Developing Countries Investment Limited

Financial Statements
31 December 2011

Registered No 2151947

Directors' report for the year ended 31 December 2011

Contents

Directors' report for the year ended 31 December 2011

Business review

The Company did not trade during the year

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 5 of the financial statements

Performance

The Company did not trade during the year under review and made neither a profit nor a loss during the year under review

Dividends

On 23 Dec 2011 a dividend of £4,642,262 being £46,422 62 per share, in respect of the year ended 31 December 2011 was paid on the ordinary shares (2010 Nil)

Dividend payments will be reflected in the financial statements in the period in which they are declared

Going concern basis

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future In making this assessment, the Directors have considered a wide range of information relating to present and future conditions

Directors

The Directors who served during the year were as follows

Name

R H Musgrove
Canada Water Nominees (UK) Limited

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 UK 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

The Company does not currently subscribe to any code or standard on payment practice It is the Company's policy, however to settle the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment

During the year, the Company only received goods and services from group undertakings Part 5 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, setting out reporting requirements in relation to the policy and practice on payments of creditors is therefore, not applicable

Capital management

The Company is not subject to externally imposed capital requirements and is dependent on the HSBC group to provide necessary capital resources which are therefore managed on a group basis

The Company defines capital as total shareholders' equity It is HSBC's objective to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times There were no changes to the Company's approach to capital management during the year

Directors' report for the year ended 31 December 2011 (continued)

Disclosure of information to auditor

Each person who is a Director at the date of approval of this report confirms that so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware and the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information This confirmation is given pursuant to section 418 of the UK Companies Act 2006 and should be interpreted in accordance therewith

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

Statement of Directors' responsibilities in respect of the Directors' report and 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 Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

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 IFRSs 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006 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

On behalf of the Board

R H Musgrove
Director

28 June 2012

Registered Office
8 Canada Square
London
E14 5HQ

Independent Auditor's Report to the Members of Developing Countries Investment Limited

We have audited the financial statements of Developing Countries Investment Limited for the year ended 31 December 2011 set out on pages 5 to 11 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org.uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its result for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Simon Clark (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

One Snowhill,
Snow Hill Queensway,
Birmingham, B4 6GH

Date 28 June 2012

Financial Statements

Income statement for the year ended 31 December 2011

During the financial year and the preceding financial year, the Company did not trade, has received no income and incurred no expense, and consequently has made neither a profit nor a loss

The accounting policies and notes on pages 9 to 11 form an integral part of these financial statements

Statement of comprehensive income for the year ended 31 December 2011

There has been no comprehensive income or expense for the year ended 31 December 2011 or the preceding financial year

The accounting policies and notes on pages 9 to 11 form an integral part of these financial statements

Financial Statements (continued)

Statement of financial position as at 31 December 2011

	Notes	2011 £	2010 £
ASSETS			
Current assets			
Cash and cash equivalents held with other group undertakings		100	4 642 362
Total assets		100	4 642 362
LIABILITIES AND EQUITY			
Equity			
Called up share capital	4	100	100
Retained earnings		-	4,642 262
Total shareholders equity		100	4,642,362
Total equity and liabilities		100	4 642 362

The accounting policies and notes on pages 9 to 11 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 28 June 2012 and were signed on its behalf by

S C Gott
Director
For and on behalf of Canada Water Nominees (UK) Limited

Company Registered Number 2151947

Financial Statements (continued)

Statement of cash flows for the year ended 31 December 2011

	2011 £	2010 £
Cash flows from operating activities		
Profit before tax	-	-
Cash flows from financing activities		
(Paid)/received in respect of current tax	-	(167 868)
Dividends paid	(4,642,262)	-
Net cash used for financing activities	(4,642,262)	(167,868)
Net decrease in cash and cash equivalents	(4,642,262)	(167,868)
Cash and cash equivalents brought forward	4,642,362	4,810 230
Cash and cash equivalents carried forward	100	4 642 362

All cash flows were attributable to discontinued operations

The accounting policies and notes on pages 9 to 11 form an integral part of these financial statements

Financial Statements (continued)

Statement of changes in equity for the year ended 31 December 2011

	Called up share capital £	Retained earnings £	Total shareholders' equity £
Year Ended 31 December 2011			
At 1 January 2011	100	4,642 262	4,642,362
Dividends to shareholders	-	(4,642,262)	(4,642,262)
At 31 December 2011	**100**	**-**	**100**

	Called up share capital £	Retained earnings £	Total shareholders' equity £
Year Ended 31 December 2010			
At 1 January 2010 and 31 December 2010	100	4,642 262	4,642,362

The accounting policies and notes on pages 9 to 11 form an integral part of these financial statements

Shareholders' equity is wholly attributable to equity shareholders

Notes on the Financial Statements

1 Basis of preparation

(a) Compliance with International Financial Reporting Standards

The financial statements are presented in sterling and have been prepared on the historical cost basis

The Company has prepared its financial statements in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board (IASB') and as endorsed by the European Union ('EU') EU-endorsed IFRSs may differ from IFRSs as issued by the IASB if, at this point in time, new or amended IFRSs have not been endorsed by the EU At 31 December 2011, there were no unendorsed standards effective for the year ended 31 December 2011 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 Accordingly, the Company's financial statements for the year ended 31 December 2011 are prepared in accordance with IFRSs as issued by the IASB

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

During the year, the Company adopted a number of standards, interpretations and amendments thereto which had an insignificant effect on the financial statements

(b) Future accounting developments

At 31 December 2011, a number of standards and interpretations, and amendments thereto, had been issued by the IASB, which are not effective for the Company's financial statements as at 31 December 2011 None of these are expected to have a significant effect on the results or net assets of the Company when adopted

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except where stated otherwise

2 Summary of significant accounting policies

(a) General Information

Developing Countries Investment Limited is a company domiciled and incorporated in England and Wales

(b) Related party transactions

The Company maintains bank current accounts, held with another group undertaking

(c) Cash and cash equivalents

For the purpose of the statement of cash flows, 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

(d) 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

Dividends payable in relation to equity shares are recognised as a liability in the period in which they are declared

(e) Use of assumptions and estimates

When preparing the financial statements, it is the Directors' responsibility to select suitable accounting policies and to make judgements and estimates that are reasonable and prudent

There are no accounting policies that are deemed critical to the Company's IFRS results and financial position, in terms of materiality of the items to which the policy is applied, which involve a high degree of judgement and estimation

Notes on the Financial Statements (continued)

3 Result for the year

The Directors made no charge for their services (2010 Nil) Auditor's remuneration for audit of these financial statements £1,932 (2010 £1,932) and was borne by a parent undertaking on behalf of the Company There were no non-audit fees incurred during the year (2010 Nil) The Company has no employees and hence no staff costs (2010 Nil)

4 Share capital

	2011	2010
	£	£
Authorised		
100 Ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	**100**	100

5 Risk Management

The Company has exposure to the following types of risk arising from its use of financial instruments credit 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 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

The Company participates in transactions to which other HSBC group companies are also party The HSBC business in which these companies reside (the "Business") has an established risk management process which considers the risks at the outset and on an ongoing basis in relation to each transaction from the Business' perspective – this will consolidate the risks of participating companies and, as such, offsetting risks will be eliminated To the extent there is any residual risk, management will mitigate this by implementing the appropriate instruments and these will reside in the relevant company

There were no changes in the Company's approach to risk management during the year

Credit risk management

Maximum exposure to credit risk

	2011	2010
	£	£
Cash and cash equivalents held with other group undertakings	**100**	4,642,362

These balances are neither past due nor impaired

Liquidity risk management

The Company has no significant exposure to liquidity risk, as there are no current or long term liabilities outstanding

Notes on the Financial Statements (continued)

6 Related party transactions

The Company has a related party relationship with its parent, with other group undertakings and with its Directors

Particulars of transactions, arrangements and agreements involving third parties are disclosed elsewhere within the financial statements

The ultimate parent undertaking (which is the ultimate controlling party) 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 The immediate holding company is HSBC Bank plc The result of the Company is included in the group financial statements of HSBC Bank plc and HSBC Holdings plc

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

HSBC Bank plc 8 Canada Square London E14 5HQ	HSBC Holdings plc 8 Canada Square London E14 5HQ www hsbc com

7 Contingent liabilities

There were no contingent liabilities at 31 December 2011 (2010 Nil)

8 Subsequent events

There are no subsequent events requiring disclosure in the financial statements