

Baring Investment Services Limited

Registration Number: 2259590

**Directors' Report And Financial Statements
For The Year Ended
31 December 2016**

THURSDAY



L6EHN0UJ

LD3

07/09/2017

#2

COMPANIES HOUSE

Baring Investment Services Limited

Contents Page

	Page
Company Information	2
Strategic Report	3
Directors' Report	5
Statement of Directors' Responsibilities in Respect of the Strategic Report, Directors' Report and the Financial Statements	7
Independent Auditor's Report to the Members of Baring Investment Services Limited	8
Profit and Loss Account and Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

Baring Investment Services Limited

Company Information

Directors

Baring Asset Management Limited
O Burgel (appointed 28 October 2016)
S J Pearson (resigned 28 October 2016)
J T Swayne

Secretaries

N E Evans
C DeFrancis

Company Registration Number

2259590

Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Registered Office

155 Bishopsgate
London
EC2M 3XY

Baring Investment Services Limited

Strategic Report

In accordance with Section 414A(1) of the Companies Acts 2006, the directors have prepared a Strategic Report which includes a review of the business of Baring Investment Services Limited (the 'Company') and future developments, a description of the principal risks and uncertainties facing the Baring Asset Management and its Subsidiary Companies (the 'Group') and key performance indicators.

Business review and future developments

In March 2016 an announcement was made to combine Baring Asset Management Limited and its subsidiary companies (including Baring Investment Services Limited) with three other investment management subsidiaries of MassMutual, Babson Capital Management LLC, its subsidiaries Cornerstone Real Estate Advisers LLC and Wood Creek Capital Management LLC under the Barings brand. The integration was completed in September 2016. The ultimate beneficial owner of Baring Investment Services Limited remains MassMutual.

The profit for the year amounted to £685,836 (2015: £696,267). At the year end, the Company's net asset position had decreased by £164,164 and its investments in tangible fixed assets had decreased by 11% from £10,177,396 to £9,030,059. The Company plans to grow organically alongside other Group companies.

Key performance indicators

Key performance indicators ('KPIs') are reported to management and monitored at group level on a monthly basis. The following KPIs relate to the Company only:

	2016	2015
	£	£
Turnover	33,458,773	33,690,919
Profit before taxation	981,346	1,009,334
Net assets	4,099,829	4,263,993

Principal risks and uncertainties

The principal risk types faced by the Company are in relation to financial instruments, whether held directly on the statement of financial position: balance sheet or indirectly through client mandates, are as follows:

i) Strategic risks

The most significant strategic risks facing the Company are a decline in business due either to:

- External factors, such as a credit risk, market risk and liquidity risk or
- Internal factors, for example a substantial period of poor investment management performance.

ii) Operational risks

Operational risk: see Directors' Report on page 5.

Employees

The directors are committed to equal opportunities with the clear intention that individuals should be judged on their merits and capabilities regardless of sex, age, race, religion, ethnic origin or disability.

The Company places considerable emphasis and value on its policy of encouraging internal communication between employees and management. Employees are kept informed on matters which affect them and on the performance of the business as a whole through bulletins, newsletters and briefing sessions.

The Company attaches a high priority to developing the skills of all employees and to their training and, where necessary, their retraining. The performance assessment system assists management in career development and succession planning. Promotion from within the Company is strongly supported.

The Company encourages the involvement of all of its employees in its overall performance and profitability through discretionary bonus and profit sharing incentive schemes, which are based on the financial results of the Company and other subsidiary companies of Baring Asset Management Limited.

Baring Investment Services Limited

Strategic Report (continued)

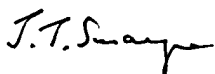
Environment

The Company is a professional and environmentally conscious organisation, which acknowledges the impact that our operations may potentially have on the environment. The clear objective of the Company is to minimise any impact on the environment by:

- Preventing pollution, reducing waste and ensuring that wherever practical, measures are implemented to protect and preserve natural habitats, flora and fauna;
- Considering the effects that our operations may have on the local community;
- Taking action to eliminate or reduce, as far as practicable, any potentially adverse environmental impacts;
- Promoting environmental awareness amongst our suppliers, contractors and partners by implementation of operational procedures;
- Seeking to work in partnership with the community by behaving in a considerate and socially responsible manner;
- Ensuring effective and expedient incident control, investigation and reporting

The Company complies with the duties placed upon it within the requirements of Statutory Legislation, whilst at all times complying with, as a matter of best practice, the requirements and duties set out within Approved Guidance as issued by the Environment Agency and other organisations. The Company takes all practical steps to ensure that potential hazards and risks to the environment are identified and that suitable and effective prevent and control measures are implemented. The directors have overall responsibility for all environmental matters.

By order of the Board



J T Swayne
Director
28 February 2017

Baring Investment Services Limited

Directors' Report

The directors present the annual strategic report, directors' report and financial statements of Baring Investment Services Limited (the 'Company'), registration number 2259590, for the year ended 31 December 2016.

The Company has chosen to set out information relating to the Business Review and future developments, key performance indicators, principle risks and uncertainties, employees and environmental policies within the Strategic Report.

Principal activity

The principal activity of the Company is, and will continue to be, the provision of administrative services to other Group companies.

The Company has sufficient financial resources and as such the directors believe the Company will continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Risk management

The Group manages its risks on a group-wide basis and in accordance with a framework of processes approved by the Barings Board ('Board'). The Risk Committee ('RC'), which derives its delegated authorities from the Board, is responsible for reviewing and monitoring the implementation of the Group's risk management processes and controls. The Organisational Risk and Compliance function supports the RC in the identification, assessment and monitoring of risk across the Group's global operations.

The principal risks and uncertainties facing the Group are considered to be:

i) Strategic risks

The Group manages these risks by offering a widely distributed range of products, both by asset class and geographical spread, by changing or adapting its product offering to meet market conditions and needs, and by monitoring and reviewing investment performance on a regular ongoing basis.

ii) Operational risks

The most significant operational risks facing the Group are:

- **Competitive risk.** The Group operates in a competitive environment in which general market conditions, competitor behaviour and client requirements are constantly changing, both from a product performance, product development and service level perspective. The performance of the Group's products is monitored, reviewed and assessed on an ongoing basis. Client requirements are considered through regular liaison with our larger clients. All client feedback received is recorded and reviewed.
- **Loss of key staff.** The knowledge, skills and experience of the Group's employees are critical to the organisation's continued success. The retention of key staff is of vital importance in ensuring that investment performance and client service standards are maintained. The Group's Human Resources ('HR') policies are designed to recruit and maintain the highest possible quality of this resource.
- **Significant transaction processing incident.** A range of operational process and system-based controls are in place to mitigate this risk.
- **Failure or material mis-performance by outsourced provider.** Formal contracts are in place governing the terms of the relationships and provision of services. Regular reporting and review meetings take place in order to monitor performance.
- **Disaster event / major business disruption.** The Group has comprehensive disaster recovery and business continuity plans in place covering all business-critical operations. These arrangements are reviewed and tested on a regular basis.

As a provider of administrative services to fellow Barings Group companies, the principal risk to the Company's business is that the fellow group companies are adversely affected by the significant strategic and operational risks noted above.

Dividends

An interim dividend payment of £850,000 was paid during the year (2015: £900,000). The directors do not recommend the payment of a final dividend (2015: £nil).

Directors

The directors shown on page 2 served throughout the year, except as follows:

S J Pearson (resigned 28 October 2016)

O Burchell (Appointed 28 October 2016)

Baring Investment Services Limited

Directors' Report (continued)

Insurance for directors

Massachusetts Mutual Life Insurance Company has purchased directors' and officers' insurance in respect of directors of all Group subsidiaries. In addition, Baring Asset Management Limited has purchased additional directors' and officers' insurance in respect of all its subsidiary companies.

Donations

Donations to charity and community projects made by the Company during the year amounted to £48,000 (2015: £36,000). No political contributions were made by the Company (2015: £nil).

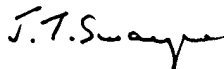
Disclosure of information to auditor

The directors who held office at the date of approval of 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditor annually and KPMG LLP will therefore continue in office.

By order of the Board



J T Swayne
Director
155 Bishopsgate,
London,
EC2M 3XY
28 February 2017

Baring Investment Services Limited

Statement of Directors' Responsibilities in Respect of the Strategic Report, Directors' Report and Financial Statements

The directors are responsible for preparing the Strategic Report, 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

Baring Investment Services Limited

Independent Auditor's Report to the Members of Baring Investment Services Limited

We have audited the financial statements of Baring Investment Services Limited for the year ended 31 December 2016 set out on pages 9 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 7, 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 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 2016 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

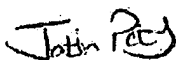
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.



Jatin Patel (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
Date: 3 March 2017

Baring Investment Services Limited
Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	2	33,458,773	33,690,919
Administrative expenses	3	<u>(32,492,713)</u>	<u>(32,690,458)</u>
Operating profit		966,060	1,000,461
Interest receivable and similar income	4	16,640	8,991
Interest payable and similar charges	5	<u>(1,354)</u>	<u>(118)</u>
Profit on ordinary activities before taxation		981,346	1,009,334
Tax on profit on ordinary activities	8	<u>(295,510)</u>	<u>(313,067)</u>
Profit for the year		<u>685,836</u>	<u>696,267</u>

All gains and losses have been recognised in the profit and loss account. There is no Other Comprehensive Income.

All the results arise from continuing operations.

The notes on pages 12 to 18 form part of these financial statements.

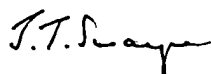
Baring Investment Services Limited

**Balance Sheet
as at 31 December 2016**

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	9	9,030,059	10,117,398
Current assets			
Debtors	10	6,394,371	5,861,744
Cash at bank and in hand		<u>1,191,381</u>	<u>959,693</u>
		7,585,752	6,821,437
Creditors: Amounts falling due within one year	11	(12,515,982)	(12,734,842)
Net current liabilities		<u>(4,930,230)</u>	<u>(5,913,405)</u>
Net assets		<u>4,099,829</u>	<u>4,263,993</u>
Capital and reserves			
Called up share capital	14	200	200
Share premium account		3,368,926	3,368,926
Profit and loss account		<u>730,703</u>	<u>894,867</u>
Shareholders' funds		<u>4,099,829</u>	<u>4,263,993</u>

The notes on pages 12 to 18 form part of these financial statements.

The financial statements were approved by the Board of Directors and signed on its behalf by:



J T Swayne
Director
28 February 2017

Company registration number: 2259590

Baring Investment Services Limited

Statement of Changes in Equity

	Called-up share capital £	Share premium £	Profit and loss account £	Total equity £
For the year ended 31 December 2015				
Balance at 1 January 2015	200	3,368,926	1,098,600	4,467,726
Total comprehensive income for the year				
Profit	-	-	696,267	696,267
Total distribution to owners				
Dividend	-	-	(900,000)	(900,000)
Balance at 31 December 2015	<u>200</u>	<u>3,368,926</u>	<u>894,867</u>	<u>4,263,993</u>
For the year ended 31 December 2016				
Balance at 1 January 2016	200	3,368,926	894,867	4,263,993
Total comprehensive income for the year				
Profit	-	-	685,836	685,836
Total distribution to owners				
Dividend	-	-	(850,000)	(850,000)
Balance at 31 December 2016	<u>200</u>	<u>3,368,926</u>	<u>730,703</u>	<u>4,099,829</u>

The notes on pages 12 to 18 form part of these financial statements.

Baring Investment Services Limited

Notes to the Financial Statements

1. Accounting policies

a. Basis of accounting

Baring Investment Services Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency is Sterling.

The Company transitioned to FRS 102 from old UK GAAP in the period ending 31st December 2015. The Company made no measurement and recognition adjustments.

The Company is included in the consolidated financial statements of Baring Asset Management Limited which are prepared in accordance with FRS 102 and so the Company is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The Company has taken advantage of the exemption available under FRS 102 to not prepare a Cash Flow Statement with related notes.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

b. Measurement convention

The financial statements are prepared on the historical cost basis.

c. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 3. In addition the Directors' Report on page 5 states how the Group manages its risks.

The ultimate responsibility for managing capital lies with the Board of directors. The Company and the Group have considerable financial resources.

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board believes the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Thus the Board continues to adopt the going concern basis of accounting in preparing the annual financial statements.

d. Turnover

Turnover relates mainly to the recovery of costs incurred and is accounted for on an accruals basis.

e. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment.

Depreciation is provided on a straight-line basis to spread the cost of fixed assets over their expected useful lives as follows:

Leasehold property	Not depreciated if lease is greater than 100 years; over the remainder of the lease term if shorter.
Leasehold improvements	10 years; or over the remainder of lease term if shorter
Furniture & fittings	10 years, except paintings, which are not depreciated
Computer equipment	3-4 years, except for software below the Sterling equivalent of \$250,000, which is expensed

Baring Investment Services Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

f. Basic financial instruments

Trade and other debtors are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Company has also transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the liability is discharged.

Cash at bank comprises cash balances.

g. Taxation

Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, 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.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax, or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in the Company and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

h. Operating leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term, unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

i. Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Sterling at rates ruling at the statement of financial position: balance sheet date and gains or losses on translations are included in the profit and loss account. Transactions that are effected in foreign currency are translated into Sterling at the rate applicable on the date of the transaction.

j. Post-retirement benefits

Employees are defined contribution members of the Baring Asset Management Retirement Plan ('the Plan'). Defined contributions are charged to profits in respect of the current accounting period. The assets of the Plan are held separately from those of the Company in independently administered funds.

Baring Investment Services Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

k. Research and development

Where it is considered that expenditure on research and development will bring an on-going benefit to the Company, the expenditure is capitalised and amortised to the profit and loss account over four years. All other expenditure on research and development is written off to the profit and loss account in the year it is incurred.

l. Deferred compensation

The Company makes deferred compensation awards to some senior members of staff. The deferred compensation awards are expensed over the period from the date that the award is granted to the date the award is paid. Deferred compensation awards are based on Barings Group profitability and the performance of hypothetical Barings stock over time.

2. Turnover

	2016 £	2015 £
Recovery of costs incurred on behalf of group undertakings	32,103,273	32,306,675
Other income	1,355,500	1,384,244
	<u>33,458,773</u>	<u>33,690,919</u>

3. Expenses and auditor's remuneration

	2016 £	2015 £
Auditor's remuneration		
- Services relating to taxation	34,400	36,800
- Other services	18,000	15,500
Depreciation	3,046,123	2,934,721
Operating lease rentals	5,018,814	4,990,810
Other operating expenses	24,375,376	24,712,627
	<u>32,492,713</u>	<u>32,690,458</u>

Fees for the audit of the Company's financial statements are borne by Baring Asset Management Limited, a fellow group undertaking.

4. Interest receivable and similar income

	2016 £	2015 £
Exchange gain	16,640	8,991
	<u>16,640</u>	<u>8,991</u>

5. Interest payable and similar charges

	2016 £	2015 £
Interest payable	1,354	118

Baring Investment Services Limited

Notes to the Financial Statements (continued)

6. Employees

The average number of staff employed in management and administration by the Company during the year ended 31 December 2016 was 152 (2015: 158). These employees are legally employed by Baring Asset Management Limited and their respective costs are recharged to the Company. Aggregate remuneration of all employees was:

	2016	2015
	£	£
Salaries	10,376,893	10,365,592
Social security costs	1,219,289	1,186,695
Other pension costs	1,303,016	1,405,275
	<u>12,899,198</u>	<u>12,957,562</u>

7. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	691,781	579,988
Amounts receivable under long-term incentive schemes	232,758	241,881
Compensation for loss of office	160,458	-
Company contributions to money purchase pension schemes	8,043	34,575

	2016	2015
	£	£
Highest paid director		
Director's emoluments	458,815	383,474
Amounts receivable under long-term incentive schemes	140,755	180,478

	Number of directors	
	2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	-	2

8. Taxation

a) Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016	2015
	£	£
<i>Current tax</i>		
UK corporation tax on income for the period	297,930	263,489
Adjustments in respect of prior periods	(26,227)	20,897
Total current tax	<u>271,703</u>	<u>284,386</u>
<i>Deferred tax (see note 12)</i>		
Origination and reversal of timing differences:		
Current year	(22,830)	10,450
Prior year	17,564	2,220
Impact of change in tax rate	29,073	16,011
Total deferred tax	<u>23,807</u>	<u>28,681</u>
Total tax charge	<u>295,510</u>	<u>313,067</u>

All of the tax charge is recognised in the profit and loss account.

Baring Investment Services Limited

Notes to the Financial Statements (continued)

8. Taxation (continued)

b) Reconciliation of effective tax rate

The tax charge for the year is higher (2015: higher) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Profit for the year excluding taxation	981,346	1,009,334
Tax using the UK corporation tax rate of 20% (2015: 20.25%)	196,269	204,356
Non-deductible expenses	74,801	70,269
Effect of measurement of deferred tax at future rate of UK corporation tax	33,102	15,325
(Over)/Under provided in prior years	(8,662)	23,117
Total tax expense included in profit or loss	295,510	313,067

c) Factors that may affect future, current and total tax charges

Under current legislation, from 1 April 2017, the main UK Corporation tax rate will fall to 19% and from 1 April 2020 will be 17%.

9. Fixed assets

	Leasehold property & improvements £	Furniture & fittings £	Computer equipment £	Research & development £	Total £
Cost					
At 1 January 2016	5,121,684	5,622,833	6,644,444	6,796,108	24,185,069
Additions	525,116	107,399	776,850	497,419	1,906,784
Disposals	(89,683)	(90,703)	(1,055,300)	(908,056)	(2,143,742)
31 December 2016	5,557,117	5,639,529	6,365,994	6,385,471	23,948,111
Depreciation					
At 1 January 2016	2,229,774	3,199,624	5,221,505	3,356,768	14,007,671
Charge for the year	419,914	326,813	896,556	1,402,840	3,046,123
Disposals	(89,683)	(82,704)	(1,055,300)	(908,055)	(2,135,742)
31 December 2016	2,560,005	3,443,733	5,062,761	3,851,553	14,918,052
Net book value					
1 January 2016	2,891,910	2,423,209	1,422,939	3,439,340	10,177,398
31 December 2016	2,977,112	2,195,796	1,303,233	2,533,918	9,030,059

Baring Investment Services Limited

Notes to the Financial Statements (continued)

10. Debtors

	2016 £	2015 £
Amounts owed by Group undertakings	637,704	309,976
Other debtors	2,269,646	2,156,079
Deferred taxation asset	269,955	293,760
Prepayments and accrued income	3,217,066	3,101,929
	<u>6,394,371</u>	<u>5,861,744</u>

All debtors are due within one year.

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to Group undertakings	7,467,150	7,140,908
Taxation and social security	297,930	263,489
Other creditors	3,339,377	3,672,253
Accruals and deferred income	1,411,525	1,658,192
	<u>12,515,982</u>	<u>12,734,842</u>

12. Deferred taxation

The deferred tax asset consists of the following:

	2016 £	2015 £
Difference between accumulated depreciation and capital allowances	269,955	293,760
Total deferred tax asset	<u>269,955</u>	<u>293,760</u>

The deferred tax asset expected to reverse in 2017 is £25,993. This relates to the reversal of timing differences in 2017 due to tax allowances for qualifying fixed asset expenditure being expected to be greater than the depreciation accounted for on these assets in the year.

13. Operating leases

	2016 £	2015 £
Non-cancellable operating lease rentals are payable as follows:		
Not later than one year	5,044,268	5,253,897
Later than one year and not later than five years	19,767,470	20,026,689
Later than five years	18,646,915	23,588,072
	<u>43,458,653</u>	<u>48,868,658</u>

During the year £5,018,814 was recognised as an expense in the profit and loss account in respect of operating leases (2015: £4,990,810).

14. Share capital

	2016 £	2015 £
Issued and fully paid:		
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>

15. Pension scheme

The Company contributes to the Baring Asset Management Retirement Plan (the 'Plan'), a defined contribution scheme in the United Kingdom. The total pension cost for the Company in respect of 2016 was £1,303,016 (2015: £1,405,275) and represents contributions payable by the Company to the Plan.

Baring Investment Services Limited

Notes to the Financial Statements (continued)

16. Related parties

The Company is a wholly owned subsidiary of Massachusetts Mutual Life Insurance Company which prepares consolidated financial statements. It has taken advantage of the exemption contained in paragraph 33.1A of FRS 102 and has therefore not separately disclosed transactions or balances with entities which form part of the Massachusetts Mutual Life Insurance Group .

17. Ultimate parent company

The Company's immediate parent company is Baring Asset Management Limited and ultimate parent company is Massachusetts Mutual Life Insurance Company. The ultimate controlling party is Massachusetts Mutual Life Insurance Company.

The largest group in which the results of the Company are consolidated is that headed by Massachusetts Mutual Life Insurance Company. The smallest group in which they are consolidated is that headed by Baring Asset Management Limited.

The consolidated financial statements of Massachusetts Mutual Life Insurance Company are available to the public and may be obtained from the secretary, Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-00001, USA.