risks of an operational nature, both internal and external, which could affect its business. Procedures are in place to identify, monitor and report upon any incidences which may occur. This is a continuous process which receives an appropriate level of management attention.

Interest rate risk The Company's loan investment paid interest on a LIBOR plus margin interest rate basis and its exposure to changes in rates was unhedged.

Key performance indicators

Given the nature of the business, the Company's directors use dividend and interest income as key performance indicators to monitor the business activities.

Registered No 378410

Directors' Report

Directors

The directors during the year under review were

M T Payne

D Subramanian

M Lefort (resigned 1 December 2012)

Directors' and Officers' liability insurance has been in force throughout the year

Disclosure of information to auditors

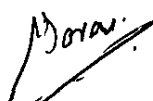
The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Ernst & Young LLP are deemed to be re-appointed as auditors of the Company in accordance with the provisions of the Companies Act 2006

By order of the board



D Subramanian

Director

18th July 2013



M T Payne

Director

18 July 2013

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent auditors' report

to the members of Crédit Agricole CIB UK IH

We have audited the financial statements of Credit Agricole CIB UK IH for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Crédit Agricole CIB UK IH

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

ERNST & YOUNG LLP

Manprit Dosanjh (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

23 July 2013

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover from continuing operations	2	2,016,000	10,257,567
Administrative expenses	3	(121,592)	(411,231)
Operating profit from continuing operations		1,894,408	9,846,336
Interest receivable and similar income	5	3,095,778	2,994,132
Interest payable and similar charges	6	(127,515)	(568,606)
Gain on liquidation of investment		125,566	
Profit on ordinary activities before taxation		4,988,237	12,271,862
Corporation tax charge	7	(699,357)	(605,812)
Profit on ordinary activities after taxation for the financial year		4,288,880	11,666,050

There are no recognised gains/losses for the current financial year and preceding financial year other than as stated above. Accordingly no statement of total recognised gains or losses has been prepared.

A reconciliation of the movement in shareholders' funds has been prepared in note 13 to the accounts.

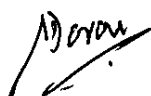
The notes on pages 9 to 13 form an integral part of the financial statements.

Balance sheet

at 31 December 2012

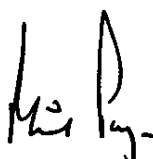
	Notes	2012 £	2011 £
Fixed assets			
Investments	8	102	501,016,153
Current assets			
Cash at bank	9	339,322	1,320,799
Short term deposits		1,300,000	590,900,000
Debtors	10	9,275	675,237
		<u>1,648,597</u>	<u>592,896,036</u>
Creditors amounts falling due within one year	11	(359,819)	(501,832,718)
Net current assets		<u>1,288,778</u>	<u>91,063,318</u>
Total assets less current liabilities		<u>1,288,880</u>	<u>592,079,471</u>
Capital and reserves			
Called up share capital	12	1,000,000	501,000,000
Profit and loss account		288,880	91,079,471
Equity shareholders' funds	13	<u>1,288,880</u>	<u>592,079,471</u>

The financial statements were approved and authorised by the Board on 18 July 2013 and were signed on behalf of the Board of Directors by



D Subramanian

Director



M T Payne

Director

Notes to the financial statements

at 31 December 2012

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards

Under Section 400 of the Companies Act 2006, the Company is exempt from preparing consolidated financial statements as it is itself a subsidiary of Crédit Agricole, a company incorporated in France for which group accounts are prepared and in which the Company is consolidated. These financial statements therefore present information about the Company as an individual entity and not about the Company's group.

The particular accounting policies adopted, which have been applied consistently throughout the current and preceding year, are set out below.

Fixed assets - Investments

The Company carries unquoted shares at cost less provision for any impairment in value.

Loans and advances

Loans which the Company intends to hold until maturity are carried at amortised cost (including directly attributable transaction costs) using the effective interest method, adjusted for any impairment provisions.

Short term deposits

The Company carries current investments in short term deposits at fair value being cost plus accrued interest.

Revenue recognition

Turnover

Dividend income from subsidiaries is recognised when the dividend becomes due to the Company.

Interest income on medium term loan

Interest income on a medium term loan was recognised using the effective interest method. This method applies the effective interest rate to the carrying amount of the loan. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the loan to the carrying amount of the loan.

Fee income on medium term loan

Fee income is taken to profit and loss according to the type of service to which it relates. Fees that are an integral part of the return on a financial instrument are recognised as an adjustment to the return on that instrument and included in its effective rate. Fees received as consideration for non-recurring services are recognised in full in the year they became due. Fees remunerating continuing services are taken to profit and loss over the period of the service provided.

Interest expense payable

Interest expense on loans is accounted for using the effective interest method.

Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements

at 31 December 2012

Cash flow statement

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

2. Turnover

Turnover represents dividends received from a subsidiary undertaking

3. Administrative expenses

	2012 £	2011 £
Salary and related costs	87,543	123,540
Social security costs	8,807	11,524
Other costs	15,842	25,745
Legal fees	2,388	212,782
Audit fees	7,012	7,015
Management fee	-	30,625
	<u>121,592</u>	<u>411,231</u>

During 2012 the Company had one employee and two secondees "Other costs" represent premises, IT costs and other direct costs recharged by a group entity with a mark up of 10% There were no non-audit services provided to the Company by the external auditors during the current or prior year

4. Directors

The Directors did not receive any remuneration in respect of services to the Company during the year (2011 - Nil)

5. Interest receivable and similar income

	2012 £	2011 £
Interest receivable from group undertakings	3,076,260	1,079,439
Interest receivable on medium term loan	-	1,373,026
Other income	19,518	-
Commissions receivable on medium term loan	-	541,667
	<u>3,095,778</u>	<u>2,994,132</u>

6. Interest payable and similar charges

	2012 £	2011 £
Interest payable to group undertakings	127,515	473,548
Compensation payment	-	95,058
	<u>127,515</u>	<u>568,606</u>

Notes to the financial statements

at 31 December 2012

7. Tax on profit on ordinary activities

The Company is liable to UK corporation tax at 24.50% (2011: 26.50%)

	2012 £	2011 £
Current tax on income for the year	726,793	605,812
Prior year adjustment	(27,436)	-
Tax charge on ordinary activities	699,357	605,812
The tax charge is low because dividend income is exempted from UK corporation tax		
Profit on ordinary activities before tax	4,988,237	12,271,862
Expected tax on profit on ordinary activities at 24.50% (2011: 26.50%)	1,222,118	3,252,043
Effects of		
Non-deductible expenses and losses	-	72,024
Gains and income not subject to tax	(495,325)	(2,718,255)
Tax charge for the year	726,793	605,812

8. Fixed Assets

	2012 £	2011 £
Investments	501,016,255	501,000,102
Additions	-	16,153
Disposals	(501,016,153)	-
As at 31 December	102	501,016,255

Investments

Name of Company incorporation	Principal activity Effective	Country of Voting	% Effective holding	% Voting rights
Direct subsidiaries				
QVSL Autumn Limited	Not trading	Great Britain	100%	100%

The Company owns ordinary shares in QVSL Autumn Limited

Notes to the financial statements

at 31 December 2012

9. Cash at bank

	2012 £	2011 £
Bank and current accounts	339,322	1,320,799

10. Debtors

	2012 £	2011 £
Amounts owed by group undertakings	7,798	7,798
Accrued interest on loans	1,477	667,439
	9,275	675,237

11. Creditors: amounts falling due within one year

	2012 £	2011 £
Short term borrowing from group undertaking	-	501,473,548
Audit fee payable	6,959	6,823
Legal fees payable	-	73,200
Group relief payable	352,860	279,147
	359,819	501,832,718

12. Called up share capital

	2012 £	2011 £
Authorised		
501,000,000 (2011 501,000,000) ordinary shares of £1 each	501,000,000	501,000,000
Allotted, issued and fully paid		
1,000,000 (2011 501,000,000) ordinary shares of £1 each	1,000,000	501,000,000

Notes to the financial statements

at 31 December 2012

13. Reconciliation of movement in shareholders' funds and movements in reserves

	<i>Issued share capital</i>	<i>Profit and loss</i>	<i>Total</i>
	£	£	£
As at 1 January 2012	501,000,000	91,079,471	592,079,471
Profit for the year	-	4,288,880	4,288,880
Capital repaid	(500,000,000)	-	(500,000,000)
Dividends paid	-	(95,079,471)	(95,079,471)
As at 31 December 2012	<u>1,000,000</u>	<u>288,880</u>	<u>1,288,880</u>

14. Related party transactions

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

15. Ultimate controlling party

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

The Company's immediate parent is Crédit Agricole CIB, registered in France, which is the smallest company for which group accounts are prepared. Group accounts can be obtained from Crédit Agricole CIB, 92920 Paris La Defense, Cedex, France.

The Company's direct parent is Crédit Agricole CIB Holdings Limited.