

**HSBC Gibbs  
International Property Limited**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2001**



**REGISTERED NO. 2649812**

# HSBC Gibbs International Property Limited

## REPORT FOR THE DIRECTORS' FOR THE YEAR ENDED 31 DECEMBER 2001

The Directors present their report and the audited financial statements for the year ended 31 December 2001.

### PRINCIPAL ACTIVITY

The Company ceased trading on 1<sup>st</sup> January 2001. Prior to this date the Company's principal activity was that of an introducing agent for an insurance broker.

### RESULTS AND DIVIDENDS

The results of the Company for the year are detailed in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (2000: £374,364).

### DIRECTORS

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

N.J.R. Burn	
A.M.M. Dixon	
P.D. Playford	(Resigned 31 March 2001)
C.J.Shaer	(Resigned 31 March 2001)

### DIRECTORS INTERESTS

According to the Register of Directors' interests maintained by the Company in accordance with Section 325 of the Companies Act 1985, the interests of the directors in the share capital of the Company were-

	No. of £1 ordinary shares	
	31 December 2001	1 January 2001
N.J.R Burn	-	35

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, with the exception of those of Mr. Dixon whose interests are disclosed in the accounts of HSBC Insurance Holdings Limited:

	HSBC Holdings plc	
	Ordinary Shares of US\$0.50 each	
	31 December 2001	1 January 2001
N.J.R Burn	10,039	9,549

## **HSBC Gibbs International Property Limited**

### **REPORT FOR THE DIRECTORS' FOR THE YEAR ENDED 31 DECEMBER 2001**

#### **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; to explain payment procedures to suppliers; to pay bills in accordance with any contract agreed with the supplier or as required by law; and to tell suppliers without delay when an invoice is contested and settle disputes quickly. Copies of, and information about, the Code are available from: The Department of Trade and Industry, No. 1 Victoria Street, London SW1H 0ET.

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

#### **STATEMENT OF DIRECTORS' 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.

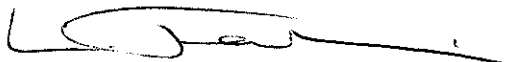
The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

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.

**HSBC Gibbs International Property Limited**

**REPORT FOR THE DIRECTORS' FOR THE YEAR ENDED 31 DECEMBER 2001**

By Order of the Board



L J Jenkinson  
Secretary

12 February 2002

Registered Office:  
10 Lower Thames Street  
London  
EC3R 6AE

REGISTERED NO. 2649812

## HSBC Gibbs International Property Limited

### Independent auditors' report to the members of HSBC Gibbs International Property Limited

We have audited the financial statements on pages 5 to 11.

#### 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 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.

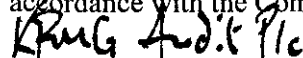
#### Basis of audit opinion

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 as at 31 December 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

8 Salisbury Square  
London  
EC4Y 8BB

26 February 2002

# HSBC Gibbs International Property Limited

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
<b>Turnover</b>	1(b)/2	-	1,595,127
Other operating charges		-	(1,207,112)
Interest receivable from Group undertakings		-	154,940
<b>Profit on ordinary activities before taxation</b>	3	-	542,955
Tax on profit on ordinary activities	5	-	(169,979)
<b>Profit on ordinary activities after taxation</b>		-	372,976
Dividends proposed		-	(374,364)
<b>Retained loss for the financial year</b>	10	-	(1,388)
Retained profit brought forward		-	1,388
<b>Retained profit carried forward</b>		-	-

All gains and losses have been dealt with in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

# HSBC Gibbs International Property Limited

## BALANCE SHEET AS AT 31 DECEMBER 2001

	Note	2001 £	2000 £
<b>Current assets</b>			
Debtors	6	3,000	449,059
		3,000	449,059
<b>Creditors: Amounts falling due within one year</b>	7	-	(446,059)
<b>Net current assets</b>		3,000	3,000
<b>Capital and reserves</b>			
Called up share capital	9	3,000	3,000
Profit and loss account		-	-
Shareholders' funds	8	3,000	3,000

The financial statements were approved  
by the Board of Directors on 12/2/2002

A M M DIXON



Director

The notes on pages 7 to 11 form part of these financial statements.

# HSBC Gibbs International Property Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 1. 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 accounting rules and in accordance with applicable accounting standards.

b) **Turnover**

Turnover comprises commissions receivable for the introduction of business to a placing insurance broker, HSBC Insurance Brokers Limited, the Company's immediate parent company.

Commission income is taken into account on the later of:

- (a) when the premium is charged to the client by HSBC Insurance Brokers Limited
- or (b) the inception date of the policy.

c) **Cash Flow Statement**

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a UK incorporated undertaking.

d) **Foreign Currency**

Foreign currency balances in respect of business settled in those currencies are translated at the closing rates of exchange on the balance sheet date.

Commission received in foreign currency is translated at the rate of exchange ruling on the later of when the premium is charged to the client or the inception date of the policy.

Differences arising from the translation and conversion of amounts in foreign currencies are dealt with in the profit and loss account.



# HSBC Gibbs International Property Limited

## NOTES TO FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES *continued*

#### e) Pension Costs

Pension contributions comprise the normal contributions for the period, determined according to actuarial advice where appropriate, together with the approximate proportion of actuarial deficiencies or surpluses which are recognised over the average expected remaining service lives of the employees concerned.

#### f) Deferred Taxation

Provision is made for deferred taxation only to the extent that it is probable that liabilities will crystallise.

### 2. TURNOVER

The analysis of turnover by geographical area is as follows:-

	2001 £	2000 £
United Kingdom	-	114,000
Europe	-	358,000
Rest of World	-	1,123,127
	-	1,595,127

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2001 £	2000 £
Auditors' remuneration - for audit work	-	2,587

# HSBC Gibbs International Property Limited

## NOTES TO FINANCIAL STATEMENTS

### 4. REMUNERATION OF DIRECTORS

A.M.M.Dixon was employed and remunerated by a parent undertaking. Details of all other directors' emoluments are given below.

	2001 £	2000 £
Directors' emoluments	-	293,504

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £nil (2000: £154,674). He is a member of a defined benefit scheme, under which his accrued pension at the year end was £nil (2000: £12,440).

From 1 April 1998 Directors remuneration was charged to the Company by means of a management charge from its immediate parent company, HSBC Insurance Brokers Limited.

	Number of directors 2001	Number of directors 2000
Retirement benefits are accruing to the following number of directors under defined benefit schemes	-	3
The number of directors who exercised rights to sell shares under shareholders agreements were	3	3

### 5. TAXATION

The taxation charge consists of the following-

	2001 £	2000 £
UK Corporation Tax at 30.00% (2000: 30.00%)	-	169,979
Under provision in prior years	-	-
	-	169,979

# HSBC Gibbs International Property Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 6. DEBTORS

	2001 £	2000 £
Amounts owed by parent and fellow undertakings	3,000	449,059
	3,000	449,059

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Other creditors including taxation and social security	-	71,695
Proposed dividend	-	374,364
	-	446,059
Other creditors including taxation and social security comprise:		
Corporation Tax	-	71,695
	-	71,695

At 31 December 2001 there was no material liability or potential liability for deferred taxation (2000: £nil).

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

	2001 £	2000 £
Loss for the financial year	-	(1,388)
Dividends	-	-
Net reduction to shareholders' funds	-	(1,388)
Shareholders' funds brought forward	3,000	4,388
Shareholders' funds carried forward	3,000	3,000

# HSBC Gibbs International Property Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 9.. SHARE CAPITAL

	2001 £	2000 £
<b>Authorised:</b>		
3,000 ordinary shares of £1 each	3,000	3,000
<b>Issued:</b>		
Share capital allotted, called up, and fully paid:		
3,000 ordinary shares of £1 each	3,000	3,000

### 10. RESERVES

	Profit and Loss Account
Opening balance	-
Retained profit for the year	-
Closing balance	-

### 11. RELATED PARTIES

Under Financial Reporting Standard No. 8 the Company is exempt from disclosing transactions within the HSBC Group as the Company is more than 90% owned subsidiary of that Group whose annual accounts are publicly available.

### 12. HOLDING COMPANIES

The Company's ultimate holding company is HSBC Holdings plc, which is incorporated in Great Britain and registered in England and Wales.

The parent company of the smallest group of which the Company is a member and for which group accounts are prepared is that headed by HSBC Insurance Brokers Limited, registered in England and Wales. The financial statements of HSBC Insurance Brokers Limited are available from 10 Lower Thames Street, London EC3R 6AE.

The largest group in which the results of the Company are consolidated is that headed by HSBC Holdings plc. The consolidated financial statements of HSBC Holdings plc are available from 10 Lower Thames Street, London, EC3R 6AE.