

**HSBC Overseas Holdings (UK) Limited**  
(formerly Midland Equity (Nominees Number 11) Limited)

**Report of the Directors and Financial Statements**

**31 December 2002**

Registered number: 1656361



# HSBC Overseas Holdings (UK) Limited

## Report of the Directors and Financial Statements

<i>Contents</i>	<i>Page</i>
Report of the Directors	1 - 2
Statement of Directors' responsibilities in relation to financial statements	3
Independent Auditor's report	4
Profit and loss account	5
Balance sheet	6
Reconciliation of movements in shareholders' funds	6
Notes on the Accounts	7 - 9

# HSBC Overseas Holdings (UK) Limited

## Report of the Directors

The Directors submit their report and the audited financial statements for the year ended 31 December 2002.

### Principal activities and business review

The Company changed its name from Midland Equity (Nominees Number 11) Limited to HSBC Overseas Holdings (UK) Ltd on 12 August 2002.

The Company acts as an investment holding company. No change in the Company's activities is anticipated.

### Results and dividends

The results for the year ended 31 December 2002 are incorporated within the accompanying profit and loss account. The profit for the year after taxation amounted to USDNil. The directors do not recommend the payment of a final dividend.

### Directors

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

	Appointed	Resigned
R G Barber	14 August 2002	-
C D Spooner	14 August 2002	-
B F Elliot	-	15 May 2002
S C Crockford	-	26 June 2002
P W Richardson	-	26 June 2002
M R Andrews	26 June 2002	12 July 2002
S W Gamble	26 June 2002	12 July 2002
J M Martin	26 June 2002	12 July 2002
D T Smith	-	12 July 2002
G Woolfries	26 June 2002	12 July 2002
RH Musgrove	12 July 2002	14 August 2002
F J Niven	12 July 2002	14 August 2002

### Directors' interests

All the Directors' interests in the share and loan capital of HSBC Holdings plc, the ultimate parent undertaking, required to be disclosed under the Companies Act 1985, are set out below.

	HSBC Holdings plc Ordinary shares of US\$0.50 each	
	At 14 August 2002	At 31 December 2002
R G Barber	139,277	141,078
C D Spooner	100,148	101,667

# HSBC Overseas Holdings (UK) Limited

## Report of the Directors *(continued)*

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

	<b>HSBC Holdings plc</b> <b>Ordinary shares of US\$0.50 each</b>	
	Granted	Exercised
R G Barber	-	-
C D Spooner	-	-

### **Supplier Payment Policy**

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

# HSBC Overseas Holdings (UK) Limited

## Statement of Director's responsibilities in relation to financial statements

The following statement, which should be read in conjunction with the Auditor's statement of their responsibilities, 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 a 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.

By order of the Board



**P A Stafford**  
*Secretary*

8 Canada Square  
London  
E14 5HQ

Dated: 8 July 2003

# HSBC Overseas Holdings (UK) Limited

## Independent Auditor's report to the Members of HSBC Overseas Holdings (UK) Limited

We have audited the financial statements on pages 5 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Directors' report and, as described on page 3, 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 1985. 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 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 2002 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG Audit Plc**  
**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*  
*London*

Dated: **8 July** 2003

# HSBC Overseas Holdings (UK) Limited

## Profit and loss account *for the year ended 31 December 2002*

	2002 USD	2001 USD
<b>Profit on ordinary activities before taxation</b>	-	-
Tax on profit on ordinary activities	-	-
<b>Profit on ordinary activities after taxation</b>	-	-
<b>Profit for the year</b>	-	-

No note of historical cost profits and losses has been presented as there is no material difference between the Company's results as disclosed in the profit and loss account and the results on an unmodified historical basis.

All amounts relate to continuing activities.

The notes on pages 7 to 9 form part of these financial statements.

# HSBC Overseas Holdings (UK) Limited

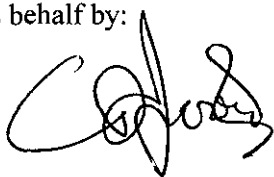
Balance sheet  
at 31 December 2002

	Notes	2002 USD	2001 USD
<b>Financial fixed assets</b>			
Investments	5	11,300,000	-
		<u>11,300,000</u>	<u>-</u>
<b>Current Assets</b>			
Other amounts owed from Group undertakings		155	155
		<u>11,300,155</u>	<u>155</u>
<b>Capital and reserves</b>			
Called up share capital	6	157	155
Share premium	7	11,299,998	-
Profit and loss account		<u>-</u>	<u>-</u>
<b>Shareholders' funds</b>		<u>11,300,155</u>	<u>155</u>

Reconciliation of movements in shareholders' funds  
For the year ended 31 December 2002

	Notes	2002 USD	2001 USD
Profit for the year attributed to shareholders		-	-
New share capital subscribed		<u>11,300,000</u>	<u>-</u>
Net addition to shareholders' funds		11,300,000	-
Shareholders' funds at 1 January		<u>155</u>	<u>155</u>
<b>Shareholders' funds at 31 December</b>		<u>11,300,155</u>	<u>155</u>

These financial statements were approved by the Board of Directors on 8 July 2003 and were signed on its behalf by:



**C D Spooner**  
Director



# HSBC Overseas Holdings (UK) Limited

## Notes on the Accounts

### 1 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 1 (revised 1996), "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 complies with the requirements of Financial Reporting Standard 8, "Related Party Disclosures". No disclosure is presented of transactions between entities that are part of the HSBC Group in accordance with the exemptions granted to qualifying subsidiary undertakings under FRS 8, "Related Party Disclosures".

The Company has adopted the provisions of Financial Reporting Standard 19, "Deferred Tax" with effect from 1 January 2002.

### 2 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

#### (a) Basis of accounting

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

#### (b) Foreign currency

In accordance with SSAP20, foreign currency monetary items are translated into US dollars at exchange rates ruling at the balance sheet date. Differences arising from the translation of balances in foreign currencies are dealt with in the profit and loss account. The sterling share capital is not retranslated but was fixed at the exchange rate ruling on the date the Company changed its functional currency to US dollars.

#### (c) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in full on timing differences between the accounting and taxation treatment of income and expenditure, subject to recoverability of deferred tax assets. Deferred tax balances are not discounted.

# HSBC Overseas Holdings (UK) Limited

## Notes on the Accounts (continued)

### (d) Investments

Investments are stated at cost, less provisions if the directors determine that there has been a permanent diminution in value.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

### 3 Directors and employees

None of the directors received any remuneration for their services during the year. The Company had no employees during the year.

### 4 Auditor's remuneration

Certain expenses including auditor's remuneration have been borne by HSBC Holdings plc and are therefore not charged in arriving at the profit on ordinary activities before taxation.

### 5 Financial fixed assets

#### Shares in subsidiary undertakings:

	USD 000
Cost	
At 1 January 2002	-
Additions	<u>11,300,000</u>
At 31 December 2002	<u>11,300,000</u>

The principal subsidiary undertaking of the Company is as follows:

Name	Share Capital	% Interest	Country of Incorporation
HSBC Electronic Data Processing (Malaysia) Sdn Bhd	Ordinary	100.0	Malaysia

# HSBC Overseas Holdings (UK) Limited

## Notes on the Accounts (continued)

### 6 Share capital

The share capital of the Company at 31 December 2002 was as follows:

	Number	Value GBP	Value USD
<b>Authorised</b>			
Ordinary shares of £1 each	1,000	-	-
<b>Allotted and called up</b>			
Ordinary shares of £1 each	101	<u>101</u>	<u>157</u>

The GBP issued share capital has been recalculated and fixed into US dollars at the 31 August 2002 exchange rate of USD 1 = GBP 1.5465.

### 7 Reserves

	USD
<b>Share Premium:</b>	
At 1 January 2002	-
New share capital subscribed	<u>11,299,998</u>
<b>At 31 December 2002</b>	<u>11,299,998</u>

### 8 Parent undertaking

The Company's ultimate holding company is HSBC Holdings plc, a company registered in England.

The accounts of the Company are consolidated within the HSBC Holding plc. Copies of the financial statements of HSBC Holdings plc may be obtained from its registered office as stated below, or from the Group's web site, [www.hsbc.com](http://www.hsbc.com).

HSBC Holdings plc  
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London  
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