

ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)
FINANCIAL STATEMENTS
30 SEPTEMBER 1999



ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)

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ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)
DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1999

Results

The results for the year ended 30 September 1999 are incorporated within the accompanying profit and loss account.

The Directors do not recommend the payment of a dividend.

Change of Name

The Company's name changed to Assetfinance September (F) Limited with effect from 27 September 1999.

Principal Activities

The Company undertakes leasing services for commercial and industrial customers in the public and private sectors. No change in the Company's activities is anticipated.

Directors

The Directors who served during the year were as follows:-

Resigned

D W Gilman	
T V Holmes	
K V Smithson	30 July 1999
G E Picken	
N P Quinn	
W G W Stein	

Directors' Interests

The Directors' interests in the share and loan capital of HSBC Holdings plc, the ultimate parent undertaking, as required to be disclosed under the Companies Act 1985, are set out below. As a result of a share capital reorganisation implemented on 2 July 1999, each ordinary share of 75p was replaced with three ordinary shares of US\$0.50 each.

	<u>At 1 October 1998</u>	<u>At 30 September 1999</u>
	Ordinary shares of 75p each	Ordinary shares of US\$0.50
D W Gilman	3,550	26,478
T V Holmes	2,327	11,652
G E Picken	1,660	18,911
N P Quinn	-	-
W G W Stein	118	-

ASSETFINANCE SEPTEMBER (F) LIMITED
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DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1999
(CONTINUED)

As a consequence of the share capital reorganisation, all awards under the Share Option Schemes, made in ordinary shares of 75p each, were adjusted by multiplying the number of shares by three and dividing the relevant exercise price by three. During the year options over shares were granted/exercised as follows:

	Granted	Exercised	Exercised
	Ordinary	Ordinary	Ordinary
	shares of	shares of	shares of
	<u>75p each</u>	<u>75p each</u>	<u>US\$0.50</u>
			<u>each</u>
D W Gilman	5,000	7,786	4,428
T V Holmes	7,042	-	4,428
G E Picken	-	-	-
N P Quinn	7,000	-	-
W G W Stein	7,000	-	-

Statement of Directors' Responsibilities in Relation to Financial Statements

The following statement, which should be read in conjunction with the Auditor's statement of its responsibilities set out in its report on page 4, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditor 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 are required to prepare these financial statements on the going concern basis unless it is not appropriate. Since the Directors are satisfied that the Company has resources to continue in business for the foreseeable future, the financial statements continue to be prepared on the going concern basis.

The Directors consider that, in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

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 that 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.

Supplier Payment Policy

The Company subscribes to the Better Payment Practice Code for all suppliers, the four principles of which are to agree payment terms at the outset and stick to them; explain payment procedures to suppliers; pay bills in accordance with any contract agreed with the supplier or as required by law; and tell suppliers without delay when an invoice is contested and settle disputes quickly.

During the year, the Company only received goods and services from group undertakings. Part VI of Schedule 7 of the Companies Act 1985, setting out the reporting requirements in relation to the policy and practice on payment of creditors is, therefore, not applicable.

ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)
DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1999
(CONTINUED)

Year 2000

The Company recognised that with the approach of the new millennium, the inability of systems around the world to recognise the date change from 31 December 1999 to 1 January 2000 could have posed significant issues. The Company adopted the Year 2000 conformity requirements issued by the British Standards Institution as its definition of Year 2000 compliance.

The Company undertook extensive testing of systems and equipment together with a programme of seeking assurances from customers and suppliers. The overall objective was to ensure that there was no disruption to services provided to customers.

The transition was very successful with no disruption to the service provided to our customers.

The costs of the Year 2000 modifications have been assessed on a group basis and are incorporated within the report of HSBC Asset Finance (UK) Limited (formerly Forward Trust Group Limited).

Registered Office:
54 Hagley Road
Birmingham
B16 8PE

By Order of the Board


J.H. McKenzie
Secretary

Date **31 MAR 2000**

REPORT OF THE AUDITORS TO THE MEMBERS OF
ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)

We have audited the financial statements on pages 5 to 10.

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 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 30 September 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

10/4/00

KPMG Audit Plc
Chartered Accountants
Registered Auditor
2 Cornwall Street
Birmingham
B3 2DL

ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1999

	Note	<u>1999</u> £	<u>1998</u> £
Turnover		14,285,550	3,887,270
Cost of sales		(9,755,913)	(2,897,502)
Administrative expenses	3	(1,283,818)	(1,581,822)
Interest payable	4	(3,682,463)	(629,844)
		-----	-----
<u>Loss on ordinary activities before taxation</u>		(436,644)	(1,221,898)
Tax credit	5	167,933	462,198
		-----	-----
<u>Loss on ordinary activities after taxation</u>		(268,711)	(759,700)
<u>and retained for the financial year</u>			
Accumulated losses brought forward		(1,640,399)	(880,699)
		-----	-----
Accumulated losses carried forward		(1,909,110)	(1,640,399)
		-----	-----

There were no material acquisitions and no discontinued operations during the year.

There have been no other recognised gains or losses other than the loss for the financial year as stated above.

ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)
BALANCE SHEET AS AT 30 SEPTEMBER 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible fixed assets	6	80,561,010	52,236,448
Creditors: amounts falling due within one year:			
Amounts owed to parent undertakings		74,398,125	49,823,489
Accruals and deferred income		2,921,624	1,029,196
		77,319,749	50,852,685
Total assets less current liabilities		3,241,261	1,383,763
Provisions for liabilities and charges	7	5,149,371	3,023,162
NET LIABILITIES		(1,908,110)	(1,639,399)
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account - deficit		(1,909,110)	(1,640,399)
		(1,908,110)	(1,639,399)

These financial statements were approved by the Board of Directors on
signed on its behalf by:

31 MAR 2000 and were


.....
D W Gilman
Director

ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)
NOTES ON THE FINANCIAL STATEMENTS

1. **ACCOUNTING POLICIES**

The accounting policies adopted by the Company are set out below.

a) **Basis of Preparation**

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

In accordance with Financial Reporting Standard Number 1 "Cash Flow Statements", no cash flow statement is presented as all voting rights are controlled by HSBC Holdings plc which publishes such a statement in its own publicly available accounts.

The Company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard Number 8 "Related Party Disclosures" and has not disclosed details of transactions with entities that are part of the HSBC Group or with investees of that Group qualifying as related parties.

b) **Income Release**

Leasing

Income from leasing contracts, other than those with major recourse or other similar agreements, is credited to the profit and loss account in proportion to the funds invested.

Where leasing contracts are covered by major recourse or other similar agreements, income is released to maintain the book amount of the asset at a value consistent with the contractual arrangements.

Leasing balances are stated in the balance sheet after the deduction of unearned charges and provision for reduced future rentals.

c) **Turnover**

Turnover represents the amounts (excluding Value Added Tax) derived from operating leases. This business is operated entirely within the United Kingdom.

d) **Bad Debts**

Lease agreements are written off to the extent that there is no realistic prospect of recovery. Specific provisions are made to reduce all impaired balances to their expected realisable values. General provisions are made on the basis of past experience, current economic conditions and other relevant factors to provide for losses not yet specifically identified.

e) **Taxation**

The credit for taxation is based on the loss for the year and recognises deferred taxation, calculated on the liability method, on all timing differences to the extent that they are expected to reverse in the foreseeable future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)
NOTES ON THE FINANCIAL STATEMENTS

1. **ACCOUNTING POLICIES (Continued)**

f) **Tangible fixed assets and depreciation**

Fleet vehicles are depreciated over the period of the relevant hirer's rental contract to an estimated residual value on an actuarial basis to reflect the interest expenses to the Company. This depreciation is included within cost of sales in the profit and loss account.

2. **ACCUMULATED LOSSES**

The accumulated losses being greater than the called up share capital gives rise to there being an excess of liabilities over assets. The financial statements have been prepared under the going concern concept because the parent undertaking has agreed to provide adequate funding for the Company to meet its liabilities as they fall due.

3. **ADMINISTRATIVE EXPENSES**

Administrative expenses include movements in bad debt provisions and £1,177,647 (1998 : £1,520,857) in respect of group management charges. The Directors made no charge for their services. Audit fees are borne by another group undertaking.

4. **INTEREST PAYABLE**

All interest payable was due to parent undertakings.

5. **TAXATION ON LOSS ON ORDINARY ACTIVITIES**

The credit for taxation comprises:	<u>1999</u>	<u>1998</u>
	£	£
Group relief (receivable)/payable		
- current year	(2,294,719)	(2,873,774)
- prior year	577	1,943
Deferred taxation		
- current year	2,126,209	2,409,633
	<u>(167,933)</u>	<u>(462,198)</u>

ASSETFINANCE SEPTEMBER (F) LIMITED
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NOTES ON THE FINANCIAL STATEMENTS

6. **TANGIBLE FIXED ASSETS**

Operating lease assets	£
Cost	
At 1 October 1998	57,322,389
Additions	40,489,761
Disposals	(5,875,759)
At 30 September 1999	91,936,391
Depreciation	
At 1 October 1998	5,085,941
Charge for the year	9,755,913
Disposals	(3,466,473)
At 30 September 1999	11,375,381
Net book value	
At 30 September 1999	80,561,010
At 30 September 1998	52,236,448

The depreciation charge for the year is included within cost of sales in the profit and loss account.

7. **PROVISIONS FOR LIABILITIES AND CHARGES**

Leasing transactions - provided and full potential liability:	Deferred taxation £
As at 1 October 1998	3,023,162
Transfer from profit and loss account	2,126,209
As at 30 September 1999	5,149,371

ASSETFINANCE SEPTEMBER (F) LIMITED
(FORMERLY CONCORD PRINT FINANCE LIMITED)
NOTES ON THE FINANCIAL STATEMENTS

8. **RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>1999</u>	<u>1998</u>
	£	£
Loss on ordinary activities after taxation and retained for the financial year	(268,711)	(759,700)
Opening shareholders funds - deficit	(1,639,399)	(879,699)
Closing shareholders funds - deficit	(1,908,110)	(1,639,399)

Shareholders' funds are wholly attributable to equity shareholders.

9. **SHARE CAPITAL**

	<u>1999</u>	<u>1998</u>
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

10. **PARENT UNDERTAKINGS**

The ultimate parent undertaking (which is the ultimate controlling party) and the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is HSBC Holdings plc, and the parent undertaking of the smallest such group is HSBC Bank plc (formerly Midland Bank plc). The immediate holding company is HSBC Vehicle Finance (UK) Limited (formerly Swan National Limited). The result of the Company is included in the group financial statements of HSBC Bank plc (formerly Midland Bank plc) and HSBC Holdings plc.

Copies of the group financial statements may be obtained from the following addresses:

HSBC Bank plc
(formerly Midland Bank plc)
27 - 32 Poultry
London
EC2P 2BX

HSBC Holdings plc
10 Lower Thames Street
London
EC3R 6AE