

PROPERTY VISION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

Registered Number: 3238697



PROPERTY VISION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2004

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 statement of profit and loss shown in these accounts.

An interim dividend of £1,000,000 was paid in respect of the year ended 31 December 2004. The Directors recommend the payment of a second interim dividend of £1,000,000 on 31 March 2005 in respect of the year ended 31 December 2004 (2003:£800,000)

DIRECTORS

The directors who served during the year were as follows:

N W de C Ashe
R J Bradstock
M E Cook
C V Ellingworth
W J R Gething
M J Gregson
R Leatham
P T W Mackie
G D C Paterson
E P Sugden

M D Parkinson was appointed as a director of the Company on 18 February 2005.

DIRECTORS' INTERESTS

None of the directors at 31 December 2004 had any other interests in the shares of the Company or in the securities of any other company in the group of which it is a member, required to be disclosed under the Companies Act 1985.

The terms of a number of Employee Benefit Trusts provide that all employees of HSBC Holdings plc and any of its subsidiary undertakings are potential beneficiaries of the Trusts. As potential beneficiaries of the Trusts, each Director of the Company is deemed to have a technical interest in all of the HSBC Holdings plc ordinary shares of US\$0.50 each held by the Trusts. At 31 December 2004 the Trusts held a total of 123,108,967 ordinary shares of US\$0.50 each (1 January 2004: 110,770,974).

PROPERTY VISION LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2004 (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 is available from: The Department of Trade and Industry, No. 1 Victoria Street, London SW1H 0ET.

The amount due to the Company's trade creditors at 31 December 2004 represented 21 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.

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 their report on page 3, 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.

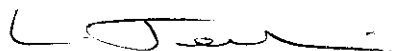
The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year. The directors are required to prepare 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 the going concern basis.

The directors consider that in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time 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.

By order of the Board



L J Jenkinson
Secretary

30 March 2005

Registered Office:
8 Canada Square
London
E14 5HQ

PROPERTY VISION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PROPERTY VISION LIMITED

We have audited the financial statements on pages 4 to 11.

This report is made solely to the Company's member, 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2004 and of its profit 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

30 March 2005

PROPERTY VISION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover	2	6,733,876	4,344,119
Cost of sales		<u>(307,769)</u>	<u>(243,850)</u>
GROSS PROFIT		6,426,107	4,100,269
Administrative expenses	4	<u>(3,907,606)</u>	<u>(2,936,737)</u>
OPERATING PROFIT		2,518,501	1,163,532
Interest receivable and other similar income	5	<u>119,040</u>	<u>83,544</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	2,637,541	1,247,076
Tax on profit on ordinary activities	6	<u>(807,409)</u>	<u>(365,998)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,830,132	881,078
Dividends	7	<u>(2,000,000)</u>	<u>(800,000)</u>
RETAINED PROFIT FOR THE YEAR		<u>(169,868)</u>	<u>81,078</u>

STATEMENT OF RETAINED PROFITS

Balance at 1 January	598,985	517,907
Retained profit for the year	<u>(169,868)</u>	<u>81,078</u>
Balance at 31 December	<u>429,117</u>	<u>598,985</u>

TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than the profit for the year.

CONTINUING OPERATIONS

None of the Company's activities were discontinued during the year.

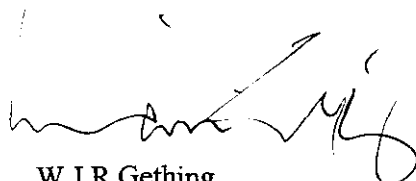
The notes on pages 6 to 11 form part of the financial statements

PROPERTY VISION LIMITED

BALANCE SHEET AT 31 DECEMBER 2004

	Notes	2004 £	2003 £
<u>FIXED ASSETS</u>			
Tangible assets	8	157,154	122,767
<u>CURRENT ASSETS</u>			
Debtors: amounts falling due after more than one year	9	178,935	344,814
Debtors: other	10	1,148,149	1,466,973
Cash at bank and in hand		3,754,172	2,950,167
		<u>5,081,256</u>	<u>4,761,954</u>
<u>CREDITORS</u>			
Amounts falling due within one year	11	<u>(4,249,792)</u>	<u>(3,166,735)</u>
NET CURRENT ASSETS		831,464	1,595,219
<hr/>			
TOTAL ASSETS LESS CURRENT LIABILITIES		988,618	1,717,986
<u>CREDITORS</u>			
Amounts falling due after more than one year	12	<u>(559,500)</u>	<u>(1,119,000)</u>
NET ASSETS		<u>429,118</u>	<u>598,986</u>
 <u>CAPITAL AND RESERVES</u>			
Called up share capital	13	1	1
Profit and loss account		<u>429,117</u>	<u>598,985</u>
SHAREHOLDER'S FUNDS	14	<u>429,118</u>	<u>598,986</u>

Approved by the board and signed on its behalf on 30 March 2005


W J R Gething
Director

The notes on pages 6 to 11 form part of the financial statements

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1. Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

As the cash flow statement included in the consolidated financial statements for the ultimate parent company complies with the conditions of Financial Reporting Standard No 1 ("FRS1") (revised 1996) "Cash Flow Statements", the Company is exempt under FRS1 from the requirement to prepare a separate cash flow statement.

The Company has taken advantage of the exemption under Financial Reporting Standard No 8 ("FRS8") "Related Party Disclosures" not to disclose details of transactions with HSBC Holdings plc or Group subsidiaries on the grounds that it is a wholly owned subsidiary undertaking of HSBC Bank plc, which is wholly owned by HSBC Holdings plc.

2. Principal accounting policies

(a) Turnover

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

(b) 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) Assets held under lease agreements

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

(d) Deferred taxation

Deferred tax is recognised in full on timing differences between the accounting and taxation treatment of income and expenditure, subject to recoverability of deferred tax assets. Deferred tax balances are not discounted.

(e) Pensions

The Company operates a defined contribution pension scheme. 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 2004
(continued)

3. Profit on ordinary activities before taxation

Operating profit for the year is stated after charging:

	2004 £	2003 £
Depreciation	66,660	44,286
Operating lease rentals	161,863	156,433
Auditors' remuneration - audit fee	19,260	18,000
- fees for non-audit services	-	-

4. Administrative expenses

Administration expenses include:

(a) Staff costs (including Directors' remuneration)

	2004 £	2003 £
Wages and salaries	2,373,180	1,735,920
Social security costs	450,615	214,501
Pension costs	78,358	88,019
	<u>2,902,153</u>	<u>2,038,440</u>

The average number of persons employed by the Company during the year was 39 (2003: 34).

(b) Remuneration of directors

	2004 £	2003 £
Directors' emoluments	<u>1,307,186</u>	<u>896,463</u>

The emoluments of the highest paid director were £294,862 (2003: £182,120). The director is a member of a money purchase pension scheme.

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 8 (2003: 8).

5. Interest receivable and other similar income

	2004 £	2003 £
Bank interest	<u>119,040</u>	<u>83,544</u>

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(continued)

6. Taxation charge on profit on ordinary activities

The charge for UK corporation tax comprises:

	2004 £	2003 £
(a) Analysis of tax charge in period		
<i>Current tax</i>		
UK corporation tax at 30% (2003 : 30%)	(800,628)	(379,657)
Adjustments in respect of prior years	(8,752)	14,602
Current tax charge	(809,380)	(365,055)
<i>Deferred tax</i>		
Excess depreciation over capital allowances	1,445	(943)
Prior year movement	526	-
Tax charge on profit on ordinary activities	(807,409)	(365,998)
(b) Factors affecting tax charge for period		

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	2,637,541	1,247,076
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	(791,262)	(374,123)
Effects of:		
Amounts not deductible for tax purposes		
Adjustments to tax (charge) in respect of previous periods	(7,921)	(5,682)
Excess capital allowances over depreciation	(8,752)	14,602
Other amounts	(1,445)	943
	-	(795)
Current tax charge on profit on ordinary activities	(809,380)	(365,055)

7. Dividends

	2004 £	2003 £
Interim	2,000,000	800,000

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(continued)

8. Tangible fixed assets

	Leasehold Improvements	Computers and office equipment	Fixtures and fittings	Motor Vehicles	Total
	£	£	£	£	£
<u>Cost</u>					
At 1 January 2004	52,021	281,460	41,446	23,652	398,579
Additions	-	90,714	1,230	9,106	101,050
Disposals	-	-	-	(4,365)	(4,365)
At 31 December 2004	52,021	372,174	42,676	28,393	495,264
<u>Accumulated depreciation</u>					
At 1 January 2004	11,223	230,913	19,561	14,115	275,812
Charge for the year	5,204	51,904	4,708	4,847	66,663
Disposals	-	-	-	(4,365)	(4,365)
At 31 December 2004	16,427	282,817	24,269	14,597	338,110
<u>Net book value</u>					
At 31 December 2004	35,594	89,357	18,407	13,796	157,154
At 31 December 2003	40,798	50,547	21,885	9,537	122,767

9. Debtors: amounts due after more than one year

	2004	2003
	£	£
Deferred tax asset arising due to:		
Excess of capital allowances over depreciation	11,085	9,114
Timing differences in respect of long term incentive payment for Staff	167,850	335,700
	<u>178,935</u>	<u>344,814</u>

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(continued)

10. Debtors: other

	2004 £	2003 £
Trade debtors	749,130	899,590
Other debtors	45,940	40,353
Prepayments and accrued income	185,229	527,030
Deferred tax asset arising due to timing differences in respect of long term incentive payment for staff	167,850	-
	<u>1,148,149</u>	<u>1,466,973</u>

11. Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	58,083	98,645
Amount owed to group undertaking	564,370	562,721
Corporation tax	387,727	266,107
Other taxes and social security	213,186	242,408
Other creditors	916,683	334,269
Accruals and deferred income	1,109,743	862,585
Proposed dividend	<u>1,000,000</u>	<u>800,000</u>
	<u>4,249,792</u>	<u>3,166,735</u>

12. Creditors: amounts falling due after more than one year

	2004 £	2003 £
Other creditors	<u>559,500</u>	<u>1,119,000</u>

This amount is provided for long term incentive payment for staff and the related National Insurance contributions. This is due to be paid in 2005/6.

13. Called up share capital

	2004 £	2003 £
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>

PROPERTY VISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004
(continued)

14. Reconciliation of movements in shareholder's funds

	2004 £	2003 £
Profit on ordinary activities after taxation	1,830,132	881,078
Dividends	(2,000,000)	(800,000)
Retained profit for the year	(169,868)	81,078
Opening shareholder's funds	598,986	517,908
Closing shareholder's funds	429,118	598,986

15. Operating leases

At 31 December 2004, the Company was committed to make the following payments under non-cancellable operating leases in the year to 31 December 2005.

	Land and Buildings £
Operating leases which expire:	
Within one year	2,063
Between two and five years	-
Over five years	159,800
	161,863

16. 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 Company's ultimate controlling party as defined under Financial Reporting Standard 8 'Related Party Disclosures' ("FRS 8") is HSBC Holdings plc. The Company is controlled, as defined in FRS 8, by its intermediate parent company HSBC Private Bank (UK) Limited.

The smallest and largest groups in which the financial statements of the Company are consolidated are HSBC Bank plc and HSBC Holdings plc respectively.

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