

ISIS Equity Partners plc

(Registered number 01659209)

Report & Financial
Statements for
the year ended
31 December 2013

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ISIS EQUITY PARTNERS PLC

DIRECTORS AND ADVISERS

REGISTERED NUMBER.

01659209

DIRECTORS:

D Logan
F&C Asset Management plc

SECRETARY

F&C Asset Management plc
80 George Street
Edinburgh
EH2 3BU

REGISTERED OFFICE

Exchange House
Primrose Street
London
EC2A 2NY

SOLICITORS

Norton Rose LLP
3 More London Riverside
London
SE1 2AQ

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

AUDITOR

KPMG Audit Plc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

ISIS EQUITY PARTNERS PLC

REPORT OF THE DIRECTORS

The directors present their annual report and audited financial statements for ISIS Equity Partners plc (the company) for the year ended 31 December 2013

PRINCIPAL ACTIVITY

The principal activity of the company was the management of private equity funds. Following the transfer of the private equity business during 2005 the company no longer performs such an activity. The company continues to earn interest on an inter-group loan.

RESULTS AND BUSINESS REVIEW

Results and Dividend

The financial statements show a profit after tax of £3,000 (2012: £72,000). The directors do not recommend the payment of a final dividend (2012: £nil) and no interim dividend was approved during the year (2012: £nil).

Trading performance and future development of the business

During 2012 the company received dividend income of £33,000 from a historical holding in an investee company. This holding was sold in the year resulting in a gain of £36,000 being recognised in the Profit and Loss Account. No such income was received in 2013. The directors expect the company to remain inactive for the foreseeable future.

Future Developments

On 28 January 2014, F&C Asset Management plc and Bank of Montreal (BMO) announced that agreement had been reached for BMO Global Asset Management (Europe) Limited to acquire F&C Asset Management plc, the company's ultimate parent undertaking at that date. The acquisition completed on 7 May 2014. Further details of this are outlined in note 12.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors manage the risks as part of the overall risk management framework within the F&C Asset Management plc Group (F&C Group). Members of the F&C Group Management Committee are responsible for identifying and evaluating key risks facing their areas of the business and procedures to control these risks, where possible, are reviewed and agreed. The key operational risks facing the company are:

Financial risk

The F&C Group adopts a low risk approach to treasury management and financial risks in relation to shareholder equity, seeking to manage and preserve its capital. The F&C Group's treasury function seeks to ensure sufficient cash is retained by the company in respect of short-term working capital requirements.

Credit risk

The majority of debtors at the balance sheet dates are in respect of a loan with another F&C Group undertaking. As the F&C Group's working capital is monitored on a group-wide basis, the risk of default is considered minimal.

The F&C Group's treasury policy limits the exposure to any one counterparty (in respect of cash and cash equivalents), recognising that each counterparty has been approved by the F&C Counterparty Credit Committee.

ISIS EQUITY PARTNERS PLC

REPORT OF THE DIRECTORS (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Liquidity risk

The treasury policy set by the F&C Group only allows financial assets attributable to equity holders to be invested in low risk deposits or money market instruments where the risk of capital loss is low, with prior Board approval required for any exception to this principle

The overall cash position is monitored by the treasury team within the F&C Group as a whole and each individual company within the Group draws on the available cash balance to meet its working capital requirements

GOING CONCERN

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern

On the basis of their assessment of the company's financial position the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows

D Logan
F&C Asset Management plc

There have been no appointments or resignations of directors since 31 December 2013

No individual director has any beneficial interest in the shares of the company


DIRECTORS' AND OFFICERS' LIABILITY

The F&C Group maintains insurance cover in respect of directors' and officers' liability

ADEQUACY OF THE INFORMATION PROVIDED TO THE AUDITOR

The directors who held office at the date of approving this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he is obliged to take 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

BY ORDER OF THE BOARD


F&C Asset Management plc
Secretary
26 June 2014

ISIS EQUITY PARTNERS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE DIRECTORS AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Report of the Directors 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

ISIS EQUITY PARTNERS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ISIS EQUITY PARTNERS PLC

We have audited the financial statements of ISIS Equity Partners plc for the year ended 31 December 2013 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 Statement of Directors' Responsibilities 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

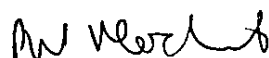
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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, or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report



Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Saltire Court
Edinburgh
26 June 2014

ISIS EQUITY PARTNERS PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £000	2012 £000
Administrative expenses		(3)	(1)
OPERATING LOSS	2	(3)	(1)
Dividend income		-	33
Gain on disposal of investment		-	36
Interest receivable	4	7	17
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4	85
Taxation on profit on ordinary activities	5	(1)	(13)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	9	3	72

The company has no recognised gains or losses in the current or preceding years other than those shown in the profit and loss account above

The notes on pages 8 to 11 form an integral part of these financial statements

ISIS EQUITY PARTNERS PLC

BALANCE SHEET AS AT 31 DECEMBER 2013

(Registered number 01659209)

	Notes	31 December 2013 £000	31 December 2012 £000
CURRENT ASSETS			
Debtors	6	2,485	2,492
Cash at bank and in hand		5	5
		<u>2,490</u>	<u>2,497</u>
CREDITORS Amounts falling due within one year	7	(4)	(14)
		<u>2,486</u>	<u>2,483</u>
NET CURRENT ASSETS			
CAPITAL AND RESERVES			
Called up share capital	8, 9	94	94
Capital redemption reserve	9	151	151
Profit and loss account	9	<u>2,241</u>	<u>2,238</u>
TOTAL SHAREHOLDER'S FUNDS	9	<u>2,486</u>	<u>2,483</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2014
They were signed on its behalf by


D Logan
Director

The notes on pages 8 to 11 form an integral part of these financial statements

ISIS EQUITY PARTNERS PLC

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies set out below have been applied consistently throughout the years ended 31 December 2013 and 31 December 2012

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

Interest receivable

Interest receivable comprises interest on an inter-company loan and is recognised in the profit and loss account on an accruals basis

Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the period, using tax rates enacted or substantially enacted at the balance sheet date and includes any adjustment to tax payable in respect of previous years

Dividend recognition

Dividend receivables are only recognised when the dividends have been declared and approved

Related party disclosures

FRS 8 'Related Party Disclosures' requires disclosure of the details of material transactions between the reporting entity and related parties. The company has taken advantage of the exemption in FRS 8 not to disclose transactions between F&C Group companies which eliminate on consolidation

Cash flow statement

The company has taken advantage of the exemptions of FRS 1 (revised) 'Cash Flow Statements' and has elected not to prepare its own cash flow statement as it is included within the Consolidated Statement of Cash Flows in the group financial statements of F&C Asset Management plc

Reserves

The capital redemption reserve is used to maintain the capital of the company when shares are bought back and subsequently cancelled without court approval

2. OPERATING LOSS

	2013 £000	2012 £000
This is stated after charging		
Auditors' remuneration – audit of these financial statements	3	1

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is disclosed on a consolidated basis in the financial statements of the company's parent, F&C Asset Management plc

The company had no employees during the year ended 31 December 2013 (2012 nil)

ISIS EQUITY PARTNERS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. DIRECTORS' EMOLUMENTS

No director received any emoluments in respect of services to the company for the year ended 31 December 2013 (2012 nil)

The emoluments of D Logan are disclosed in the financial statements of F&C Asset Management plc, the parent undertaking

4. INTEREST RECEIVABLE

	2013 £000	2012 £000
Interest on loan to fellow subsidiary undertaking	7	17

5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2013 £000	2012 £000
UK Corporation Tax		
UK Corporation Tax on profit for the year	1	13
Current tax charge for the year	1	13

Factors affecting the tax charge for the year

The tax assessed for the year is equal to (2012 lower than) the standard rate of Corporation Tax in the UK of 23 25% (2012 24 50%)

The differences are explained below

Profit on ordinary activities before tax	4	85
Profit on ordinary activities multiplied by the UK Corporation Tax rate of 23 25% (2012 24 50%)	1	21
Effects of Non-taxable income	-	(8)
Current tax charge for the year	1	13

Factors affecting future tax charges

The Corporation Tax rate of 23% became effective from 1 April 2013, leading to a statutory UK Corporation Tax rate of 23 25% for 2013 for the Company

A 3% reduction in the UK Corporation Tax rate was substantively enacted during the year to take effect in 2014 and 2015

The 3% reduction in the UK Corporation Tax rate will lead to a Company statutory Corporation Tax rate of 21 50% for 2014 and 20 25% for 2015

No additional rate changes have been substantively enacted since the reporting date

ISIS EQUITY PARTNERS PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. DEBTORS

	31 December 2013 £000	31 December 2012 £000
Amounts falling due within one year		
Loan to fellow subsidiary undertaking	2,482	2,489
Other debtors	3	3
	<u>2,485</u>	<u>2,492</u>

The loan is to F&C Treasury Limited. The loan is unsecured, repayable on demand and is subject to interest at the 3-month LIBOR minus 0.25% margin.

7. CREDITORS

	31 December 2013 £000	31 December 2012 £000
Amounts falling due within one year		
Amounts due to ultimate parent undertaking	3	1
Group relief payable	1	13
	<u>4</u>	<u>14</u>

8. SHARE CAPITAL

	31 December 2013 £000	31 December 2012 £000
Allotted, called up and fully paid		
937,855 Ordinary Shares of 10p each	94	94

9. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENTS IN RESERVES

	Share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total shareholder's funds £000
At 1 January 2012	94	151	2,166	2,411
Profit on ordinary activities after taxation	-	-	72	72
At 31 December 2012	94	151	2,238	2,483
Profit on ordinary activities after taxation	-	-	3	3
At 31 December 2013	94	151	2,241	2,486

ISIS EQUITY PARTNERS PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

10. RELATED PARTY TRANSACTIONS

The company has taken exemption from the requirement to disclose related party transactions with members of the F&C Asset Management plc group on the basis that it is a wholly-owned subsidiary. There are no other related party transactions.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is ISIS Equity Partners Holdings Limited, which is registered in England and Wales.

At 31 December 2013, the smallest group of which the company was a member, and for which group financial statements are prepared, is F&C Asset Management plc. Copies of the Annual Report and Financial Statements can be obtained from its registered office at 80 George Street, Edinburgh, EH2 3BU.

In the Directors' opinion, since 7 May 2014, the company's ultimate parent undertaking is considered to be Bank of Montreal. Further details of this are outlined in note 12 below.

12. EVENTS AFTER THE BALANCE SHEET DATE

Acquisition of the F&C Group by Bank of Montreal

On 28 January 2014, F&C Asset Management plc (F&C) and Bank of Montreal (BMO) announced that agreement had been reached for BMO Global Asset Management (Europe) Limited (BMO Europe), a wholly-owned subsidiary of BMO, to acquire the entire issued and to be issued Ordinary Share capital of F&C for an aggregate consideration of approximately £708m. F&C shareholders received 120p per share and were entitled to retain an ordinary course dividend of 2p per share which was declared on 28 January 2014.

The acquisition was effected by means of a Court-sanctioned scheme of arrangement. The Scheme was approved by shareholders on 25 March 2014 and completion of the transaction happened on 7 May 2014, following final Court approval. On completion, BMO Europe acquired 100% of the share capital of F&C and F&C, therefore, became a wholly-owned subsidiary of BMO Europe.