

GRIFFIN CREDIT SERVICES LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2000



GRIFFIN CREDIT SERVICES LIMITED

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GRIFFIN CREDIT SERVICES LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

Principal Activities

The Company did not trade during the period covered by this report.

Directors

The Directors who served during the year were as follows:

D W Gilman
J McKenzie
G E Picken
G H Tonks

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.

	<u>At 1 January 2000</u>	<u>At 31 December 2000</u>
	Ordinary shares of US\$0.50 each	Ordinary shares of US\$0.50 each
D W Gilman	26,478	34,247
J H McKenzie	373	612
G E Picken	19,064	56,486
G H Tonks	27,076	27,499

During the year options over shares were granted/exercised as follows:

	Granted Ordinary shares of US\$0.50 each	Exercised Ordinary shares of US\$0.50 each
D W Gilman	5,250	27,819
J H McKenzie	559	1,908
G E Picken	-	73,500
G H Tonks	3,779	954

Throughout the period G H Tonks had 2,467 Subordinated loan capital of £1 each carrying interest of 11.69% due for redemption in 2002.

GRIFFIN CREDIT SERVICES LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000
(CONTINUED)

Statement of Directors' Responsibilities in Relation to the 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 3, 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.

Registered Office:
12 Calthorpe Road
Edgbaston
Birmingham
B15 1QZ

By Order of the Board


.....
R H Musgrove
Secretary

Date: 16 OCT 2001

REPORT OF THE AUDITORS TO THE MEMBERS OF GRIFFIN CREDIT SERVICES LIMITED

We have audited the financial statements on pages 4 to 5.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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 with the Company is not disclosed.

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 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

16/10/2001

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

GRIFFIN CREDIT SERVICES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

The Company did not trade during the year, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss.

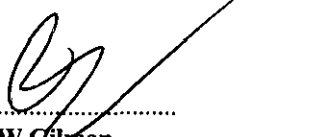
BALANCE SHEET AS AT 31 DECEMBER 2000

	Note	<u>2000</u> £	<u>1999</u> £
Current assets			
Amounts owed by parent undertakings		2	2
		-----	-----
NET ASSETS		2	2
		-----	-----
Capital and reserves			
Called up share capital	2	2	2
		-----	-----
		2	2
		-----	-----

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

16 OCT 2001

and were


.....
D W Gilman
Director

GRIFFIN CREDIT SERVICES LIMITED
NOTES ON THE FINANCIAL STATEMENTS

1. **ACCOUNTING POLICIES**

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

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.

2. **SHARE CAPITAL**

	<u>2000</u>	<u>1999</u>
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
	-----	-----
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	-----	-----

3. **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. The immediate holding company is FTG Limited. The result of the Company is included in the group financial statements of HSBC Bank plc and HSBC Holdings plc.

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

HSBC Bank plc
27 - 32 Poultry
London
EC2P 2BX

HSBC Holdings plc
10 Lower Thames Street
London
EC3R 6AE