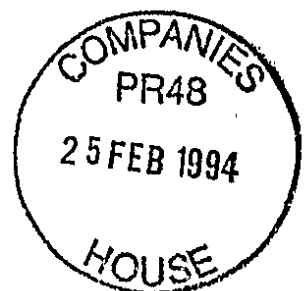


**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31ST DECEMBER 1993**

(Registered Number: 676122)



## ANTONY GIBBS BENEFIT CONSULTANTS LIMITED

### REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements of the company and the group for the year ended 31st December 1993.

#### PRINCIPAL ACTIVITY

The principal activity of the company is that of a pension consultancy which, combined with the financial management activities of Antony Gibbs Financial Management Ltd (a subsidiary company), enables the group to provide a full range of financial management services. The operations of the company are regulated by IMRO and the operations of Antony Gibbs Financial Management Ltd are regulated by FIMBRA.

#### BUSINESS REVIEW

A review of recent years has seen steady progress in the group's performance as evidenced in the following figures:

|      | Turnover<br>£000's | Profit before Tax<br>£000's |
|------|--------------------|-----------------------------|
| 1990 | 5,583              | 408                         |
| 1991 | 9,739              | 522                         |
| 1992 | 11,439             | 805                         |
| 1993 | 11,468             | 1,009                       |

In view of the continued recession the results for 1993 gave some cause for satisfaction. Looking to the future however, while there is optimism that prospects will improve as the recession recedes, there are a number of factors, notably hard disclosure, which give cause for uncertainty in the market.

#### ACQUISITION

On 12 November 1993, the company acquired Ashley Brook (Life Assurance Consultants) Ltd, a small financial management company. Whilst the impact of the acquisition on the group's 1993 results is negligible, it is envisaged that it will make a sizeable contribution to the results in 1994.

#### FIXED ASSETS

Movements in Fixed Assets are detailed in note 11.

#### CHARITABLE DONATIONS

The company made charitable donations of £2,899 (1992: £522) during the year.

#### RESULTS AND DIVIDENDS

The consolidated results of the group for the year are detailed in the consolidated profit and loss account on page 5. The directors recommend a dividend payment of £400,000 (1992: nil) in respect of the year ended 31st December 1993.

**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****REPORT OF THE DIRECTORS****DIRECTORS**

The directors who served during the year were:

|                 |                               |
|-----------------|-------------------------------|
| G F Puttergill  | (Chairman)                    |
| R Haines        |                               |
| D Lackenby      |                               |
| B Murphy        |                               |
| D G Walker      |                               |
| S Moran         |                               |
| R A R Mattingly |                               |
| S L Wasserman   |                               |
| C A Gray        |                               |
| P G Barker      |                               |
| C M Johnstone   |                               |
| T M McIntyre    |                               |
| K Insole        | (Appointed 28th January 1993) |
| M Hunt          | (Resigned 8th January 1993)   |
| R Winch         | (Resigned 28th January 1993)  |

No director had any disclosable interest in any group company (HSBC Holdings plc group) at any time during the year.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 and the group and of the profit or loss of the group for that period. In preparing those financial statements, 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANTONY GIBBS BENEFIT CONSULTANTS LIMITED

REPORT OF THE DIRECTORS

AUDITORS

At the company's last annual general meeting, KPMG Peat Marwick were reappointed as auditors of the company. In accordance with Section 385 of the Companies Act 1985, a resolution for their reappointment as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



D GABLE

Secretary

4 February 1994

Antony Gibbs House  
Ridgmont Road  
St. Albans  
Herts  
AL1 3AB

**AUDITORS' REPORT TO THE MEMBERS OF**  
**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED**

We have audited the financial statements on pages 5 to 17.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 group'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 group's and the company's affairs as at 31st December 1993 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

KPMG Peat Marwick  
Chartered Accountants  
Registered Auditors  
St Albans

4 February 1994

**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 31ST DECEMBER 1993**

|  | Note | 1993<br>£'000 | 1992<br>£'000 |
|--|------|---------------|---------------|
| TURNOVER   | 2    | 11468         | 11439         |
| Administrative expenses                          |      | (10529)       | (10708)       |
| Other operating income                           |      | -             | 2             |
|  |      | <hr/>         | <hr/>         |
| OPERATING PROFIT                                 |      | 939           | 733           |
| Other interest receivable and<br>similar income  | 3    | 116           | 186           |
| Interest payable and<br>similar charges          | 4    | (46)          | ( 114)        |
|  |      | <hr/>         | <hr/>         |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION | 3-7  | 1009          | 805           |
| Tax on profit on ordinary<br>activities          | 8    | (405)         | (340)         |
|  |      | <hr/>         | <hr/>         |
| PROFIT ON ORDINARY ACTIVITIES<br>AFTER TAXATION  |      | 604           | 465           |
| Proposed dividend                                | 9    | (400)         | -             |
|  |      | <hr/>         | <hr/>         |
| RETAINED PROFIT FOR THE<br>FINANCIAL YEAR        | 18   | 204           | 465           |
|  |      | <hr/>         | <hr/>         |

The notes on pages 8 to 17 form part of these financial statements.

**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED**  
**CONSOLIDATED BALANCE SHEET AT 31ST DECEMBER 1993**

|  | Note | 1993<br>£'000 | Group<br>1992<br>£'000 | 1993<br>£'000 | Company<br>1992<br>£'000 |
|--|------|---------------|------------------------|---------------|--------------------------|
| <b>FIXED ASSETS</b>  |      |               |                        |               |                          |
| Tangible Assets  | 11   | 305           | 245                    | 258           | 216                      |
| Investments  | 12   | -             | -                      | 111           | 105                      |
|  |      | <hr/> 305     | <hr/> 245              | <hr/> 369     | <hr/> 321                |
| <b>CURRENT ASSETS</b>  |      |               |                        |               |                          |
| Debtors  | 13   | 3830          | 3635                   | 3266          | 3106                     |
| Cash at bank   | 14   | 1817          | 2054                   | 666           | 905                      |
|  |      | <hr/> 5647    | <hr/> 5689             | <hr/> 3932    | <hr/> 4011               |
| <b>CREDITORS: AMOUNTS FALLING<br/>DUE WITHIN ONE YEAR</b>          | 15   | (3703)        | (3465)                 | (2911)        | (2824)                   |
|  |      | <hr/>         | <hr/>                  | <hr/>         | <hr/>                    |
| <b>NET CURRENT ASSETS</b>  |      | <hr/> 1944    | <hr/> 2224             | <hr/> 1021    | <hr/> 1187               |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b>                   |      | <hr/> 2249    | <hr/> 2469             | <hr/> 1390    | <hr/> 1508               |
| <b>CREDITORS: AMOUNTS FALLING<br/>DUE AFTER MORE THAN ONE YEAR</b> | 16   | (750)         | (750)                  | (500)         | ( 500)                   |
|  |      | <hr/> 1499    | <hr/> 1719             | <hr/> 890     | <hr/> 1008               |
| <b>CAPITAL AND RESERVES</b>  |      |               |                        |               |                          |
| Called up share capital  | 17   | 250           | 250                    | 250           | 250                      |
| Profit and loss account  | 18   | 1249          | 1469                   | 640           | 758                      |
|  |      | <hr/> 1499    | <hr/> 1719             | <hr/> 890     | <hr/> 1008               |

Approved by the Directors on 4 February 1994

P G BAKKER - Director

R HAINES - Director

The notes on pages 8 to 17 form part of these financial statements.

ANTONY GIBBS BENEFIT CONSULTANTS LIMITEDSTATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31ST DECEMBER 1993

|   | 1993<br>£'000 | 1992<br>£'000 |
|---|---------------|---------------|
| Profit and total recognised gains and losses for the financial year | 604           | 465           |

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS  
FOR THE YEAR ENDED 31ST DECEMBER 1993

|  | 1993<br>£'000 | 1992<br>£'000 |
|--|---------------|---------------|
| Profit for the financial year                | 604           | 465           |
| Dividends declared                           | (400)         | -             |
| Goodwill written off/adjustments to goodwill | (424)         | 19            |
| Shareholders' funds at 1st January           | 1719          | 1235          |
| Shareholders' funds at 31st December         | 1499          | 1719          |



**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****1. PRINCIPAL ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements of the group and of the company.

**(a) Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Since the preparation of the previous Annual Report the Accounting Standards Board have issued Financial Reporting Standard 2 and Financial Reporting Standard 3 and the financial statements include the changes required by these standards.

**(b) Turnover**

Turnover represents commissions and fees receivable in the UK excluding value added tax. Credit is taken for recurring fees at the beginning of a particular pension scheme year and for commission when the first premium payment is charged to the client. Non recurring fees are recognised after the service is rendered and subsequently invoiced to the client.

**(c) Depreciation**

Depreciation is calculated to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives. Depreciation for all tangible fixed assets, with the exception of certain fixtures and fittings (total cost £146,000) which are depreciated at 10% per annum, is at a rate of 20% per annum.

**(d) Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date. Differences arising from the translation and conversion of amounts in foreign currencies are dealt with in the profit and loss account.

**(e) Deferred Taxation**

Deferred taxation in respect of the taxation effect of all timing differences is provided to the extent that it is probable that liabilities will crystallise.

**(f) Pension Costs**

The group and company contributes to a defined benefit pension scheme with trust assets invested outside the group. For this scheme, the profit and loss account is charged with the cost of providing benefits, as they accrue, in accordance with SSAP24.

The group and company also contributes to a defined contribution scheme, contributions being charged in full to the profit and loss account in the year incurred.

**(g) Consolidation**

The consolidated financial statements comprise the audited financial statements of the company and its subsidiary companies. All of the subsidiary companies report on a financial year end of 31 December with the exception of Ashley Brook (Life Assurance Consultants) Ltd which maintains a financial year end 30 June.

**(h) Operating Leases**

Rentals payable under operating leases are charged to the profit and loss account in the period to which they relate, in accordance with SSAP21.

**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****(i) Investments**

The book value of investments in the company's accounts represents the lower of cost and directors' valuation for investments in group companies.

**(j) Goodwill**

Goodwill on the acquisition of a business is calculated at the date of acquisition as the difference between the consideration and the fair value of the separable net assets acquired. Goodwill is written off in the year of acquisition.

**2. TURNOVER**

| By class of business: | 1993<br>£'000 | 1992<br>£'000 |
|-----------------------|---------------|---------------|
| Fees                  | 6295          | 6475          |
| Commissions           | 5173          | 4964          |
|                       | <hr/>         | <hr/>         |
|                       | 11468         | 11439         |
|                       | <hr/>         | <hr/>         |

(The directors do not believe that profit can be apportioned to the businesses classes on a meaningful basis)

**3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

|                 | 1993<br>£'000 | 1992<br>£'000 |
|-----------------|---------------|---------------|
| Group companies | 102           | 120           |
| Other           | 14            | 66            |
|                 | <hr/>         | <hr/>         |
|                 | 116           | 186           |
|                 | <hr/>         | <hr/>         |

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|  | 1993<br>£'000 | 1992<br>£'000 |
|--|---------------|---------------|
| On bank loans and overdrafts wholly repayable within five years: |               |               |
| Group companies  | 46            | 113           |
| Non group companies  | -             | 1             |
|  | <hr/>         | <hr/>         |
|  | 46            | 114           |
|  | <hr/>         | <hr/>         |

**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging the following:

|                                       | 1993<br>£'000 | 1992<br>£'000 |
|---------------------------------------|---------------|---------------|
| Directors' emoluments                 | 997           | 1321          |
| Depreciation of tangible fixed assets | 96            | 91            |
| Auditors' remuneration                |               |               |
| audit fees                            | 49            | 50            |
| regulatory fees                       | 12            | 11            |
| other fees                            | -             | 3             |
| Operating lease rentals               |               |               |
| (hire of plant & machinery)           | 671           | 475           |
| Write off of computer licence         | -             | 60            |

**6. STAFF NUMBERS AND COSTS**

The average number of persons employed by the group (including directors) during the year was 222 (1992:225) and comprised:

|  | 1993<br>No. | 1992<br>No. |
|--|-------------|-------------|
| Management                             | 21          | 23          |
| Consultants and pension administrators | 81          | 78          |
| Office administrators                  | 120         | 124         |
|  | <hr/>       | <hr/>       |
|  | 222         | 225         |
|  | <hr/>       | <hr/>       |

The aggregate payroll costs of these persons were as follows:

|                       | 1993<br>£'000 | 1992<br>£'000 |
|-----------------------|---------------|---------------|
| Salaries and bonus    | 5579          | 5627          |
| Social security costs | 496           | 488           |
| Pension costs         | 526           | 484           |
|                       | <hr/>         | <hr/>         |
|                       | 6601          | 6599          |
|                       | <hr/>         | <hr/>         |

ANTONY GIBBS BENEFIT CONSULTANTS LIMITEDNOTES TO THE FINANCIAL STATEMENTS

The majority of staff are members of the Gibbs Insurance Holdings Pension and Life Assurance Plan, which is a funded defined benefit scheme. The assets are held separately in a trust fund administered by Antony Gibbs Trustees Ltd, a subsidiary company. Annual profits are charged with pension contributions, based on the total pension costs for Antony Gibbs Benefit Consultants Ltd, which are assessed in accordance with the advice of qualified actuaries (who are employees of the company) using the projected unit method.

The pension charge for the year was £526,000 (1992: £452,000). This includes £3,000 (1992: £11,000) in respect of amortisation of experience surpluses that are being recognised over 15 years, the average remaining service lives of existing employees.

The latest actuarial valuation was made on 1 April 1992, full details of which are given in the financial statements of HSBC Holdings plc, a company registered in the U.K.

The pension charge for the year includes £76,000 (1992: £98,000) contributions to the Antony Gibbs Money Purchase Pension Plan, a defined contribution pension scheme with assets held in a trust fund also administered by Antony Gibbs Trustees Ltd. No contributions were outstanding at the end of the year (1992: Nil).

## 7. DIRECTORS' EMOLUMENTS

The emoluments of the directors comprised:

|  | 1993<br>£'000 | 1992<br>£'000 |
|--|---------------|---------------|
| Remuneration as executives                           | 997           | 1150          |
| Compensation for loss of office paid by the company* | -             | 171           |
|  | <hr/> 997     | <hr/> 1321    |

\* Includes benefits in kind (car, BUPA, life insurance)

The emoluments of the chairman and the highest paid director, excluding pension contributions were nil and £140,887 respectively (1992: nil, £135,018).

The £15,000 loan outstanding to C Johnstone, of which £14,600 was outstanding at 31 December 1992, was repaid in full during the year.

**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

The emoluments of the directors (including the chairman and highest paid director), excluding pension contributions, were within the following bands:

|                   | 1993<br>No. | 1992<br>No. |
|-------------------|-------------|-------------|
| Under £5,000      | 4           | 2           |
| £ 10,001-£ 15,000 | -           | 1           |
| £ 60,001-£ 65,000 | -           | 1           |
| £ 65,001-£ 70,000 | 1           | 3           |
| £ 70,001-£ 75,000 | 3           | 1           |
| £ 75,001-£ 80,000 | 1           | 2           |
| £ 80,001-£ 85,000 | -           | -           |
| £ 85,001-£ 90,000 | 3           | 1           |
| £ 90,001-£ 95,000 | -           | -           |
| £ 95,001-£100,000 | 1           | 1           |
| £105,001-£110,000 | -           | 1           |
| £115,001-£120,000 | -           | 1           |
| £125,001-£130,000 | 1           | -           |
| £135,001-£140,000 | -           | 1           |
| £140,001-£145,000 | 1           | -           |

**8. TAXATION**

|   | 1993<br>£'000 | 1992<br>£'000 |
|---|---------------|---------------|
| UK corporation tax, based on profits for the year, at 33% (1992: 33%) | 405           | 341           |
| under/(over) provision in previous years                              | -             | (1)           |
|   | <hr/> 405     | <hr/> 340     |

The actual liability for 1992 disclosed in note 15 was reduced by £19,000 in respect of amounts written off to reserves which are allowable for corporation tax (see note 18).

**9. DIVIDENDS**

A dividend of £400,000 (1992: No dividend) will be proposed at the forthcoming Annual General Meeting.

**10. PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF HOLDING COMPANY**

A separate profit and loss account dealing with the results of the holding company has not been presented as permitted by S230 of the Companies Act 1985. Of the profit after tax for the financial year, £282,000 (1992: £62,000) has been dealt with in the accounts of the company.

ANTONY GIBBS BENEFIT CONSULTANTS LIMITEDNOTES TO THE FINANCIAL STATEMENTS11. TANGIBLE FIXED ASSETS

|                       | Fixtures, fittings<br>& office equipment |                         | Plant &<br>machinery  |                         | Total                 |                         |
|-----------------------|--|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                       | <i>Group</i><br>£'000                    | <i>Company</i><br>£'000 | <i>Group</i><br>£'000 | <i>Company</i><br>£'000 | <i>Group</i><br>£'000 | <i>Company</i><br>£'000 |
| Cost:                 |  |                         |                       |                         |                       |                         |
| At 1st January 1993   | 376                                      | 352                     | 403                   | 342                     | 779                   | 694                     |
| Additions             | 56                                       | 41                      | 115                   | 80                      | 171                   | 121                     |
| Disposals             | -  | -                       | (19)                  | -                       | (19)                  | -                       |
|                       | <hr/>                                    | <hr/>                   | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |
| At 31st December 1993 | 432                                      | 393                     | 499                   | 422                     | 931                   | 815                     |
|                       | <hr/>                                    | <hr/>                   | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |
| Depreciation:         |  |                         |                       |                         |                       |                         |
| At 1st January 1993   | 208                                      | 191                     | 326                   | 287                     | 534                   | 478                     |
| Charge for the year   | 49                                       | 42                      | 47                    | 37                      | 96                    | 79                      |
| Disposals             | -  | -                       | (4)                   | -                       | (4)                   | -                       |
|                       | <hr/>                                    | <hr/>                   | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |
| At 31st December 1993 | 257                                      | 233                     | 369                   | 324                     | 626                   | 557                     |
|                       | <hr/>                                    | <hr/>                   | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |
| Net book value:       |  |                         |                       |                         |                       |                         |
| At 1st January 1993   | 168                                      | 161                     | 77                    | 55                      | 245                   | 216                     |
|                       | <hr/>                                    | <hr/>                   | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |
| At 31st December 1993 | 175                                      | 160                     | 130                   | 98                      | 305                   | 258                     |
|                       | <hr/>                                    | <hr/>                   | <hr/>                 | <hr/>                   | <hr/>                 | <hr/>                   |

**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****12. INVESTMENTS (HELD AS FIXED ASSETS)**

|                           | <i>Company</i> |               |
|---------------------------|----------------|---------------|
|                           | 1993<br>£'000  | 1992<br>£'000 |
| Shares in group companies | 111            | 105           |

**Subsidiary Companies**

On 12 November 1993 the company acquired all of the share capital of Ashley Brook (Life Assurance Consultants) Ltd for a total consideration of £430,044. The acquisition of Ashley Brook (Life Assurance Consultants) Limited has been accounted for using the acquisition method. The consideration was allocated as to £6,098 for the net assets (at book and fair value) and £423,947 for goodwill. The trade and business of Ashley Brook (Life Assurance Consultants) Ltd was transferred to Antony Gibbs Financial Management, a subsidiary company, on 12 November 1993, for a consideration of £423,947. Goodwill attributable to the acquisition and totalling £423,947 was recognised and written off against the reserves of the Antony Gibbs Financial Management Ltd during the year. The goodwill write off is reflected in the group accounts.

The following companies, all of which were incorporated in the United Kingdom and registered in England and Wales, were subsidiaries of the company at 31st December 1993.

| <u>Company</u>                                       | <u>Activity</u>                            | <u>% of ordinary share capital owned</u> |
|--|--|--|
| Antony Gibbs Trustees Limited                        | Corporate trustees to pension schemes      | 100%                                     |
| Antony Gibbs Actuarial and Advisory Services Limited | Actuarial services                         | 100%                                     |
| Antony Gibbs Financial Management Limited            | Financial planning & investment management | 100%                                     |
| St Cross Trustees Ltd                                | Corporate trustees to pension schemes      | 100%                                     |
| LGA Trustees Ltd                                     | Corporate trustees to pension schemes      | 100%                                     |
| Ashley Brook (Life Assurance Consultants) Limited    | Financial planning                         | 100%                                     |

In addition the following company, registered in England and Wales, was owned by Antony Gibbs Financial Management Limited at 31st December 1993

| <u>Company</u>        | <u>Activity</u> | <u>% of ordinary share capital owned</u> |
|-----------------------|-----------------|--|
| AGHC Nominees Limited | non-trading     | 100%                                     |

In the opinion of the directors the value of the company's investments in its subsidiaries is not less than the amount at which they are included in the balance sheet.

**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****13. DEBTORS**

|   | <i>Group</i>  |               | <i>Company</i> |               |
|---|---------------|---------------|----------------|---------------|
|   | 1993<br>£'000 | 1992<br>£'000 | 1993<br>£'000  | 1992<br>£'000 |
| Trade debtors                           | 3466          | 2781          | 2943           | 2316          |
| Amounts owed by group companies:        |               |               |                |               |
| Holding and fellow subsidiary companies | -             | 153           | -              | 153           |
| Other debtors                           | 173           | 333           | 171            | 312           |
| Prepayments and accrued income          | 191           | 368           | 152            | 325           |
|   | <hr/>         | <hr/>         | <hr/>          | <hr/>         |
|   | 3830          | 3635          | 3266           | 3106          |
|   | <hr/>         | <hr/>         | <hr/>          | <hr/>         |

**14. CASH AT BANK AND IN HAND**

|  | 1993<br>£'000 | 1992<br>£'000 | 1993<br>£'000 | 1992<br>£'000 |
|--|---------------|---------------|---------------|---------------|
| Cash deposited with the Hongkong and Shanghai Banking Corporation Ltd. | 1401          | 1576          | 500           | 525           |
| Cash deposited with the Midland bank plc                               | 416           | 478           | 166           | 380           |
|  | <hr/>         | <hr/>         | <hr/>         | <hr/>         |
| (Both banks are fellow subsidiaries of the HSBC Holdings plc group)    | 1817          | 2054          | 666           | 905           |
|  | <hr/>         | <hr/>         | <hr/>         | <hr/>         |

**15. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | <i>Group</i>  |               | <i>Company</i> |               |
|---|---------------|---------------|----------------|---------------|
|   | 1993<br>£'000 | 1992<br>£'000 | 1993<br>£'000  | 1992<br>£'000 |
| Trade creditors   | 404           | 185           | 257            | 140           |
|   | <hr/>         | <hr/>         | <hr/>          | <hr/>         |
| Amounts owed to group companies:                        |               |               |                |               |
| Holding and fellow subsidiary companies                 | 282           | 712           | 322            | 668           |
| Subsidiary companies                                    | -             | -             | 2              | 274           |
|   | <hr/>         | <hr/>         | <hr/>          | <hr/>         |
|   | 282           | 712           | 324            | 942           |
|   | <hr/>         | <hr/>         | <hr/>          | <hr/>         |
| Proposed dividend                                       | 400           | -             | 400            | -             |
|   | <hr/>         | <hr/>         | <hr/>          | <hr/>         |
| Other creditors including taxation and social security: |               |               |                |               |
| Corporation tax   | 469           | 339           | 264            | 90            |
| Other taxes   | 215           | 44            | 215            | 49            |
| PAYE/Social Security                                    | 258           | 191           | 258            | 191           |
| Other creditors   | 774           | 660           | 581            | 523           |
|   | <hr/>         | <hr/>         | <hr/>          | <hr/>         |
|   | 1716          | 1234          | 1318           | 853           |
| Accruals and deferred income                            | 901           | 1334          | 612            | 889           |
|   | <hr/>         | <hr/>         | <hr/>          | <hr/>         |
|   | 3703          | 3465          | 2911           | 2824          |
|   | <hr/>         | <hr/>         | <hr/>          | <hr/>         |



**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****16. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                      | <i>Group</i> |       | <i>Company</i> |       |
|--------------------------------------|--------------|-------|----------------|-------|
|                                      | 1993         | 1992  | 1993           | 1992  |
|                                      | £'000        | £'000 | £'000          | £'000 |
| Amounts owed to group companies:     |              |       |                |       |
| Loans from fellow subsidiary company | 750          | 750   | 500            | 500   |

The loans are interest bearing, linked to LIBOR, and are subordinated to the other indebtedness of the group. The loan agreement is for an indefinite period.

**17. CALLED UP SHARE CAPITAL**

|  | 1993  | 1992  |
|--|-------|-------|
|  | £'000 | £'000 |
| Ordinary shares of £1 each,<br>Authorised, allotted, called<br>up and fully paid | 250   | 250   |

**18. PROFIT & LOSS ACCOUNT**

|                                  | <i>Group</i> |       | <i>Company</i> |       |
|----------------------------------|--------------|-------|----------------|-------|
|                                  | 1993         | 1992  | 1993           | 1992  |
|                                  | £'000        | £'000 | £'000          | £'000 |
| This comprises:                  |              |       |                |       |
| Retained profit brought forward  | 1469         | 985   | 758            | 677   |
| Retained profit for the year     | 204          | 465   | (118)          | 62    |
| Goodwill written off/adjustments | (424)        | 19    | -              | 19    |
| Retained profit carried forward  | 1249         | 1469  | 640            | 758   |

**19. DEFERRED TAXATION**

At 31st December, 1993 and 1992 there was no liability or potential liability for deferred taxation.

**20. LEASE COMMITMENTS**

At the year end the group's annual commitments under operating leases for the hire of plant and machinery were as follows:-

|                                  | 1993  | 1992  |
|----------------------------------|-------|-------|
|                                  | £'000 | £'000 |
| Expiring within 1 year           | 88    | 88    |
| Expiring between 2-5 years       | 323   | 432   |
| Expiring after more than 5 years | -     | -     |
|                                  | 411   | 520   |

Annual lease commitments on land and buildings expiring after more than 5 years amounted to £425,454 (1992 : £376,000).

**ANTONY GIBBS BENEFIT CONSULTANTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****21. CASH FLOW STATEMENT**

The group is exempt, under FRS1, from the requirement to include a cash flow statement in its financial statements as it is a wholly owned subsidiary of HSBC Holdings plc., a company incorporated in the UK. HSBC Holdings plc will publish in its own financial statements a cash flow statement to include the results of the Antony Gibbs Group.

**22. CONTINGENCIES**

Under a group registration all companies within the group are jointly and severally liable for Value Added Tax due by other group companies. No valuable security has been provided by the company in respect of the above contingency.

**23. ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP**

The company is a subsidiary undertaking of HSBC Holdings plc which is the ultimate parent company, registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by HSBC Holdings plc, registered in England and Wales. The smallest group in which the results of the company are consolidated is that headed by GIH Ltd, registered in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from 10 Lower Thames Street, London and 27-33 Artillery Lane, London respectively.