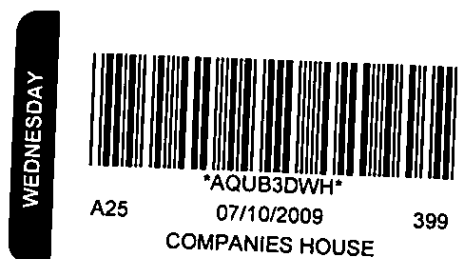


PROPERTY VISION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Registered Number: 3238697



PROPERTY VISION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008

Principal Activities

The principal activity of the Company is to offer residential property advice. No change in the Company's activities is anticipated.

Results and Dividends

The Company's results for the year under review are as detailed in the income statement shown in these accounts. Loss before taxation in 2008 was £1,080,973 (2007: £3,502,086 profit).

The Directors do not recommend the payment of a dividend in respect of the year ending 31 December 2008 (2007: £1,100,000).

Business Review

Loss after taxation for the year was £801,244 in 2008 compared to a profit of £2,405,480 in 2007. This decrease in profit has primarily arisen from a fall in fee revenue from the Company's principal activity, which in turn was a result of the weaker UK property market during 2008.

Total assets of the Company have decreased from £7,470,273 (31 December 2007) to £5,682,375 (31 December 2008).

The income statement and balance sheet provide the key performance indicators to the directors.

Subsequent Events and Future Developments

It is the intention of the Directors, that in 2009, the Company will continue with its principal business activity. During 2009, the Directors will consider injecting funds into the Company's subsidiary, Property Vision France SARL, in order to provide sufficient working capital to that entity.

Directors

The Directors who served during the year were as follows:

Name	Appointed	Resigned
N W de C Ashe		
J S S C Baldock		
M E Cook		
C V Ellingworth		
J G N Geddes		
W J R Gething		
T G Hudson		3 March 2008
P T W Mackie		
M D Parkinson		3 March 2008
D K Sheehan		
E P Sugden		

L Blinoff was appointed as a Director of the Company on 22 January 2009 and P G Harvey was appointed as a Director of the Company on 2 February 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 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.

PROPERTY VISION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

Financial Instruments

The financial risk management objectives and policies of the Company, together with an analysis of the exposure to such risks, as required under the Companies Act are set out in Note 17 of the Notes to the Financial Statements.

Employment Policy

The Company continues to regard communication with its employees as a key aspect of its policies. Information is given to employees about employment matters and about the financial and economic factors affecting the Company's performance through management channels, in-house magazines and by way of attendance at internal seminars and training programmes. Employees are encouraged to discuss operational and strategic issues with their line management and to make suggestions aimed at improving performance. The involvement of employees in the performance of the Company is further encouraged through a profit participation scheme.

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 those suppliers when agreeing the terms of each transaction, to ensure that those suppliers are made aware of the terms of payment, and to abide by the terms of payment.

The amount due to the Company's trade creditors at 31 December 2008 represented 2.4 days' average daily purchases of goods and services received from those creditors, calculated in accordance with the Companies Act 1985, as amended by Statutory Instrument 1997/571.

Disclosure of Information to Auditors

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 or she ought to have taken as a director in order to make himself or 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 234ZA of the UK Companies Act 1985 and should be interpreted in accordance therewith.

Auditors

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

PROPERTY VISION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

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, is made with a view to distinguishing for the shareholder the respective responsibilities of the directors and of the auditor 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. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU.

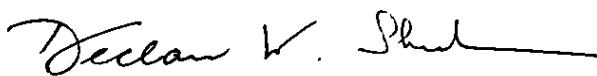
The financial statements are required by law to present fairly the financial position and the performance of the company; the Company's Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references 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 judgments 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 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



D K Sheehan
Director

31 March 2009

Registered Office:
8 Canada Square,
London,
E14 5HQ

PROPERTY VISION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROPERTY VISION LIMITED

We have audited the financial statements of Property Vision Limited for the year ended 31 December 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, 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 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' responsibilities for preparing the Report of the Directors 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 3.

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 the 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 Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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.

PROPERTY VISION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPERTY VISION LIMITED
(continued)

Opinion

In our opinion:

- the Company's 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 loss 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 Report of the Directors is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB

~~March~~ 2009
1 April

PROPERTY VISION LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	Restated 2007 £
Revenue from services	2(a)	6,049,732	10,641,767
Fees payable		<u>(171,451)</u>	<u>(341,085)</u>
OPERATING INCOME		5,878,281	10,300,682
Employee compensation and benefits	5	(4,615,678)	(4,708,203)
Administrative expenses		<u>(2,315,402)</u>	<u>(2,267,098)</u>
OPERATING (LOSS) / PROFIT	4	(1,052,799)	3,325,381
Interest receivable	6	146,349	176,705
Impairment loss on AFS investments		<u>(174,523)</u>	<u>-</u>
(LOSS) / PROFIT BEFORE TAX		(1,080,973)	3,502,086
Taxation	7	279,729	(1,096,606)
(LOSS) / PROFIT FOR THE YEAR		<u>(801,244)</u>	<u>2,405,480</u>

Statement of recognised income and expense for the year ended 31 December 2008

	2008 £	Restated 2007 £
Net change in fair value of Available-for-sale investments	<u>(53,036)</u>	<u>(60,818)</u>
Total income and expenses taken to equity during the year	(53,036)	(60,818)
Profit for the year	<u>(801,244)</u>	<u>2,405,480</u>
Total recognised income and expense for the year	<u>(854,280)</u>	<u>2,344,662</u>

The notes on pages 9 to 21 form part of the financial statements.

An explanation for the restatement is provided in note 1.

PROPERTY VISION LIMITED

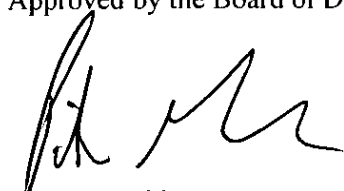
BALANCE SHEET AT 31 DECEMBER 2008

		2008	Restated
	Notes	£	2007
			£
ASSETS			
Property, plant and equipment	8	123,475	149,224
Deferred tax assets	10	245,921	84,216
Investment in subsidiary	12	5,150	5,150
Available-for-sale investments	11	1,049,591	545,206
Loans and other receivables	9	1,831,029	3,046,968
Cash and cash equivalents		2,427,209	3,639,509
		<hr/>	<hr/>
TOTAL ASSETS		5,682,375	7,470,273
LIABILITIES			
Financial liabilities	13	3,230,861	4,763,786
Share based payment liabilities		679,383	256,043
		<hr/>	<hr/>
TOTAL LIABILITIES		3,910,244	5,019,829
EQUITY			
Called up share capital	14	1	1
Capital contribution reserve		194,742	18,775
Available-for-sale reserve		(113,854)	(60,818)
Retained earnings		1,691,242	2,492,486
		<hr/>	<hr/>
TOTAL EQUITY		1,772,131	2,450,044
TOTAL EQUITY AND LIABILITIES		5,682,375	7,470,273

The notes on pages 9 to 21 form part of the financial statements.

An explanation for the restatement is provided in note 1.

Approved by the Board of Directors and signed on its behalf on **31** March 2009



P T W Mackie
Director

PROPERTY VISION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2008

	Notes	2008 £	Restated 2007 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		(1,080,973)	3,502,086
Adjustments for:			
Non cash items	16a	874,636	463,609
Change in operating assets	16b	1,431,626	(506,186)
Change in liabilities	16c	(869,479)	(250,197)
Net (gains) / loss from investing activities		(925)	225
Tax paid		<u>(605,112)</u>	<u>(1,124,553)</u>
NET CASH FROM OPERATING ACTIVITIES		(250,227)	2,085,984
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(15,958)	(2,199)
Proceeds from sale of property, plant and equipment		2,001	1,448
Purchase of Available-for-sale investments		(792,116)	(428,839)
Net cash outflow to subsidiary		<u>(156,000)</u>	<u>(234,074)</u>
NET CASH FROM INVESTING ACTIVITIES		(962,073)	(663,664)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		<u>-</u>	<u>(1,100,000)</u>
NET CASH FROM FINANCING ACTIVITIES		-	(1,100,000)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(1,212,300)	321,320
Cash and cash equivalents at the beginning of the year		3,639,509	3,318,189
Cash and cash equivalents at the end of the year		<u>2,427,209</u>	<u>3,639,509</u>

The notes on pages 9 to 21 form part of the financial statements.

An explanation for the restatement is provided in note 1.

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Basis of preparation

(a) Basis of preparation

The financial statements, including comparatives, have been prepared on the going concern basis under the historical cost basis as modified by the revaluation of Available-for-sale investments, in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU and effective for the year ended 31 December 2008.

These financial statements present information about the Company as an individual undertaking and not about its group. The Company is not required to prepare consolidated financial statements by virtue of the exemption conferred by Section 228 of the Companies Act 1985.

The results of the Company are included within the consolidated financial statements of HSBC Holdings plc.

The Company's financial statements are presented in its functional currency, UK Sterling.

The Company has adopted the requirements of IFRIC 11, "Group and Treasury Share Transactions", which impacts its accounting for deferred share awards to staff. A restatement of 2007 comparatives for Dividend Income (see Income Statement), Employee Compensation and Benefits (see Income Statement) and Total Equity have been necessary.

(b) Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

2. Principal accounting policies

(a) Revenue from services

Revenue represents amounts receivable for the provision of property finding services net of VAT and trade discounts. Revenue is recognised on exchange of contracts.

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

2. Principal accounting policies (continued)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Provision for depreciation of tangible assets is made on the straight line basis at rates calculated to write off the cost of the assets, less their estimated residual values, over their expected working lives, which are considered to be:

Leasehold improvements	- over the term of the lease
Computers and office equipment	- 3 years
Fixtures and fittings	- between 6 and 7 years
Motor vehicles	- 4 years

(c) Operating leases

Payments under operating leases are charged to the profit and loss account on the straight line basis over the term of the lease.

(d) Taxation

Income tax on the profit or loss for the year 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 shareholders' equity, in which case it is recognised in shareholders' equity.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantially 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 amount of assets and liabilities in the balance sheet and the amount 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 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 period in which the assets will be realised or the liabilities settled.

(e) Pensions

The Company participates in a defined contribution pension scheme operated by HSBC Bank Plc. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

2. Principal accounting policies (continued)

(f) Available-for-sale investments

Equity shares intended to be held on a continuing basis are classified as Available-for-sale securities. The Company classifies equity shares in HSBC Holdings plc, held in trust on behalf of its employees as Available-for-sale securities.

Available-for-sale securities are initially measured at fair value plus direct and incremental transaction costs. They are subsequently re-measured at fair value. Changes in fair value are recognised in equity through the Available-for-Sale reserve until the securities vest. Permanent impairment in the value of the security is recognised through the Income Statement.

(g) Equity compensation plans

Shares awarded to an employee to join the Company that are made available immediately, with no vesting period attached to the award, are expensed immediately. When an inducement is awarded to an employee on commencement of employment with the Company, and the employee must complete a specified period of service before the inducement vests, the expense is spread over the period to vesting.

Discretionary bonuses are expensed over the vesting period, which is the period from the date the bonus is announced until the award vests.

Where the market value of the shares awarded is higher or lower than the original cost, the increase or decrease in market value compared to the original cost is taken to the Available-for-sale reserve.

3. Critical accounting estimates and judgements in applying accounting policies

In preparing the financial statements, the Directors are required to make judgements where uncertainty exists at the balance sheet date.

In the following cases, the balance sheet value at the reporting date is influenced by such judgements:

- Impairment of Available-for-sale investments;
- Shares in Group undertakings – where valuation models are used to test that the book value of the asset is recoverable.

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

4. Operating (loss) / profit

Operating (loss) / profit for the year is stated after charging:

	2008	2007
	£	£
Depreciation	40,631	45,955
Operating lease rentals	196,136	185,936
Auditors' remuneration:		
Audit of these financial statements, pursuant to legislation	14,530	14,530
Audit of financial statements, pursuant to legislation, for its immediate parent company	5,500	6,500

5. Employee compensation and benefits

Employee compensation and benefits include:

(a) Staff costs

	2008	Restated
	£	2007
		£
Wages and salaries	4,019,941	4,129,983
Social security costs	492,087	465,821
Pension costs	103,650	112,399
	<u>4,615,678</u>	<u>4,708,203</u>

The average number of persons employed by the Company during the year was 51 (2007: 53).

	2008	2007
	Number	Number
Average number of staff		
- Directors	9	10
- Other	42	43
	<u>51</u>	<u>53</u>

(b) Remuneration of directors

	2008	2007
	£	£
Directors' emoluments	1,033,879	1,641,771
Share based payments	67,000	268,000
Company contributions to money purchase pension schemes	44,508	59,287
	<u>1,145,387</u>	<u>1,969,058</u>

The aggregate of emoluments and share based payments under long term incentive schemes of the highest paid director was £404,753 (2007: £433,927), and company pension contributions of £12,333 (2007: £10,000) were made to a money purchase scheme on their behalf.

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

5. Employee compensation and benefits (continued)

	2008	2007
Retirement benefits are accruing to the following number of directors		
Under Money Purchase schemes	7	9
The number of directors who exercised share options was:	2	1
The number of directors in respect of whom, services were received or receivable under long term incentive schemes was	3	5

(c) Share based payments

The ultimate parent company, HSBC Holdings plc, operates share option schemes and share award schemes, in which employees of Property Vision Limited participate.

During 2008, £659,482 was charged to the income statement in respect of equity-settled share-based payment transactions (2007: £417,653). This expense was based on the fair value of the share-based transactions and is included under wages and salaries in Note 5a (Staff costs).

Share awards are made to eligible employees for recruitment and retention purposes or as part of deferral of annual bonus. The awards vest between one and five years from the date of the award.

The total number of shares outstanding as at 31st December 2008 was 158,548 (2007: 64,751) and included 98,676 shares awarded in 2008. The weighted average fair value of shares outstanding, which is based on the closing market price as at 31st December 2008, was £6.62 (2007: £8.42).

6. Interest receivable

	2008	2007
	£	£
Bank interest	<u>146,349</u>	<u>176,705</u>

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

7. Taxation

The charge for UK corporation tax comprises:

	2008	2007
	£	£
(a) Analysis of tax charge in period		
<i>Current tax</i>		
UK corporation tax at 28.5% (2007: 30%)	100,816	(1,223,419)
Adjustments in respect of prior years	<u>17,208</u>	<u>54,750</u>
Current tax (charge)/credit	118,024	(1,168,669)
<i>Deferred tax</i>		
Origination and reversal of temporary differences	219,305	56,277
Adjustments in respect of prior years	(57,600)	21,801
Changes in tax rates and laws	<u>-</u>	<u>(6,015)</u>
	<u>161,705</u>	<u>72,063</u>
Tax credit/(charge) on (loss)/profit on ordinary activities	<u>279,729</u>	<u>(1,096,606)</u>

(b) Factors affecting tax charge for period

The current tax charge for the period is lower (2007: higher) than the standard rate of UK Corporation tax at 28.5% (2007: 30%). The differences are explained below:

	2008	Restated 2007
	£	£
(Loss) / Profit before taxation	(1,080,973)	3,502,086
Profit / (Loss) multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	308,077	(1,050,626)
Effects of:		
Amounts not deductible for tax purposes	(84,354)	(53,748)
Adjustments to tax (charge) in respect of previous periods	(40,391)	76,551
Changes in tax rates and laws	79	(6,015)
IFRS 2 adjustment	<u>96,318</u>	<u>(62,768)</u>
Tax (charge) / credit on profit / (loss)	<u>279,729</u>	<u>(1,096,606)</u>

(c) A change in the rate of corporation tax from 30% to 28% was enacted in June 2007 and is applicable from April 2008.

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

8. Property, plant and equipment

	Leasehold improvements £	Computers and office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<u>Cost</u>					
At 1 January 2008	159,206	395,694	81,739	38,079	674,718
Additions	-	10,698	-	5,260	15,958
Disposals	-	-	-	(6,405)	(6,405)
At 31 December 2008	159,206	406,392	81,739	36,934	684,271
	Leasehold improvements £	Computers and office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<u>Accumulated depreciation</u>					
At 1 January 2008	59,818	394,421	47,190	24,065	525,494
Charge for the year	21,721	1,873	8,913	8,124	40,631
Disposals	-	-	-	(5,329)	(5,329)
At 31 December 2008	81,539	396,294	56,103	26,860	560,796
Net book value:					
At 31 December 2008	77,667	10,098	25,636	10,074	123,475
At 31 December 2007	99,388	1,273	34,549	14,014	149,224

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

9. Loans and other receivables

	2008	2007
	£	£
Trade debtors	786,423	1,674,155
Other debtors	58,841	77,436
Corporation tax (tax credit)	59,687	-
Prepayments and accrued income	100,078	625,377
Amount owed from group undertaking	826,000	670,000
	1,831,029	3,046,968

As the loans and receivables of the Company are primarily short term receivables, it is considered that fair value is equal to amortised cost.

10. Deferred tax assets

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributable 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 it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets are attributable to the following:

	2008	2008	2007	2007
	Asset	Liability	Asset	Liability
	£	£	£	£
Property, plant and equipment	22,201	-	26,616	-
Employee benefits	223,720	-	57,600	-
Net	245,921	-	84,216	-

Movement in deferred tax assets in 2008

	Balance at	Recognised	Recognised	Balance at
	1.1.08	in income	in equity	31.12.08
Property, plant and equipment	26,616	(4,415)	-	22,201
Employee benefits	57,600	166,120	-	223,720
	84,216	161,705	-	245,921

Movement in deferred tax assets in 2007

	Balance at	Recognised	Recognised	Balance at
	1.1.07	in income	in equity	31.12.07
Property, plant and equipment	13,869	12,747	-	26,616
Employee benefits	(1,716)	59,316	-	57,600
	12,153	72,063	-	84,216

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
continued)

11. Available-for-sale investments

	2008	2007
	£	£
Available-for-sale investments	1,049,591	545,206
	<u>1,049,591</u>	<u>545,206</u>

This represents shares purchased under employee share award schemes.

12. Shares in subsidiary undertakings

Details of the Company's subsidiary undertakings at 31 December 2008 are as follows:

	Principal activity	Proportion held %	Number and Class of shares held	Book value £
Property Vision France SARL (incorporated in France)	Property advice	100	150 of Ordinary of €50 each	5,150
				<u>5,150</u>

On 10 March 2006 Property Vision France SARL was incorporated, with Property Vision Limited providing the initial €7,500 share capital, representing a 100% interest.

13. Financial liabilities

	2008	2007
	£	£
Trade creditors	15,380	30,272
Amount owed to group undertaking	1,332,512	1,672,350
Corporation tax	-	663,449
Other taxes and social security	182,506	281,862
Other creditors	25,359	38,636
Accruals and deferred income	<u>1,675,104</u>	<u>2,077,217</u>
	<u>3,230,861</u>	<u>4,763,786</u>

The financial liabilities of the Company are measured at amortised cost. As the financial liabilities are primarily short term payables, it is considered that fair value is equal to amortised cost.

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

14. Called up share capital

	2008	2007
	£	£
Authorised:		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

The Company defines capital as being equal to total equity.

When managing capital, the Company's principal objective is to safeguard its ability to continue as a going concern.

Company policy is to pay any surplus capital to its parent. Surplus capital is determined by reviewing the future cashflow commitments of the Company and then paying excess cash balances as a dividend to its parent.

The Company maintains a minimum level of capital of £100,000 at all times. During both 2008 and 2007, sufficient capital was held at all times.

The Company is not subject to any externally imposed capital requirements.

15. Reconciliation of movements in equity

	2008	Restated
	£	2007
		£
Opening equity	2,450,444	1,115,417
Retained profit	(801,244)	2,405,480
Dividend paid	-	(1,100,000)
Compensation expense recognised in income statement	659,482	417,613
Share amortisation transferred to/(from) equity	(483,515)	(327,248)
Fair value losses taken to equity	(227,559)	(60,818)
Permanent impairment in Available-for-sale investments	<u>174,523</u>	<u>-</u>
Closing equity	<u>1,772,131</u>	<u>2,450,444</u>

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

15. Reconciliation of movements in equity (continued)

A restatement of total shareholder's equity previously reported has been necessary following the adoption by the Company of IFRIC 11, "Group and Treasury Share Transactions". The restatement has resulted from the change in treatment from cash settled on an equity settled transaction, and represents share amortisation transferred between Equity and Other Liabilities. Transfers between separate reserves within Equity have also been necessary.

	31 Dec 2007 £
Total shareholder's equity as previously reported	2,477,963
Share amortisation (from)/to Other Liabilities	(27,519)
Total shareholder's equity restated	<u>2,450,444</u>

16. Notes to cash flow statement

	2008 £	2007 £
(A) Non cash items		
Depreciation and amortisation	700,113	463,609
Impairment loss on AFS investments	174,523	-
	<u>874,636</u>	<u>463,609</u>
(B) Change in operating assets		
Change in trade debtors	887,732	(896,993)
Change in other assets	18,595	(9,057)
Change in prepayments and accrued income	525,299	399,864
	<u>1,431,626</u>	<u>(506,186)</u>
(C) Change in operating liabilities		
Change in trade creditors	(14,892)	(5,669)
Change in accruals and deferred income	(402,113)	(236,619)
Change in other creditors	(452,474)	(7,909)
	<u>(869,479)</u>	<u>(250,197)</u>

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

17. Operating lease commitments

At 31 December 2008, the Company was committed to make the following total future payments under non-cancellable operating leases.

	2008 Land and buildings £	2007 Land and buildings £
Operating leases which expire:		
Within one year	196,136	185,936
Between two and five years	497,794	448,294
Over five years	<u>173,604</u>	<u>65,340</u>
	<u>867,534</u>	<u>699,570</u>

18. Management of financial risk

Financial risk

The financial instruments of the Company (excluding short-term debtors and creditors) comprises cash. Exposure to credit and interest rate risk arises in the normal course of the Company's business. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the year ended 31 December 2008.

Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. The Company's principal credit exposure is to debtors, which are frequently monitored for size and age.

Interest rate risk

Bank interest on deposits held at HSBC Private (UK) Bank Limited is the only source of interest exposure.

Liquidity risk

The Company's policy throughout the year has been to maintain sufficient liquidity to meet its obligations as they fall due for payment.

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(continued)

19. Related party transactions

Compensation of all Directors employed by the Company is included in Note 5 to the accounts.

Car loans are available to Directors as stated in their terms of employment. These loans do not have any structured instalment repayments by but are repayable on demand or are committed until a Director leaves the employment of the Company. These loans are also supplied to the Directors as interest free loans. The value of these loans as at 31st December 2008 was £12,000 (2007: £21,000) and the number of Directors with car loans was 4 (2007: 7).

A summary of significant aggregate balances and transactions with other related parties of Property Vision Limited is provided below.

	2008	2007
	£	£
ASSETS:		
Cash and cash equivalents	2,424,997	3,638,057
Investment in subsidiary	5,150	5,150
Trade and other receivables	826,000	670,000
LIABILITIES:		
Current Liabilities	1,332,512	1,672,350
INCOME STATEMENT:		
Interest receivable	146,349	176,705
Property Vision France management fee	625	4,830
Administrative expenses	1,041,400	1,341,084

The above transactions were made in the ordinary course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with persons of a similar standing or, where applicable, with other employees. The transactions did not involve more than the normal risk of repayment or present other unfavourable features.

19. Ultimate and immediate parent company

The Company's immediate parent company is Property Vision Holdings Limited, a subsidiary of HSBC Private Bank (UK) Limited. The Company's ultimate parent company is HSBC Holdings Plc.

The smallest and largest groups in which the financial statements of the Company are consolidated are HSBC Private Banking Holdings (Suisse) S.A. and HSBC Holdings plc respectively. The consolidated financial statements of HSBC Holdings plc are available to the public and may be obtained from HSBC Holdings Plc, Group Corporate Affairs, 8 Canada Square, London, E14 5HQ.