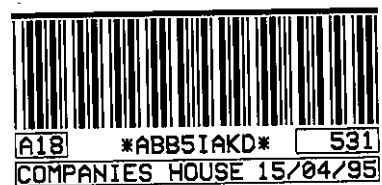


Registered Number 1249901

F.T. LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1994



F.T. LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1994

PROFIT AND APPROPRIATIONS

The Company has not traded during the year covered by this report.

DIRECTORS

The directors of the Company who held office at 31 December 1994 served throughout the year. Their names and 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:-

INTERESTS IN SHARES OF HSBC HOLDINGS PLC

	At 1 January 1994		At 31 December 1994	
	Shares	Options	Shares	Options
D W Gilman	740	19,210	764	24,895
J H McKenzie	835	2,297	575	2,425
G E Picken	3,287	46,654	3,431	57,168

Options were adjusted during the year following the payment by HSBC Holdings plc of an enhanced scrip dividend on 1 June 1994. Options as at 1 January 1994 have not been restated.

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

	<u>Granted</u>	<u>Exercised</u>
D W Gilman	5,512	
J H McKenzie	983	874
G E Picken	10,090	

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the Auditors' Statement of Auditors' Responsibilities, 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 are required to prepare the financial statements on the going concern basis unless it is not appropriate.

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.

F.T. LIMITED

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

On 6 February 1995, the Company's auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

Registered Office:

145 City Road
London
EC1V 1JY

Date: 28 FEB 1995

By Order of the Board

.....
J H McKenzie
Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF F.T. LIMITED

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

Respective responsibilities of directors and auditors

As described on pages 1 and 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 as at 31 December 1994 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPAV

28/2/95

KPMG
Chartered Accountants
Registered Auditors

Birmingham

F.T. LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1994

	Notes	1994 £	1993 £
CURRENT ASSETS			
<u>Debtors</u>			
Amounts owed by parent undertakings		20,000	20,000
		-----	-----
		20,000	20,000
		-----	-----
CAPITAL AND RESERVES			
<u>Called up share capital</u>	4	20,000	20,000
		-----	-----

These financial statements were approved by the board of directors on
28 FEB 1995 and were signed on its behalf by :

.....
D.W. Gilman
Director

F.T. LIMITED

NOTES ON THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICY

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

2. PROFIT AND LOSS ACCOUNT

Since the company has not traded, no profit and loss account has been prepared.

3. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Opening and closing shareholders' funds	20,000 -----	20,000 -----

4. CALLED UP SHARE CAPITAL

	1994 Authorised	and 1993 Allotted, called up and fully paid
Ordinary shares of £1 each	200,000 -----	20,000 -----

5. PARENT UNDERTAKINGS

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 Forward Trust Group Limited, both of which are registered in England and Wales.

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

Forward Trust Group Limited
145 City Road
London
EC1V 1JY

HSBC Holdings plc
10 Lower Thames Street
London
EC3R 6AE