

**Griffin International Limited**

**Report of the Directors and Financial Statements**

**31 December 2001**

Registered number 1271552



# **Griffin International Limited**

## **Report of the Directors and Financial Statements**

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# Griffin International Limited

## Report of the Directors for the year ended 31 December 2001

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

### Principal activities and business review

The principal activities of the Company are that of an investment holding company. Its main subsidiary undertakings are shown in note 4.

### Directors

Listed below are the names of all Directors who served on the Board during the year under review:

TJ Day  
AI Pickup  
DM Smith

### 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.

#### HSBC Holdings plc Ordinary shares of US\$0.50 each

	At 1 January 2001	At 31 December 2001
TJ Day	15,000	12,515
AI Pickup	-	-
DM Smith	9,803	10,179

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

	Ordinary shares of US\$0.50 each	
	Granted	Exercised
TJ Day	4,000	-
AI Pickup	-	-
DM Smith	6,500	-

# **Griffin International Limited**

## **Report of the Directors**

**For the year ended 31 December 2001** *(continued)*

### **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.

There are no outstanding balances due to third party suppliers reported in the Company's financial statements as all supplier invoices had been settled as at 31 December 2001.

# Griffin International Limited

## Statement of Directors' Responsibilities in Relation to Financial Statements

The following statement, which should be read in conjunction with the Auditors' statement of their responsibilities, set out in the report on page 4, 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 these financial statements on the going concern basis unless it is not appropriate. Since the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future, the financial statements continue to be prepared on a going concern basis.

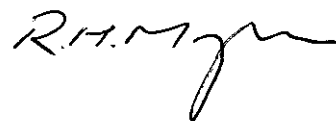
The Directors consider that, in preparing the financial statements on pages 5 to 9, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have 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:  
8 Canada Square  
London  
E14 5HQ

On behalf of the Board



RH Musgrove  
Secretary

Date: 3 SEPTEMBER 2002

# **Griffin International Limited**

## **Independent Auditor's report to the Members of Griffin International Limited**

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

### **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 2001 and of the result of the Company for the year 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*  
*3 September 2002*

# Griffin International Limited

## Profit and loss account

for the year ended 31 December 2001

The Company received no income and incurred no expenditure during the period and consequently has made neither a profit nor a loss for the year ended 31 December 2001. (2000 : Nil)

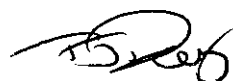
Certain expenses, including the auditors' remuneration, have been borne by HSBC Bank plc and are therefore not charged in arriving at the profit on ordinary activities before taxation.

## Balance sheet

at 31 December 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Investments	4	1,690,717,534	1,673,608,584
<b>Current assets</b>			
Amounts owed by parent undertakings		<u>2</u>	<u>2</u>
<b>Net current assets</b>		<u>1,690,717,536</u>	<u>1,673,608,586</u>
<b>Net assets</b>		<u>1,690,717,536</u>	<u>1,673,608,586</u>
<b>Capital and reserves</b>			
Called up share capital	5	<u>1,690,717,536</u>	<u>1,673,608,586</u>
		<u>1,690,717,536</u>	<u>1,673,608,586</u>

These financial statements were approved by the Board of Directors on 3<sup>rd</sup> September 2002 and were signed on its behalf by:



TJ Day  
Director

The notes on pages 6 to 9 form part of the financial statements.

# Griffin International Limited

## Notes on the accounts

### 1 Basis of preparation

The accounts 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.

In accordance with Financial Reporting Standard 8 'Related Party Disclosures', no disclosure is presented of transactions with entities that are part of the HSBC Group as all voting rights are controlled by HSBC Holdings plc, which publishes its own publicly available accounts.

The Company has adopted the provisions of Financial Reporting Standard 18, 'Accounting Policies'.

### 2 Principal Accounting Policies

#### (a) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at year-end. Exchange rate differences arising on the retranslation of foreign currency net investments are accounted for in reserves.

#### (b) Investments in subsidiary undertakings

Investments in subsidiary undertakings are shown at cost less provision for any impairment loss to date.

### 3 Directors and employees

No emoluments were received or are receivable by any Director in respect of their services during the year (2000:nil). The Company did not have any employees during the year (2000:nil).

### 4 Investments

Investments comprise shares in subsidiary undertakings.

£

#### Cost

At 1 January 2001	1,673,608,584
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Exchange Movements	<u>17,108,950</u>
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At 31 December 2001	<u>1,690,717,534</u>
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Net book value at 31 December 2001	<u>1,690,717,534</u>
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Net book value at 31 December 2000	<u>1,673,608,584</u>
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# Griffin International Limited

## Notes on the Accounts (continued)

### 4 Investments (continued)

Principal subsidiary undertakings as at 31 December 2001 were:

	Country of Incorporation	Griffin International Limited's interest in equity capital	
		Direct	Indirect
HSBC Europe B.V.	Netherlands	75%	-
HSBC Private Banking Holding (Suisse) S.A.	Switzerland	-	75%
HSBC Financial Services (Cayman) Limited	Cayman Islands	-	75%
HSBC Bank France S.A.	France	-	75%
HSBC Trust Corporation (Isle of Man) Limited	Isle of Man	-	75%
HSBC Bank International Limited	Jersey	-	75%
HSBC Insurance (Ireland) Limited	Republic of Ireland	-	75%
HSBC Life (Europe) Limited	Republic of Ireland	-	75%
HSBC Armenia Bank JSC	Armenia	-	52%
HSBC Bank Malta plc	Malta	-	52%

### 5 Called up share capital

	2001 £	2001 US\$	2000 £	2000 US\$
<b>Authorised</b>				
100 ordinary shares of £1 each	100	-	100	-
4,000,000,000 non-voting redeemable preference shares of £1 each	4,000,000,000	-	4,000,000,000	-
2,000,000,000 non-voting redeemable preference shares of US\$1 each	-	2,000,000,000	-	2,000,000,000
	<u>4,000,000,100</u>	<u>2,000,000,000</u>	<u>4,000,000,100</u>	<u>2,000,000,000</u>

# Griffin International Limited

## Notes on the Accounts (continued)

### 5 Called up share capital (continued)

	2001 Number of shares	2001 £	2000 Number of shares	2000 £
<b><i>Issued, allotted and fully paid</i></b>				
Ordinary shares of £1 each	2	2	2	2
Non-voting redeemable preference shares of £1 each	1,091,544,082	1,091,544,082	1,091,544,082	1,091,544,082
Non-voting redeemable preference shares of US\$1 each	868,382,046	582,064,502	868,382,046	547,185,034
Exchange Movements		17,108,950		34,879,468
		<u>599,173,452</u>		<u>582,064,502</u>
		<u>1,690,717,536</u>		<u>1,673,608,586</u>

The rights of the Non-Voting Redeemable Preference Shares of £1 each and the US\$ Non-Voting Redeemable Preference Shares of US\$1 each (hereinafter referred to as the "preference shares") are as follows:

The preference shares shall on a winding up or other repayment of capital entitle the holders to have the assets of the company available for distribution among the members applied, in priority to any other class of shares, in paying to them *pari passu*;

- 1) the capital paid on such shares;
- 2) a sum equal to the deficiency of any dividends declared payable but remaining unpaid.

The Company may by ordinary resolution declare dividends in relation to preference shares in preference to other classes of share. The Company will pay on surrender to the Company for cancellation the amount due upon redemption including any arrears outstanding in respect of dividends.

The preference shares shall not entitle the holders to receive notice of or attend or vote at any general meeting unless either, the business of the meeting includes the consideration of a resolution for winding the company up, reducing its share capital, the sale of the undertaking of the Company, altering the objects of the Company or varying the rights and privileges attached to the preference shares.

# Griffin International Limited

## Notes on the Accounts *(continued)*

The Company may at any time redeem the whole or part of the preference shares upon giving to the shareholders whose shares are to be redeemed not less than three days' notice in writing expiring at any time. The company shall not be entitled to redeem any preference share unless it is a fully paid share.

### Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	-	-
New share capital subscribed	-	1,638,729,116
Exchange Movements	<u>17,108,950</u>	<u>34,879,468</u>
Net increase in shareholders' funds	17,108,950	1,673,608,584
Opening shareholders' funds	<u>1,673,608,586</u>	<u>2</u>
Closing shareholders' funds	<u>1,690,717,536</u>	<u>1,673,608,586</u>

## 6 Parent undertakings

The ultimate parent undertaking 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, both of which are incorporated in England.

HSBC Bank plc is the Company's direct controlling party and HSBC Holdings plc is the Company's ultimate controlling party as defined under Financial Reporting Standard 8 'Related Party Disclosures'.

Copies of the financial statements of HSBC Bank plc and HSBC Holdings plc may be obtained from:

HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

HSBC Holdings plc  
8 Canada Square  
London  
E14 5HQ  
[www.hsbc.com](http://www.hsbc.com)