CCF CHARTERHOUSE LIMITED

Financial Statements
31 December 2011

Registered No: 2803379

Financial Statements
31 December 2011

Contents

Directors' report for the year ended 31 December 2011

Principal activities

CCF Charterhouse Limited's ("the Company') principal activity is to act as a holding company The Company has one subsidiary which is dormant 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 The Company carried out no trading activities during the year under review

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2011 (2010 £3,138 000 dividend paid being £3,138 per share)

Business review

The business is funded principally by a parent undertaking through equity investment The Company has no employees Services required are provided by fellow subsidiaries of HSBC Holdings plc ("the HSBC Group') The Company has no stakeholders other than its parent company

The key performance indicator used by management in assessing the performance of the Company is the monitoring of the net return on each individual underlying transaction the Company enters into Monthly management accounts are prepared and reviewed by the management of the HSBC Business in which this company resides

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 13 of the financial statements

Future developments

No major changes are envisaged over the next twelve months

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

Directors

The Directors who served during the year were as follows

Name	Resigned
V J B Mansell	
J Subramaniyan	
P J Reid	28 April 2011

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 payment of creditors is, therefore not applicable

Disclosure of information to the 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 ought to have taken as a Director in order to make himself 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 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

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

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 and applicable law

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 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 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 the 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

By order of the Board

V J B Mansell

Director

Registered Office
8 Canada Square
London
E14 5HQ

24 September 2012

Independent Auditor's Report to the Members of CCF Charterhouse Limited

We have audited the financial statements CCF Charterhouse Limited ('the Company") for the year ended 31 December 2011 set out on pages 6 to 16 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 4, 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 web-site 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 results 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

24 September 2012

Zaffarali S Khakoo (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

15 Canada Square,
London,
E14 5GL

Financial Statements

Income statement for the year ended 31 December 2011

	Notes	2011 £	2010 £
Finance income			
Interest income	3	-	6
		-	6
Other operating income	4	-	100
		-	106
Administrative expense	5	-	(40)
Profit before tax		-	66
Tax expense	6	-	(18)
Profit for the year		-	48

There were no acquisitions, discontinued or discontinuing operations during the year

The accounting policies and notes on pages 10 to 16 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 other than the profit for the year as shown above (2010 £Nil)

Financial Statements (continued)

Statement of financial position as at 31 December 2011

	Notes	2011 £	2010 £
ASSETS			
Non-current assets			
Investments in subsidiaries	7	2	2
		2	2
Current assets			
Cash and cash equivalents	8	1,238	1,237
		1,238	1,237
Total assets		1,240	1 239
LIABILITIES AND EQUITY			
Current liabilities			
Other financial liabilities	9	7	2
Current tax liabilities		-	4
Total liabilities		7	6
Equity			
Called up share capital	10	1,000	1,000
Retained earnings		233	233
Total equity		1,233	1,233
Total equity and liabilities		1,240	1 239

The accounting policies and notes on pages 10 to 16 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 24 September 2012 and were signed on its behalf by

V J B Mansell
Director
Company Registration No 2803379

Financial Statements (continued)

Statement of cash flows for the year ended 31 December 2011

	Notes	2011 £	2010 £
Cash flows from operating activities			
Profit before tax		-	66
Adjustments for			
– Interest income	3	-	(6)
– Tax paid		(4)	(319)
Net cash generated from operating activities		(4)	(259)
Cash flows from investing activities			
Interest received		-	6
Net cash from investing activities		-	6
Cash flows from financing activities			
Received from/(paid to) other group undertakings in respect of other financing activities		5	-
Dividends paid		-	(3,138,000)
Net cash from financing activities		5	(3,138,000)
Net increase/(decrease) in cash and cash equivalents		1	(3,138,253)
Cash and cash equivalents brought forward	8	1,237	3,139,490
Cash and cash equivalents carried forward	8	1,238	1 237

The accounting policies and notes on pages 10 to 16 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	**1,000**	**233**	**1,233**
At 31 December 2011	**1,000**	**233**	**1,233**

	Called up share capital	Retained earnings	Total shareholders' equity
	£	£	£
Year Ended 31 December 2010			
At 1 January 2010	1,000	3 138,185	3,139,185
Profit and total comprehensive income for the year	-	48	48
Dividends to shareholders	-	(3,138,000)	(3,138,000)
At 31 December 2010	1,000	233	1,233

The accounting policies and notes on pages 10 to 16 form an integral part of these financial statements

Shareholders equity is wholly attributable to ordinary 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 any 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

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 is expected to have a significant effect on the results or net assets of the Company when adopted

(c) General information

CCF Charterhouse Limited is a company domiciled and incorporated in England and Wales

2 Summary of significant accounting policies

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

(a) Interest income

Interest income for all financial instruments is recognised in 'Interest income' 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 and of allocating the interest income 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 excluding 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) Income tax

Income tax comprises current and deferred tax and is recognised in the income statement

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 end of the reporting period and any adjustment to tax payable in respect of previous years Current tax assets and liabilities are offset when the Company intends to settle on a net basis and the legal right to offset exists

Notes on the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

(c) Subsidiaries

The Company classifies investments in entities in which it controls as subsidiaries The Company's investments in subsidiaries are stated at cost less any impairment losses Any impairment loss recognised in prior periods shall be reversed through the income statement if, and only if, there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised

(d) Financial assets

(i) 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

(e) Statement of cash flows

The statement of cash flows has been prepared on the basis that, with the exception of tax related transactions which are classified under 'Operating activities', movements in inter-company transactions are shown under the heading of 'Financing activities' Such movements arise ultimately from the Company's financing activities, through which the Company will acquire resources intended to generate future income and cash flows

(f) 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 paid

(g) 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 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

3 Finance income

	2011 £	2010 £
Interest income from other group undertakings	-	6
Interest income	-	6

4 Other operating income

	2011 £	2010 £
Bad debts recovered	-	100
	-	100

Notes on the Financial Statements (continued)

5 Administrative expenses

	2011 £	2010 £
Other expenses	-	40
	-	40

Certain expenses including Auditor's remuneration have been borne by a fellow group undertaking and are therefore not charged in arriving at the profit before taxation The Auditor's remuneration borne on behalf of the Company amounted to £7,500 (2010 £7,500) There were no non-audit fees incurred during the year (2010 £Nil)

The Company has no employees and hence no staff costs (2010 £Nil)

The Directors made no charge for their services No emoluments were received or are receivable by any of the Directors in respect of their services to the Company during the year (2010 £Nil) The details regarding directors who are also directors of other group undertakings are disclosed in the financial statements of those companies

6 Tax expense

	2011 £	2010 £
Current tax		
UK Corporation tax		
– on current year profit	-	18
Tax expense	-	18

The UK corporation tax rate applying to the Company was 26 5 per cent (2010 28 0 per cent)

The following table reconciles the tax expense

	2011 £	Percentage of overall profit before tax %	2010 £	Percentage of overall profit before tax %
Taxation at UK corporation tax rate of 26 5% (2010 28 0%)	-	-	18	28 0
Overall tax expense	-	-	18	28 0

The UK Government announced that the main rate of corporation tax for the year beginning 1 April 2011 will reduce from 28% to 26%, to be followed by further 1% reductions per annum to 22% for the year beginning 1 April 2014

This results in a weighted average rate of 26 5% for 2011 (2010 28 0%)

Notes on the Financial Statements (continued)

7 Investments in subsidiaries

	2011 £	2010 £
Cost		
At 1 January 2011	2	2
At 31 December 2011	2	2

The principal subsidiary undertakings of the Company at the end of the reporting period were

Name of Undertaking	Class of Capital	Country of Incorporation	Type of business	Ownership Percentage 2011	Ownership Percentage 2010
Charterhouse Pensions Ltd	Ordinary Shares	UK	Dormant company	100%	100%

The investment in subsidiary undertakings is held at cost less impairment in the statement of financial position

8 Cash and cash equivalents

	2011 £	2010 £
Amounts held with other group undertakings	1,238	1,237
	1,238	1,237

9 Other financial liabilities

	2011 £	2010 £
Current		
Amounts owed to group undertakings		
– Fellow subsidiaries	7	2
	7	2

10 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 00 each	1,000	1 000
	1,000	1,000

11 Dividends

No dividend was declared or paid during the year (2010 £3 138 000 being £3,138 per share)

Notes on the Financial Statements (continued)

12 Analysis of financial assets and liabilities by measurement basis

The following tables analyse the carrying amount of financial assets and liabilities by category as defined in IAS 39 and by heading in the statement of financial position

There were no material financial liabilities at the current or previous reporting dates

At 31 December 2011	**Financial assets and liabilities at amortised cost**	**Total**
	£	**£**
Assets		
Cash and cash equivalents	1,238	1,238
Total financial assets	1,238	1,238
Total non financial assets		2
Total assets		1,240
Liabilities		
Amounts owed to other group undertakings	7	7
Total financial liabilities	7	7
Total non financial liabilities		-
Total liabilities		7

At 31 December 2010	Financial assets and liabilities at amortised cost	Total
	£	£
Assets		
Cash and cash equivalents	1,237	1,237
Total financial assets	1 237	1,237
Total non financial assets		2
Total assets		1 239
Liabilities		
Amounts owed to other group undertakings	2	2
Total financial liabilities	2	2
Total non financial liabilities		4
Total liabilities		6

Notes on the Financial Statements (continued)

13 Risk Management

The Company has exposure to credit risk from its use of financial instruments

The management of this risk which is 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

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its obligations under a contract It arises principally from loans and advances HSBC has standards, policies and procedures dedicated to controlling and monitoring the risk Each operating company is required to implement credit policies, procedures and lending guidelines which conform to HSBC Group standards

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 undertakings forms the majority 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 statement of financial position

Market risk management

Market risk is the risk that movements in market risk factors, including interest rates will affect the Company s income or the value of its investments

Interest rate risk
The Company was not exposed to interest rate risk since its bank deposits are non interest bearing

14 Capital management

The Company is not subject to any 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

15 Fair value of financial assets and liabilities

There are no material differences between the carrying value and the fair value of financial assets and liabilities as at 31 December 2011 and 31 December 2010

Notes on the Financial Statements (continued)

16 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

Charterhouse Management Services Limited, its immediate parent company, is the Company's direct controlling party and HSBC Holdings plc is the Company s ultimate controlling party

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 France SA, which is incorporated in France The immediate holding company is Charterhouse Management Services Limited The result of the Company is included in the group financial statements of HSBC France SA and HSBC Holdings plc

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

HSBC France SA
103 avenue des Champs-Elysées
75008
Paris
France

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

Other than the transactions and balances disclosed elsewhere in the financial statements, the Company did not enter into any material related part transactions during the year

17 Contingent liabilities

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

18 Subsequent events

There are no subsequent events requiring disclosure in the financial statements