

B.P.B. (HOLDINGS) LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**



REGISTERED NUMBER: 2569005

B.P.B. (HOLDINGS) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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B.P.B. (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The Directors present their report together with the audited financial statements for the year ended 31 December 2003.

Review of business

The principal activity of the Company was to act as a holding company and no significant change in these activities is envisaged in the foreseeable future. The activities of the subsidiaries are set out in Note 9 to the financial statements.

Results and dividends

During the year, the Company made a loss after taxation of £61,000 (2002: Profit £253,000). The directors do not recommend the payment of a final dividend (2002: £Nil).

Directors

The directors of the Company, who served during the year, together with their dates of appointment and resignation, where appropriate, are as shown below:

L C Dickinson	(Resigned 12 February 2003)
Lord Fellowes	
H J Maizels	
M B Pedersen	(Appointed 12 February 2003)
S W J Wathen	(Appointed 26 June 2003)
G J Welsh	(Appointed 12 February 2003)

Directors' and Officers' liability insurance policy

Barclays Bank PLC continues to maintain liability insurance cover for its Directors and Officers and those of its subsidiary undertakings in the UK and overseas, under a Directors' and Officers' liability insurance policy.

Directors' interests in shares (as defined by section 325 of the Companies Act 1985)

The directors have no interests in the shares of the Company. The directors' interests in the ordinary shares of Barclays PLC, the ultimate holding company, are shown below.

Directors' interests in Barclays PLC ordinary shares of 25p each

	At 1 January 2003 (a)	At 31 December 2003
Lord Fellowes	1,969	2,325
H J Maizels	15,060	15,060
M B Pedersen	-	-
S W J Wathen	28,560	28,560
G J Welsh	-	-

Beneficial interests in the table above represent shares held by directors, either directly or through a nominee, their spouses and children under eighteen. They include any interests held through the Barclays PLC Group Share Incentive Plan (SIP).

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

Directors' interests in shares in Barclays PLC under option under Incentive Share Option Plan (ISOP)

	During the year						Information as at 31 December 2003			
	Number held at 1 January 2003 (a)		Granted		Exercised	Lapsed	Target Award Shares	Maximum number over which potentially exercisable	Date from which exercisable	Latest Expiry Date
			Target Award Shares	Maximum number over which potentially exercisable						
Lord Fellowes	-	-	-	-	-	-	-	-	-	-
H J Maizels										
EP	4,000	8,000	-	-	-	-	4,000	8,000	12.03.04	11.03.11
EP	6,000	12,000	-	-	-	-	6,000	12,000	20.03.05	19.03.12
EP	-	-	8,000	16,000	-	-	8,000	16,000	14.03.06	13.03.13
M B Pedersen										
EP	40,000	80,000	-	-	-	-	40,000	80,000	13.05.05	12.05.12
EP	-	-	40,000	80,000	-	-	40,000	80,000	14.03.06	13.03.13
TSR	-	-	8,000	32,000	-	-	8,000	32,000	14.03.06	13.03.13
S W J Wathen										
EP	10,000	20,000	-	-	-	-	10,000	20,000	18.05.03	17.05.10
EP	4,000	8,000	-	-	-	-	4,000	8,000	20.03.05	19.03.12
EP	4,000	8,000	-	-	-	-	4,000	8,000	14.03.06	13.03.13
G J Welsh										
EP	-	-	18,000	36,000	-	-	18,000	36,000	14.03.06	13.03.13

(a) or date appointed to the Board if later.

The ISOP has been designed to provide the opportunity for individuals to receive rewards for exceptional performance and creating higher shareholder value. Under the ISOP, participants are granted options over Barclays PLC ordinary shares which are exercisable at the market price set at the time of grant. The number of shares over which options can be exercised depends upon the performance of the holding company, Barclays PLC, against specific targets. In establishing the performance targets, the Remuneration Committee of Barclays PLC has sought to encourage excellent business performance. The two measures of performance used are economic profit growth (EP) and relative total shareholder return (TSR). These are both good measures of the value created for shareholders. EP encourages both profitable growth and the efficient use of capital and is used as a key internal value creation metric.

For options subject to the EP performance measure, where the cumulative EP is below the target range at the end of the three year performance period, options over half of the target award shares will become exercisable. Where the cumulative EP is above the target range, the options over double the number of target award shares will become exercisable. Where EP is below the three year cumulative EP for the previous three year period, the options will lapse.

For the options subject to the TSR measure to be fully exercisable, Barclays PLC would have to be a leading business in the sector, relative to a peer group which is comprised of companies with similar business models and geographic coverage of Barclays. A relative ranking of fourth, fifth or sixth place will result in the target awards becoming exercisable at the third anniversary after grant. If Barclays PLC is ranked first, second or third in the peer group, the options will become exercisable over quadruple, triple or double the target award shares, respectively. However, if Barclays PLC is ranked below sixth after three years, there will be a retest on the fourth anniversary, over the full four-year period. If Barclays PLC is not ranked sixth or higher after four years, the option will lapse.

B.P.B. (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

Directors' interests in shares in Barclays PLC under option under closed incentive schemes and Sharesave

	Number held at 1 January 2003 (a)	During the year			Information as at 31 December 2003		
		Granted	Exercised	Lapsed	Number held at 31 December 2003	Date from which exercisable	Latest expiry date
Lord Fellowes	-	-	-	-	-	-	-
H J Maizels	-	-	-	-	-	-	-
M B Pedersen	-	-	-	-	-	-	-
S W J Wathen							
ESOS	8,664	-	-	-	8,664	05.09.00	04.09.07
ESOS	11,356	-	-	-	11,356	05.09.00	04.09.04
ESOS	20,000	-	-	-	20,000	14.08.01	13.08.08
ESOS	10,000	-	-	-	10,000	06.09.02	05.09.09
Sharesave	2,184	-	2,184	-	-	-	-
Sharesave	600	-	-	-	600	10.11.03	30.04.04
Sharesave	-	2,479	-	-	2,479	01.11.06	30.04.07
G J Welsh							
Sharesave	-	2,479	-	-	2,479	01.11.06	30.04.07

(a) or date appointed to the Board if later.

All eligible employees have the opportunity to participate in Barclays Sharesave Scheme. Each participant may save up to £250 per month to purchase Barclays PLC shares at a discount. For the 2003 grant, the discount was 20% of the market value at the time the option was granted.

In addition, directors continue to have interests under the Executive Share Option Scheme (ESOS). No further awards will be made under this scheme. Under the ESOS, options granted (at market value) to participants are exercisable only if the growth in earnings per share of Barclays PLC over a three year period is, at least, equal to the percentage increase in the UK Retail Prices Index plus 6%, over the same period. The performance targets for the 1998, 1999 and 2000 ESOS grants have been met.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003 (continued)

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the auditors' report set out on page 6, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 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 for the financial year.

The directors consider that in preparing the financial statements on pages 7 to 16.

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and
- that all the accounting standards which they consider to be applicable have been followed, and
- that the financial statements have been prepared on a going concern basis.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985.


The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 11 February 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

On 8 January 1991, an Elective Resolution was passed by the shareholders of the Company pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint Auditors annually. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

BY ORDER OF THE BOARD


For and on behalf of
Barcosec Limited
Corporate Secretary
54 Lombard Street
London EC3P 3AH

16 September 2004

B.P.B. (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF B.P.B. (HOLDINGS) LIMITED

We have audited the financial statements on pages 7 to 16, which comprise the profit and loss account, the balance sheet, and the related notes, which have been prepared under the historical cost convention, and the accounting policies set out on page 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 5.

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 in to 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 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 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 misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

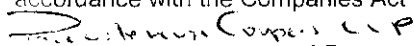
Basis of audit opinion

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 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 at 31 December 2003 and of its loss 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, United Kingdom

16 September 2004

B.P.B. (HOLDINGS) LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	2003 £000	2002 £000
Administrative expenses		3	(1)
Operating profit		3	(1)
Income from shares in group undertaking	4	-	1,273
Interest receivable and similar income	5	5	11
Interest payable and similar charges	6	-	(105)
Profit on ordinary activities before taxation		8	1,178
Tax on profit on ordinary activities	8	(69)	(925)
Retained (loss)/profit for the financial year		(61)	253
Retained profits brought forward		571	318
Retained profits carried forward		510	571

All recognised gains and losses are included in the profit and loss account.

Turnover and operating profit are derived from continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on a modified historical cost basis. The notes on pages 9 to 16 form an integral part of these financial statements.

B.P.B. (HOLDINGS) LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2003**

	Note	2003 £000	2002 £000
FIXED ASSETS			
Investments	9	<u>87,128</u>	<u>87,128</u>
		87,128	87,128
CURRENT ASSETS			
Debtors falling due within one year	10	383	419
Cash at bank and in hand		142	427
Creditors: amounts falling due within one year	11	<u>(65)</u>	<u>(325)</u>
NET CURRENT ASSETS		460	521
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>87,588</u>	<u>87,649</u>
Called up share capital	12	44,308	44,308
Share premium account	13	42,770	42,770
Profit and loss account	13	510	571
Shareholders' funds	14	<u>87,588</u>	<u>87,649</u>

A statement of movement in shareholders' funds is given in note 14.

The notes on pages 9 to 16 form an integral part of these financial statements.

The financial statements on pages 7 to 16 were approved by the Board of Directors on 16 September 2004 and were signed on its behalf by:



Director

B.P.B. (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with the applicable accounting standards of the Accounting Standards Board and pronouncements of the Urgent Issues Task Force.

Expenses and interest

Expenses and interest are recognised on an accruals basis.

Investments

Investments in subsidiary undertakings are stated at cost less provision for any permanent diminution in value.

Foreign currency

Assets, other than investments, and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transaction.

Group accounts

The Company is exempt from preparing group accounts under section 228 of the Companies Act 1985 because it is included in the accounts of a larger group. Accordingly the financial statements relate to the Company as an individual undertaking and not to its group.

Adoption of new accounting standards

There have been no significant changes to the accounting policies as described in the 2002 Financial statements.

2 CASH FLOW STATEMENT

The Company's ultimate holding company has adopted the provisions of Financial Reporting Standard 1 ("FRS 1") revised 1996, Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary of Barclays Bank PLC, has elected to utilise the exemption provided in FRS 1 not to produce a cash flow statement.

3 DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the company during the year (2002: £nil).

B.P.B. (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 INCOME FROM SHARES IN GROUP UNDERTAKING

	2003 £000	2002 £000
BPB (Holdings) SA	-	1,273
	<u>-</u>	<u>1,273</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £000	2002 £000
Interest receivable from group undertakings	5	11
	<u>5</u>	<u>11</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £000	2002 £000
Other interest payable	-	105
	<u>-</u>	<u>105</u>

7 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after (crediting)/charging:-

	2003 £000	2002 £000
Auditors' remuneration:		
- audit services	(3)	1

There were no employees employed by the company during 2002 or 2003.

The audit fees incurred in connection with this company are paid centrally through Barclays Private Bank Limited. No recharge is carried out for these fees. The credit in the profit and loss account represents the release of the audit fee accruals for 2001 and 2002.

B.P.B. (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****8 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2003	2002
	£000	£000
Current tax:		
United Kingdom taxation on income for the period	2	354
Adjustment in respect of prior years	67	571
Tax on profit on ordinary activities	69	925
The tax charge is based on an effective UK corporation tax rate of 30% (2002:30%). The overall tax charge is explained in the following table:-		
Profit on ordinary activities before tax	8	1,178
Tax charge at average UK Corporation Tax rate of 30% (2002 30%)	2	354
Prior year adjustments	67	571
Overall tax charge	69	925
Effective rate %	862.5%	30%

B.P.B. (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 FIXED ASSET INVESTMENTS

	2003	2002
	£000	£000
Cost		
At 1 January and 31 December	<u>87,128</u>	<u>87,128</u>

The following investments, all of which are 100% directly owned unless otherwise stated, were held at 31 December 2003:

**Country of registration
or incorporation**

	Company name	Nature of Business
England	Barclays Private Trust Limited	Trust Services
England	Barclays Private Banking Services Limited	Personnel Services
Switzerland	Barclays Bank (Suisse) SA	Banking Services and Asset Management
Switzerland	* Barclaytrust (Suisse) SA	Trust Services
British Virgin Islands	* Condor Nominees Limited	Nominee Company
Liberia	* Aigle Trustees SA	Nominee Company
Liberia	* Perpetual Nominees SA	Nominee Company
Liechtenstein	* B.P.B. Trust AG	Trust Services
England	Barclays Private Bank Limited	Banking Services and Asset Management
Switzerland	BPB (Holdings) SA	Holding Company
Cayman Islands	Barclays Private Bank & Trust (Cayman) Limited	Banking and Trust Services
Jersey	Barclays Private Bank & Trust Limited	Banking and Trust Services
Isle of Man	Barclays Private Bank & Trust (Isle of Man) Limited	Banking and Trust Services
Hong Kong	* Barclaytrust Nominees (Hong Kong) Limited	Nominee Services
Monaco	* Barclays Private Asset Management (Monaco) SAM	Asset Management
Cayman Islands	* Eagle Holdings Limited	Nominee Services
Cayman Islands	* Golden Eagle Holdings Limited	Nominee Services
Isle of Man	* Barclaytrust International Nominees (Isle of Man) Limited	Nominee Services
Isle of Man	* Barclaytrust (Nominees) Isle of Man Limited	Nominee Services
Jersey	* Barclaytrust Channel Islands Limited	Nominee Company
Gibraltar	* Parkgate Holdings Limited	Investment and Property Holding Company
Jersey	* Barclaytrust Jersey Limited	Nominee Company
Jersey	* BPB Asia Limited	Financial Consulting Company
Jersey	* Barclaytrust International (Jersey) Limited	Nominee Company
Guernsey	* Barclaytrust International (Guernsey) Limited	Nominee Company

B.P.B. (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 FIXED ASSET INVESTMENTS (continued)

Country of registration or incorporation	Company name	Nature of Business
Singapore	* Barclays Merchant Bank (Singapore) Limited	Merchant Bank
England	* Swan Nominees Limited	Nominee Company
England	* Zeban Nominees Limited	Nominee Company
Cayman Islands	* Eagle Management Services Limited	Corporate Management Services

* indirect holdings

Under Section 228 of the Companies Act 1985 group accounts are not required, the Company being a wholly owned subsidiary undertaking of another body corporate. In the opinion of the Directors, the value of the Company's investment in its subsidiary undertakings is not less than the amount at which this is included in the balance sheet.

10 DEBTORS

	2003 £000	2002 £000
Other Debtors	4	4
Reclaim on withholding tax from dividends received	379	415
	<u>383</u>	<u>419</u>

11 CREDITORS: Amounts falling due after more than one year

	2003 £000	2002 £000
Audit fees payable	-	2
Taxation payable	65	323
	<u>65</u>	<u>325</u>

B.P.B. (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****12 CALLED UP SHARE CAPITAL**

	2003	2002
	£000	£000
Authorised:		
50,000,000 ordinary shares of £1 each	50,000	50,000
Allotted and fully paid:		
44,308,300 ordinary shares of £1 each	44,308	44,308

13 RESERVES

	Profit and loss account £000	Share premium account £000
At 1 January 2003	571	42,770
Retained loss for the financial year	(61)	-
As at 31 December 2003	510	42,770

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2003	2002
	£000	£000
(Loss)/Profit for the financial year	(61)	253
Opening shareholders' funds	87,649	87,396
Closing shareholders' funds	87,588	87,649

B.P.B. (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 CONTINGENT LIABILITIES

The Company is a participant in a Group banking arrangement under which all surplus cash balances are held as collateral for bank facilities advanced to group members. In addition, the Company has issued an unlimited guarantee to the bank to support these group facilities.

The Barclays Group provides pension benefits to employees in the UK through The Barclays Bank UK Retirement Fund ('UKRF'), which contains a defined benefit section. The UKRF is a group scheme, details of which are given in the financial statements of Barclays Bank PLC. Contributions to the group scheme amounted to £nil (2002: £nil) and are based on pension costs across the Barclays Group as a whole. Since the Company is unable to identify its share of the underlying assets and liabilities of the UKRF, under Financial Reporting Standard 17 (FRS 17), contributions to the scheme will be accounted for as if they were contributions to a defined contribution scheme. As at 31 December 2003, the UKRF had a deficit disclosed for FRS 17 purposes of £1,586 million (2002 deficit of £1,311m).

The Company's objectives and policies in managing the risks that arise in connection with the use of financial instruments are set out below.

Currency risk

Structural Currency Exposures

The Company does not maintain a non-trading open currency position other than the structural foreign currency translation exposures arising from its investments in overseas branches and subsidiary and associate undertakings as set out in note 9.

Transactional Currency Exposures

At the year-end, the Company has a debtor balance of £379,000 denominated in Swiss Francs relating to a reclaim of withholding tax from the Swiss authorities.

Market risk

At present the Company is not exposed to any type of market risk.

Fair value of financial assets and financial liabilities

There is no material difference between fair value and book values of the other financial assets and liabilities of the Company.

B.P.B. (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under the provisions of Financial Reporting Standard 8 ("FRS 8"), Related party Disclosures not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of Barclays Bank PLC, the consolidated financial statements of which are publicly available. During the period there have been no transactions with related parties other than group companies.

17 ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Bank PLC. The ultimate holding company and controlling party is Barclays PLC, which is the parent company of the largest group that presents group accounts. Both companies are incorporated in Great Britain and registered in England and Wales. Barclays Bank PLC's and Barclays PLC's statutory accounts are available from the Group Corporate Secretariat, 54 Lombard Street, London EC3P 3AH.