Registration No. 378410

Registered Office :
Broadwalk House
5 Appold Street
London
EC2A 2DA

C.L.C.M.

(Formerly Credit Lyonnais Capital Markets)

Directors' Report and Financial Statements

31 December 2004

C.L.C.M.
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CONTENTS

C.L.C.M.
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DIRECTORS' REPORT FOR YEAR ENDED 31 DECEMBER 2004

The Directors present their report and audited financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of C.L.C.M. (the "Company") is to act as an investment holding company for subsidiaries engaged in investment management and securities and futures broking and trading.

The Company sold its interest in its subsidiary Laing & Cruickshank Investment Management Limited ("LACIM") to UBS AG on 30 April 2004. The long and short-term subordinated loans provided to LACIM were also repaid on this date after regulatory approval was obtained for the transaction. This is further detailed in note 11.

At a meeting of the Directors on the 30th December 2004 it was agreed to reduce the issued share capital by £59,000,000 with effect from the 31st December 2004 by repaying £59,000,000 to Credit Lyonnais (Investments) Limited.

The Directors consider both the financial position at the year-end and the results during the year to be satisfactory. Following the disposal of its last investment, the company became dormant in 2005.

RESULTS AND DIVIDENDS

The profit for the year, after tax, was £105,762,591 (2003: £3,837,406 profit).

During the year, an interim dividend of £90,000,000 was paid (2003: £Nil). The Directors recommend the payment of a final dividend of £3,856,315 (2003: £Nil).

DIRECTORS

The following Directors held office throughout the year (except where otherwise shown):

BF Armstrong	
J-PA Le Roy	
Credit Lyonnais (Investments) Limited	*Appointed 20 April 2005*
C Nigond	*Resigned 20 April 2005*
FC Mélul	*Resigned 31 December 2004*
O Motte	*Resigned 9 June 2004*

DIRECTORS INTERESTS

None of the Directors had disclosable interests in the share and loan capital of any Group company during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements on pages 4 to 11, the Directors are required to:

- use suitable accounting policies and consistently apply them;
- make judgements and estimates that are reasonable and prudent;
- state whether relevant accounting standards have been followed; and
- prepare the accounts on the going concern basis, where this is considered appropriate.

The Directors have responsibility for ensuring the Company keeps 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.

The Directors are also responsible for the system of internal control, for safeguarding the assets of the Company and for taking reasonable measures for the prevention and detection of fraud and other irregularities.

By order of the Board on 4 May 2005

B. Sweeney

Secretary

BC Sweeney

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C.L.C.M.

We have audited the financial statements of C.L.C.M. for the year ended 31 December 2004, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. These financial statements have been prepared under 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 auditors' 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, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom company law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 Company is not disclosed.

We read the Directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP, London
Chartered Accountants and Registered Auditors

4 May 2005

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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £	2003 £
TURNOVER	2	-	7,005,000
Administrative expenses		(81,971)	(509,502)
OPERATING (LOSS)/PROFIT	3	(81,971)	6,495,498
Gain/(Loss) on disposal of investment in subsidiaries	11	103,786,682	(3,661,240)
Gain on disposal of other investments		-	167,677
Interest receivable and similar income	6	2,911,811	2,111,754
Interest payable and similar charges	7	(7,113)	(788,036)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		106,609,409	4,325,653
Tax on profit on ordinary activities	8	(846,818)	(488,247)
		105,762,591	3,837,406
Interim dividend paid	9	(90,000,000)	-
Final dividend proposed	9	(3,856,315)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR		11,906,276	3,837,406

All material income and expenditure for the year relates to discontinued activities.

A reconciliation of the movement in shareholders' funds has been prepared in note 15 to the accounts.

The notes on pages 6 to 11 form an integral part of the financial statements.

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2004

	2004 £	2003 £
PROFIT FOR THE FINANCIAL YEAR	105,762,591	3,837,406
(Decrease)/increase in share of net assets of subsidiary	(2,633,001)	(845,250)
Gain on foreign currency investment hedging loans	-	264,142
Loss on translation of hedged foreign currency denominated investments	-	(264,142)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	103,129,590	2,992,156

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BALANCE SHEET
AT 31 DECEMBER 2004

	Note	2004 £	2003 £
CURRENT ASSETS			
Debtors	10	2,379,131	7,552,088
Current investments	11	-	42,634,750
Cash at bank and in hand	12	-	602,815
		2,379,131	50,789,633
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	(1,379,131)	(62,928)
NET CURRENT ASSETS		1,000,000	50,726,725
TOTAL ASSETS LESS CURRENT LIABILITIES		1,000,000	50,726,725
CAPITAL AND RESERVES			
Called up share capital	14	1,000,000	60,000,000
Revaluation reserve	15	-	2,633,001
Profit and loss account	15	-	(11,906,276)
EQUITY SHAREHOLDERS' FUNDS		1,000,000	50,726,725

These financial statements were approved by the Board of Directors on 4 May 2005
Signed on behalf of the Board of Directors

Director
BF Armstrong

The notes on pages 6 to 11 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments in subsidiaries, which are revalued, as described below, and in accordance with applicable United Kingdom law and accounting standards.

Under Section 228 of the Companies Act 1985, the Company is exempt from preparing consolidated financial statements as it is itself a subsidiary of Crédit Agricole, a société anonyme 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.

b) Foreign currencies

All monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Transactions during the year in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions, or at the contracted rate, if applicable. Foreign exchange differences arising from the borrowings used as economic hedges of foreign investments denominated in the same currency are not taken to the profit and loss, but together with the investment are taken to reserves through the statement of recognised gain and losses.

c) Investments

Investments in subsidiaries are revalued to the Company's share of the amounts of the underlying net assets of the subsidiaries at year-end. Surpluses of net assets against the historical cost are taken to the revaluation reserve, unless reversing a previous deficit in which case the amount is taken first to the profit and loss account. Any deficit of net assets against historical cost are taken to the profit and loss account, unless this is reversing a previous surplus in which case the amount is taken first against the revaluation surplus. Other investments are stated at the lower of cost or directors' valuation.

d) Current and Deferred 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. These arise from the inclusion of gains and losses in tax assessments in different periods to which they are recognised in the financial statements.

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

e) Pensions

Calyon operates the Credit Lyonnais Group UK Pension Scheme (Group Pension Scheme for the Calyon United Kingdom Group). The Group Pension Scheme provides either a defined benefit plan or a defined contribution plan for its members.

For members of the Group Pension Scheme defined contribution plan, pension costs charged to the profit and loss account for each year represent the contributions payable in respect of that year.

For members of the Group Pension Scheme defined benefits plan, the pension cost charged to the profit and loss account is designed to spread the costs of benefits over the period of their pensionable employment. It is determined as a contribution, which is expected to be a constant proportion of pensionable pay. Contribution and pension costs are based on pension costs across Calyon as a whole.

The effect of any variation from regular cost is spread over the expected remaining working lifetime of members of the scheme after making suitable allowances for future withdrawals.

The regular pension cost is assessed in accordance with the advice of an independent qualified actuary.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

f) Cash flow statement

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

2. TURNOVER

Turnover represents dividend income from shares in Group undertakings.

3. OPERATING (LOSS)/PROFIT

	2004	2003
	£	£
Operating (loss)/profit is stated after charging/(crediting)		
Auditors' remuneration - audit fees	17,760	8,303
Management charges	-	504,600

4. STAFF COSTS

The Company employed no staff during the year (2003: Nil).

5. DIRECTORS' EMOLUMENTS

	2004	2003
	£	£
Total emoluments of all Directors :		
Aggregate emoluments excluding pension contributions	72,551	108,600
Aggregate contributions to pension schemes	5,250	4,507
	77,801	113,107
Disclosures in respect of the highest paid Director:		
Aggregate emoluments excluding pension contributions	43,345	73,552
Aggregate contributions to pension schemes	2,747	2,676
	46,098	76,228

Pensions contributions were in respect of two (2003: two). Directors for defined contribution schemes only.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004	2003
	£	£
Interest receivable from group undertakings	2,911,811	2,111,719
Other sundry income	-	35
	2,911,811	2,111,754

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
Interest payable to group undertakings	7,113	786,458
Foreign exchange losses	-	1,578
	7,113	788,036

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the period

	2004 £	2003 £
UK corporation tax at 30% (2003: 30%)		
Amounts charged		
On the results for the period		
- Current year	-	244,265
- Adjustment relating to prior periods	-	243,982
Total tax charge on ordinary activities	-	488,247

Reconciliation of UK Corporation Tax Charge

	2004 £	2003 £
Profit on ordinary activities before Tax	106,609,409	4,325,653
Profit on ordinary activities multiplied by standard tax rate of 30% (2003 : 30%)	31,982,823	1,297,696
Effect of:		
- Non-deductible losses	-	1,099,178
- Gains and income not subject to tax	(31,136,005)	(2,152,609)
- Adjustment relating to prior periods	-	243,982
Current tax charge	846,818	488,247

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

9. DIVIDENDS

	2004 £	2003 £
Interim dividend paid on ordinary shares 150p (2003: Nil) per share	90,000,000	-
Final dividend proposed on ordinary shares 386p (2003: Nil) per share	3,856,315	-
	93,856,315	-

10. DEBTORS

	2004 £	2003 £
Amounts owed by group undertakings	2,379,131	546,163
Other debtors	-	7,005,000
Prepayments and accrued income	-	925
	2,379,131	7,552,088

11. CURRENT INVESTMENTS

	Shares in subsidiary undertakings £	Subordinated loans to group companies £	Short term deposits £	Total £
Cost				
At 1 January 2004	1,501,749	34,000,000	4,500,000	40,001,749
Additions	-	-	-	-
Disposals / reductions	(1,501,749)	(34,000,000)	(4,500,000)	(40,001,749)
At 31 December 2004	-	-	-	-
Revaluations				
At 1 January 2004	2,633,001	-	-	2,633,001
Reduction	(2,633,001)	-	-	(2,633,001)
At 31 December 2004	-	-	-	-
Net book value				
At 31 December 2004	-	-	-	-
At 31 December 2003	4,134,740	34,000,000	4,500,000	42,634,750

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

11. CURRENT INVESTMENTS (Continued)

On 30 April 2004 the Company completed the sale of LACIM to UBS AG for £108 million. LACIM changed its name on that date to UBS Laing and Cruickshank Limited.

The Company held 100% of the ordinary shares of LACIM. In terms of the articles of association of LACIM, the ordinary shareholders are entitled to 100% of the voting rights and any return on capital until 1 January 2009, after which they will rank pari passu with the other shareholders entitled to vote or to receive a return on capital. In addition, the ordinary shareholders will be entitled to 100% of all dividends until 1 January 2005, after which they will rank pari passu with the other shareholders entitled to receive dividends.

Subordinated loans are made by the Company to its principal operating subsidiary and other group companies. Each loan is subordinated in favour of the claims of all other creditors of the Company to whom the loan has been made. After regulatory approval was obtained from the FSA, the subordinated loans provided to CLR were repaid in 2004. On 30 April 2004, the subordinated loans provided to LACIM were repaid as part of the completion of the sale of LACIM and after regulatory approval had been obtained.

Subordinated Loan	Currency	Amount	Interest Rate
Credit Lyonnais Rouse Limited	GBP	11,000,000	1 Month LIBOR + 3/8%
Credit Lyonnais Rouse Limited	GBP	19,000,000	1 Month LIBOR + 3/8%
Laing & Cruickshank Investment Management Limited	GBP	1,500,000	1 Month LIBOR + 3/8%
Laing & Cruickshank Investment Management Limited	GBP	2,500,000	1 Month LIBOR + 3/8%
		34,000,000	

12. CASH AT BANK

	2004 £	2003 £
Bank and current accounts	-	602,815
	-	602,815

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Corporation tax and social security	1,379,131	49,265
Accruals and deferred income	-	13,663
	1,379,131	62,928

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

14. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised:		
250,000,000 ordinary shares of £1 each	250,000,000	250,000,000

	2003 £	2002 £
Allotted and fully paid:		
1,000,000 ordinary shares of £1 each	1,000,000	60,000,000

On 31st December 2004 the issued share capital was reduced by £59,000,000 by repaying £59,000,000 to Credit Lyonnais (Investments) Limited.

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Issued Share Capital £	Revaluation Reserve £	Profit and loss account £	Total £
At 1 January 2003	60,000,000	3,478,251	(15,743,682)	47,734,569
Profit for the year			3,837,406	3,837,406
Decrease in share of net assets of subsidiary		(845,250)		(845,250)
At 1 January 2004	60,000,000	2,633,001	(11,906,276)	50,726,725
Reduction in paid up share capital	(59,000,000)			(59,000,000)
Profit for the year			11,906,276	11,906,276
Decrease in share of net assets of subsidiary		(2,633,001)		(2,633,001)
At 31 December 2004	1,000,000	-	-	1,000,000

16. 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.

17. ULTIMATE CONTROLLING PARTY

The Company's ultimate holding company is Crédit Agricole, a Société Anonyme registered in France, which is the smallest and 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 direct parent is Credit Lyonnais (Investments) Limited.