

3017046

CATER ALLEN GLOBAL MARKETS LIMITED

Report and Accounts

31 December 1997



CATER ALLEN GLOBAL MARKETS LIMITED

Registered No. 3017046

DIRECTORS' REPORT

The directors submit their report and balance sheet as at 31st December, 1997.

Review of the business

The company did not trade during the period.

Directors and their interests

The directors who served during the period were:

M.R.D.Evans	Chairman (Resigned 12th June, 1998)
N.H.D.Ryder	(Resigned 31st March, 1998)
G.M.Batchelor	(Appointed 31st March, 1998)
B.W.Morrison	(Appointed 31st March, 1998)

In accordance with the Articles of Association the directors are not subject to retirement by rotation.

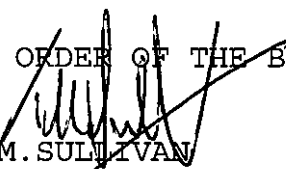
The beneficial interests of the directors at the balance sheet date in the ordinary shares of the group are disclosed in the accounts of the fellow subsidiary company, Cater Allen Limited.

Auditors

During the period Ernst & Young resigned as auditors of the company and the directors filled the casual vacancy thereby created by the appointment of Coopers & Lybrand. In accordance with section 386 of the Companies Act 1985, the company has elected to dispense with the annual reappointment of auditors.

Coopers & Lybrand are therefore deemed to be re-appointed as the company's auditors for each succeeding year, so long as such an election remains in force.

BY ORDER OF THE BOARD


T.M.SULLIVAN
Secretary

20 Birchin Lane,
London EC3V 9DJ
26th June, 1998

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; 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

We have audited the balance sheet and notes on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 31st December, 1997 and have been properly prepared in accordance with the Companies Act 1985.

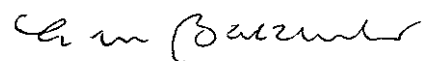
Coopers & Lybrand

COOPERS & LYBRAND
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS
LONDON

26th June, 1998

BALANCE SHEET AS AT 31ST DECEMBER, 1997

	<u>1997</u>	30th April, <u>1997</u>
CURRENT ASSETS:		
Due from holding company	£2 ==	£2 ==
 CAPITAL AND RESERVES:		
Share capital in shares of £1 each:		
Authorised	£100 ===	£100 ===
 Allotted, called up and fully paid	£2 ==	£2 ==



DIRECTOR

26th June, 1998

The notes on page 5 form part of these accounts.

NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER, 1997

1. Accounting Policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

2. Ultimate parent company

The company's ultimate parent company and ultimate controlling entity is Abbey National plc which is registered in England and Wales. The accounts of Cater Allen Global Markets Limited are consolidated in the group accounts of both ultimate parent company and the intermediate parent company, Abbey National Treasury Services plc. Copies of both these companies' accounts may be obtained from their registered office, Abbey House, Baker Street, London, NW1 6XL.

3. Profit and loss account

The company has neither received any income nor incurred any expenses during the year and accordingly no profit and loss account is presented.