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SHIELD PROPERTIES & INVESTMENTS (HOLDINGS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

Registered Number: 745746

SHIELD PROPERTIES & INVESTMENTS (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

Principal activities

The Company's principal activity was as a property investment holding company. All the investment properties were disposed of in 2005. The Directors intend to carry out a review of the future purpose of the Company once the outstanding liability to HSBC Bank plc has been settled. It is not expected that this will take place before the end of 2009. However, at this time the Directors believe that the Company will continue to operate for at least the next 12 months from the date of signing these financial statements.

Business review

The Company has no employees. Services required are provided by fellow HSBC Group companies. The Company has no stakeholders other than its parent company.

Risk management

The financial risk management objectives and policies of the Company, together with an analysis of the exposure to such risks are set out in Note 16 of the financial statements.

Performance

The Company prepares its financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). The Company's results for the year under review are as detailed in the income statement shown in these accounts.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2008 (2007: £nil).

Future developments

No major changes are envisaged over the next twelve months.

Directors

The Directors who served during the year were as follows:

	Resigned
P J Reid	
V J B Mansell	
C P Gill	17 November 2008

J Subramaniyan was appointed a director of the Company on 12 March 2009.
The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 1985 and the Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors.

Supplier payment policy

During the year, the Company received goods and services from group undertakings only. 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.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

Auditors

It is the intention of the Directors to reappoint KPMG Audit plc as the Company's auditor for the forthcoming financial year.

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 their responsibilities, is made with a view to distinguishing for the shareholder the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors are required to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and the performance of the Company. The Companies Act 1985 provide in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985.

They 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

S.C. Maher

S Maher
Secretary

Registered Office:
8 Canada Square
London
E14 5HQ

Date: 29 June 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHIELD PROPERTIES & INVESTMENTS (HOLDINGS) LIMITED

We have audited the financial statements of Shield Properties & Investments (Holdings) Limited for the year ended 31 December 2008 which comprise the Income Statement, the Balance Sheet, the Statement of Cash Flows, the Statement of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 our 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Directors' Report and the Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether these financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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 these 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, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

29 June 2009

SHIELD PROPERTIES & INVESTMENTS (HOLDINGS) LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Interest income	3	115,536	278,557
Interest expense		-	(1,837)
Other operating income	4	-	79,327
PROFIT BEFORE TAX		115,536	356,047
Tax expense	6	(32,925)	(106,814)
PROFIT FOR THE YEAR		82,611	249,233

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2008

There has been no recognised income or expense other than the profit for the year as shown above.

SHIELD PROPERTIES & INVESTMENTS (HOLDINGS) LIMITED

BALANCE SHEET AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
ASSETS			
NON CURRENT ASSETS			
Investments in subsidiary undertakings	8	733,557	733,557
Deferred tax asset	13	-	-
TOTAL NON CURRENT ASSETS		733,557	733,557
CURRENT ASSETS			
Receivables	9	-	98,053
Taxation receivable		-	797,459
Cash and cash equivalents	10	5,535,500	4,524,456
TOTAL CURRENT ASSETS		5,535,500	5,419,968
TOTAL ASSETS		6,269,057	6,153,525
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11,12	4,500,025	4,500,025
Share premium account	12	1,584,172	1,584,172
Accumulated losses	12	(10,651,984)	(10,734,595)
TOTAL EQUITY	12	(4,567,787)	(4,650,398)
NON CURRENT LIABILITIES			
Payables	14	1,680,350	1,680,350
TOTAL NON CURRENT LIABILITIES		1,680,350	1,680,350
CURRENT LIABILITIES			
Current taxation		32,921	-
Payables	14	9,123,573	9,123,573
TOTAL CURRENT LIABILITIES		9,156,494	9,123,573
TOTAL LIABILITIES		10,836,844	10,803,923
TOTAL EQUITY AND LIABILITIES		6,269,057	6,153,525

Approved by the board and signed on its behalf on 29 June 2009.

V J B Mansell
Director

The notes on pages 7 to 17 form part of the financial statements

SHIELD PROPERTIES & INVESTMENTS (HOLDINGS) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		115,536	356,047
Adjustments for:			
Interest income	3	(115,536)	(278,557)
Interest expense		-	1,837
Operating profit before changes in working capital and provisions		-	79,327
Decrease in payables		-	(77,501)
Cash generated from operations		-	1,826
Interest received		115,536	278,557
Interest paid		-	(1,837)
Tax received		797,455	912,361
NET CASH FROM OPERATING ACTIVITIES		912,991	1,190,907
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease/(increase) in amounts owed by group undertakings		98,053	(98,053)
Decrease in amounts owed to group undertakings		-	(5,840,325)
NET CASH FROM INVESTING ACTIVITIES		98,053	(5,938,378)
Net increase/(decrease) in cash and cash equivalents		1,011,044	(4,747,471)
Opening cash and cash equivalents		4,524,456	9,271,927
CASH AND CASH EQUIVALENTS AT YEAR END	10	5,535,500	4,524,456

The notes on pages 7 to 17 form part of the financial statements

1. Basis of preparation

The Company has prepared its financial statements in accordance with International Financial Reporting Standards ('IFRSs') as endorsed by the European Union ('EU'). EU-endorsed IFRSs may differ from IFRSs as published by the International Accounting Standards Board ('IASB') if, at any point in time, new or amended IFRSs have not been endorsed by the EU. At 31 December 2008, there were no unendorsed standards effective for 31 December 2008 affecting these financial statements, and there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to the Company.

IFRSs comprise accounting standards issued by the IASB and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') and its predecessor body.

Standards and Interpretations issued by the IASB and endorsed by the EU but not yet effective

- IFRS 8 'Operating segments' was issued on 30 November 2006 and is effective for periods commencing on or after 1 January 2009. This standard will have no impact on the Company when adopted with effect from 1 January 2009.
- A revised IAS 1 'Presentation of Financial Statements' was issued on 6 September 2007 and is effective for periods commencing on or after 1 January 2009. This revised standard will result in certain presentational changes in the primary financial statements of the Company when adopted with effect from 1 January 2009.
- The IASB issued an amendment to IFRS 2 'Share-based Payment' – 'Vesting Conditions and Cancellations' on 17 January 2008 with effect for periods commencing on or after 1 January 2009. This standard will have no impact on the Company when adopted with effect from 1 January 2009.
- A revised IAS 23 'Borrowing Costs' was issued on 29 March 2007 and is effective for periods commencing on or after 1 January 2009. This standard will have no impact on the Company when adopted with effect from 1 January 2009.
- IFRIC 13 'Customer Loyalty Programmes' was issued on 28 June 2007 and is effective for periods commencing on or after 1 July 2008. This standard will have no impact on the Company when adopted with effect from 1 January 2009.

At 31 December 2008, the Company had adopted all IFRSs and Interpretations that had been issued by the IASB and IFRIC, and endorsed by the EU. Except as stated above, there are currently no IFRSs or Interpretations that have been issued by the IASB and endorsed by the EU which become effective after 31 December 2008 that have not already been adopted by the Company.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The principal currency in which the Company's business is conducted (which is its functional currency) is GBP. These accounts are therefore presented in that currency.

The Company is not required to prepare consolidated financial statements by virtue of the exemption conferred by section 228 of the Companies Act 1985 and paragraph 10 of International Accounting Standard 27 "*Consolidated and separate financial statements*". The results of the Company are included within the consolidated financial statements of HSBC Holdings plc which is incorporated in England.

1. Basis of preparation (continued)

Where necessary, comparative figures have been reclassified to be consistent with the current year's presentation.

General information

Shield Properties & Investments (Holdings) Limited is a company domiciled and incorporated in England and Wales.

2. Principal accounting policies

(a) Interest income and expense

Interest income and expense for all interest bearing financial instruments is recognised in 'Interest income' or 'Interest expense' in the income statement using the effective interest method. The effective interest method is a way of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation includes all amounts paid or received by the Company that are an integral part of the effective interest rate of a financial instrument, including transaction costs and all other premiums or discounts.

(b) Investments in subsidiary undertakings

Investment in the ordinary share capital of a subsidiary is stated at cost less impairment losses. Reversals of impairment losses are recognised in the income statement if there has been a change in the estimates used to determine the recoverable amount of the investment.

The carrying amounts of the Company's subsidiary undertakings are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the subsidiary's recoverable amount is estimated as the greater of its net selling price and its value in use.

Dividend income is recognised in the income statement on the date the Company's right to receive payments is established.

(c) Share capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax.

2. Principal accounting policies (continued)

(d) Income tax

Income tax comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the balance sheet date.

The tax on items recognised directly in equity is transferred to profit or loss when those items are transferred to profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments are recognised only to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

(e) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months' maturity from the date of acquisition, and include cash.

(f) Financial liabilities

Financial liabilities are initially valued at fair value plus any transaction costs that are directly attributable to the purchase or issue. Financial liabilities are recognised if the Company becomes party to the contractual provisions of the liability instrument. The Company derecognises the financial liability when the Company's obligations specified in the contract expire, are discharged or cancelled. Subsequent to initial recognition financial liabilities are measured at amortised cost using the effective interest rate method.

2. Principal accounting policies (continued)

(g) Going concern

The Directors have received a confirmation from Charterhouse Management Services Limited ("CMSL"), that its current intention is to provide ongoing financial support for a period of not less than one year from the date that the financial statements are approved. The financial statements are accordingly prepared on a going concern basis.

3. Interest income

	2008	2007
	£	£
Interest income from parent entities	115,536	278,557

4. Other operating income

	2008	2007
	£	£
Loan and accrued interest written off	-	79,338
Other expenses	-	(11)
	-	79,327

5. Administrative expenses

As in 2007, certain expenses, including auditor's remuneration have been borne by a fellow group undertaking and are therefore not charged in arriving at the profit for the year.

The amount of auditor's remuneration in relation to statutory audit borne by a fellow group undertaking was £7,500 (2007: £11,423). The Company has no employees during the financial year (2007: nil).

6. Tax expense

(a) Analysis of tax charge for the year	2008	2007
	£	£
Current tax expense		
Corporation tax payable/(recoverable)	32,925	(1,645,284)
Current tax expense/(credit) for the year	32,925	(1,645,284)
Deferred tax expense		
Origination and reversal of temporary difference	-	1,752,098
Total deferred tax expense for the year	-	1,752,098
Total tax expense for the year	32,925	106,814

6. Tax expense (continued)

The effective tax rate is 28.5% (31 December 2007: 30%) which is also the standard rate of corporation tax. Therefore, no reconciliation of change is presented.

The UK corporate tax rate was reduced from 30% to 28% commencing 1 April 2008. Accordingly income tax on the loss before tax has been calculated at the blended corporation tax rate of 28.5%.

7. Directors' emoluments

No emoluments were received or are receivable by any of the Directors in respect of their services to the Company during the year (2007: £nil).

8. Investments in subsidiary undertakings

	2008	2007
	£	£
Ordinary shares	733,557	733,557

Details of the Company's investments in subsidiary undertakings, which are registered in the United Kingdom, as at 31 December 2008, are as follows:

Name of undertaking	Holding	Proportion held %	Nature of business
Grendon Securities Ltd	8,850,000 Ordinary shares of 10p each	100%	Dormant company
Shield Properties & Investments Limited	400 Ordinary shares of £1 each	100%	Dormant company
Trialdean Limited	135,238 Ordinary shares of £1 each	100%	Dormant company

The investments in subsidiary undertakings are held at net asset value in the balance sheet.

9. Receivables

	2008	2007
	£	£
Current		
Amounts owed by group undertakings		
- fellow subsidiaries	-	98,053

10. Cash and cash equivalents

	2008	2007
	£	£
Amounts held with parent entities	5,535,500	4,524,456

11. Share capital

	Authorised		Issued and fully paid up	
	2008	2007	2008	2007
	£	£	£	£
18,000,100 Ordinary shares of £0.25 each	4,500,025	4,500,025	4,500,025	4,500,025

The Ordinary Sterling shareholders have voting rights and are entitled to a dividend.

12. Capital and reserves

Reconciliation of movement in capital and reserves

	Share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
At 1 January 2007	4,500,025	1,584,172	(10,983,828)	(4,899,631)
Total recognised income and expense	-	-	249,233	249,233
Balance at 31 December 2007	4,500,025	1,584,172	(10,734,595)	(4,650,398)
Total recognised income and expense	-	-	82,611	82,611
Balance at 31 December 2008	4,500,025	1,584,172	(10,651,984)	(4,567,787)

Capital management
The Company defines capital as total shareholders' equity. The Company's capital resource policy is to maintain a strong capital base. It seeks to maintain at all times a prudent relationship between total capital and the varied risks of its business. The Company has an appropriate level of capital having regard to the letter of support obtained from its parent, Charterhouse Management Services Limited. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

13. Deferred tax asset

	2008 £	2007 £
Opening balance	-	(1,752,098)
Movements in the year	-	1,752,098
	-	-

The deferred tax asset has arisen due to temporary differences between the recognition of interest payable for accounting and taxation purposes.

14. Payables

	2008 £	2007 £
Non current		
Amounts owed to group undertakings due in more than five years		
- parent entities	1,680,350	1,680,350
Current		
Amounts owed to group undertakings		
- parent entities	8,390,017	8,390,017
- fellow subsidiaries	733,556	733,556
	9,123,573	9,123,573

The "Amounts owed to group undertakings due in more than five years – parent entities" relates to deferred ordinary shares which are not entitled to participate in any profits which the Company may determine to distribute in any financial year. On a return of assets, the deferred ordinary shares are entitled to the amount paid up on the shares, and any balance remaining shall belong to the ordinary shareholders. Under IFRS, the deferred ordinary shares have therefore been reclassified as long-term non-interest bearing debt.

The "Amounts owed to group undertakings – parent entities" were previously charged interest but this has now ceased and the amounts are now repayable on demand. The "Amounts owed to group undertakings – fellow subsidiaries" are non-interest bearing and are repayable on demand.

15. Analysis of financial assets and financial liabilities by measurement basis

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses are recognised. The following table analyses the financial assets and liabilities in the balance sheet by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

As at 31 December 2008:	Financial assets/liabilities at amortised cost	Total
Assets	£	£
Cash and cash equivalents	5,535,500	5,535,500
Total financial assets	5,535,500	5,535,500
Total non-financial assets		733,557
Total assets		6,269,057
Liabilities		
Amounts owed to group undertakings	10,803,923	10,803,923
Total financial liabilities	10,803,923	10,803,923
Total non-financial liabilities		32,921
Total liabilities		10,836,844

As at 31 December 2007:	Loans and receivables	Financial assets/ liabilities at amortised cost	Total
Assets	£	£	£
Amounts owed by group undertakings	98,053	-	98,053
Cash and cash equivalents	-	4,524,456	4,524,456
Total financial assets	98,053	4,524,456	4,622,509
Total non-financial assets			1,531,016
Total assets			6,153,525
Liabilities			
Amounts owed to group undertakings	-	10,803,923	10,803,923
Total financial liabilities	-	10,803,923	10,803,923
Total non-financial liabilities			-
Total liabilities			10,803,923

16. Risk management

The Company has exposure to the following types of risk arising from its use of financial instruments; credit risk, liquidity risk and market risk. Market risk includes foreign exchange and interest rate risk.

The management of all risks which are significant, together with the quantitative disclosures not already included elsewhere in the financial statements, is described in this note.

Exposure to credit risk, liquidity risk and market risk arises in the normal course of the Company's business. The Company's risk management policies are consistent with the HSBC Group's risk management policies.

Credit risk management

Credit risk is the risk that financial loss arises from the failure of a counterparty to meet its obligations under a contract, and arises principally from cash held with parent entities.

The Business manages credit risk for this entity as described above for risks generally.

Management keep the credit risk exposure under review and will take appropriate action, if there is deterioration in credit quality. This risk is minimised because cash held with parent entities form all of the Company's financial assets. On this basis the Company considers the amounts due to be fully recoverable.

There has been no significant change in the credit quality of financial assets during the year.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its cash flow requirements on a monthly basis and will compare expected cash flow obligations with expected cash flow receipts to ensure they are appropriately aligned. In light of this the Company will borrow funds as and when required from parent entities.

The Business manages liquidity risk for this entity as described above for risks generally.

The following is an analysis of undiscounted cash flows payable under financial liabilities by remaining contractual maturities at the balance sheet date:

As at 31 December 2008:	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**More than five years**
	£	**£**	**£**	**£**
Amounts owed to group undertakings	10,803,923	(10,803,923)	(9,123,573)	(1,680,350)

As at 31 December 2007:	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**More than five years**
	£	**£**	**£**	**£**
Amounts owed to group undertakings	10,803,923	(10,803,923)	(9,123,573)	(1,680,350)

16. Risk management (continued)

Market risk management

Market risk is the risk that movements in market risk factors, including foreign exchange rates and interest rates will affect the Company's income. The Company is not exposed to foreign exchange rate risk.

The Company is exposed to interest rate risk due to the interest receivable on the Company's bank deposits with parent entities. Interest on the deposits is receivable at floating market rates. Management keeps this risk under review, by monitoring the rates earned upon the Company's deposits.

Sensitivity analysis: interest rate risk

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2007.

	Profit or loss	
	100 bps increase	100 bps decrease
As at 31 December 2008:	£	£
Financial assets		
Cash and cash equivalents	53,766	(53,766)
Total increase / (decrease)	53,766	(53,766)

	Profit or loss	
	100 bps increase	100 bps decrease
As at 31 December 2007:	£	£
Financial assets		
Cash and cash equivalents	81,466	(81,466)
Total increase / (decrease)	81,466	(81,466)

17. Fair value of financial assets and liabilities

For all financial assets and liabilities their carrying amount is a reasonable approximation to fair value.

18. Related party transactions

The Company's immediate parent undertaking is Charterhouse Management Services Limited.

The Company's direct controlling party, and the smallest group in which the financial statements are drawn up, and of which the Company is a member, is HSBC France SA.

The Company's ultimate controlling party, and the largest group in which the financial statements are drawn up, and of which the Company is a member, is HSBC Holdings plc.

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

HSBC France SA	HSBC Holdings plc
103 Avenue des Champs-Elysées	8 Canada Square
75008	London
Paris	E14 5HQ
France	www.hsbc.com

Particulars of transactions, arrangements and agreements involving related parties are disclosed elsewhere in the financial statements.

19. Subsequent events

There were no subsequent events requiring disclosure in the financial statements.

20. Contingent liabilities

There were no contingent liabilities at 31 December 2008 (2007: £nil)

21. Accounting estimates and judgements

The results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of the financial statements. The significant accounting policies used in the preparation of the financial statements are as described in detail in Note 2.