

Registered No 3834115

BNP Paribas Investment Partners UK Holdings Limited

Directors' Report and Financial Statements

31 December 2011



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Registered No 3834115

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DIRECTORS

M Dilus
G Hildrup
I Furtado

COMPANY SECRETARY

I Furtado

STATUTORY AUDITOR

Deloitte LLP

BANKERS

BNP Paribas
10 Harewood Avenue
London
NW1 6AA

REGISTERED OFFICE

5 Aldermanbury Square
London EC2V 7BP

COMPANY REGISTRATION NUMBER

3834115

DIRECTORS' REPORT

The Directors present the Directors' report and audited financial statements of BNP Paribas Investment Partners UK Holdings Limited for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The principal activity of the Company was formerly that of an investment holding company. Following the sale of the Company's investment in Fisher Francis Trees & Watts UK Limited, the principal activity is that of holding cash deposits.

RESULTS AND DIVIDENDS

The Company's profit and loss account is shown on page 6 and the balance sheet on page 7. The profit for the year of £46,569k (2010 £18,486k) has been transferred to retained reserves.

The Company declared and paid dividends in the amount of £4,349,408 (2010 £23,733,806).

REVIEW OF THE BUSINESS

During the year the Company disposed of its investment in Fisher Francis Trees & Watts UK Limited and undertook a voluntary capital reduction. This was undertaken as part of the restructuring of the BNP Paribas Investment Partners business unit.

FUTURE OUTLOOK AND GOING CONCERN

The restructuring within the BNP Paribas Investment Partners business in which redundant legal entities are streamlined impacts on the Company. The Company ceased trading during the year following the divestment of the investment of Fisher Francis Trees & Watts UK Limited. The directors intend to close the company by July 2013, but have not developed a formal timeline or initiated liquidation proceedings at the date of signing the financial statements. Accordingly, in accordance with the relevant accounting standards, the accounts are prepared on a basis other than going concern.

SALE OF INVESTMENT

On the 14 April 2011, the Company sold its investment in subsidiary Fisher Francis Trees and Watts UK Limited to BNP Paribas Investment Partners S.A. for £51,681,888 and realised a gain of £41,761,393.

REPURCHASE OF SHARE CAPITAL

A share buy back for £56,971,870 equivalent to 10,739,278 ordinary shares was undertaken on 18 April 2011 at a price per share of £5.305. The share buy back was funded from distributable reserves and a voluntary capital reduction. The newly created distributable profits were used to fund the repurchase of ordinary shares. Therefore, BNP Paribas Investment Partners UK Holdings has purchased 10,739,278 shares on a total authorised ordinary share capital of 10,739,279 shares for £56,971,870, leaving one remaining share of BNP Paribas Investment Partners UK Holdings owned by BNP Paribas Investment Partners S.A.

DIRECTORS

The directors who served during the financial year and to the date of this report were:

M Dilus (appointed 21 February 2012)
P Croockewit (resigned 11 January 2012)
G Hilddrup
I Furtado

DIRECTORS' INDEMNITIES

The Company has in place professional indemnity insurance cover under the BNP Paribas Group insurance arrangements for the Company's directors.

AUDITOR

Each of the persons 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 of, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board and signed on its behalf


Gary Hilddrup
Director

27 SEPTEMBER 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 December 2011

The Directors' are responsible for preparing the Annual 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 applicable UK Accounting Standards have been followed,
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

INDEPENDENT AUDITOR'S REPORT
to the members of BNP Paribas Investment Partners UK Holdings Limited

Page 5

We have audited the financial statements of BNP Paribas Investment Partners UK Holdings Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 19 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

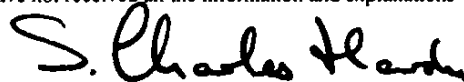
Opinion on other matter prescribed by the Companies Act 2006

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,
- 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.



Simon Hardy FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

28 Sept. 2012

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	<i>Notes</i>	<i>31 December 2011 £'000</i>	<i>31 December 2010 £'000</i>
Continued Operations Interest income		603	44
Discontinued Operations Dividend income		4,365	18,463
OPERATING PROFIT		4,968	18,507
Administrative expenses	2	(4)	(22)
Interest payable and similar charges	3	(1)	(3)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,963	18,482
Profit on sale of discontinued operations	17	41,761	-
Tax (charge)/credit on profit on ordinary activities	5	(156)	48
PROFIT FOR THE FINANCIAL YEAR		46,569	18,530

There are no recognised gains or losses in either year other than the profit for the year

The notes on pages 8 to 13 form an integral part of these financial statements

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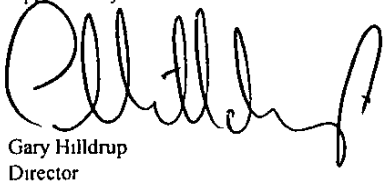
BALANCE SHEET

at 31 December 2011

	Notes	31 December 2011 £'000	31 December 2010 £'000
FIXED ASSET			
Fixed Asset Investments	7,17	-	9,920
CURRENT ASSETS			
Debtors	8	721	1,827
Cash at bank and in hand		1	4,097
		<u>722</u>	<u>5,924</u>
CREDITORS			
Amounts falling due within one year	9	(232)	(598)
NET CURRENT ASSETS		<u>490</u>	<u>5,326</u>
NET ASSETS		<u>490</u>	<u>15,246</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	10	-	10,739
Profit and loss account	11	490	4,507
SHAREHOLDERS' FUNDS		<u>490</u>	<u>15,246</u>

The notes on pages 8 to 13 form an integral part of these financial statements

Approved by the Board of Directors and authorised for issue on 27.9 2012 and signed on its behalf by



Gary Hilldrup
Director

27 September 2012

NOTES TO THE ACCOUNTS**for the year ended 31 December 2011****1 ACCOUNTING POLICIES*****Basis of preparation and going concern***

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom laws and Accounting Standards. As explained in the Directors' Report, the Company intends to cease operations in the future. The financial statements are prepared on a basis other than going concern, which includes, where appropriate, writing down the Company's assets to net realisable value. This has not required any adjustments and the decision to cease operations does not give rise to any onerous contractual commitments or future costs of termination. Consequently, no provisions have been made in these accounts at the balance sheet date.

Fixed Asset Investments

Fixed asset investments, comprising of investments subsidiary undertakings, are included in the balance sheet at cost less any provision for impairment.

Taxation

Current UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rate and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currency

Foreign currency transactions during the year are translated into sterling using foreign exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency and outstanding at the balance sheet date are translated into sterling using exchange rates prevailing at that date. All exchange difference are taken to the profit and loss account.

Cash flow Statement

The company has taken an exemption in accordance with FRS1 from producing a cash flow statement.

Impairment of Fixed Asset Investments

At each balance sheet date, fixed asset investments are assessed for indications of impairment. If indications of impairment are evident, this investment will be subject to an impairment review. The impairment review for this investment comprises a comparison of the carrying amount of the asset with its recoverable amount, higher of fair value less cost to sell or value in use.

Dividend income

Dividend income arises from fixed asset investments. It is recognised in the income statement when the Company's right to receive payment is established.

Interest income

Interest revenue is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest revenue is accounted for using an effective interest rate method.

NOTES TO THE ACCOUNTS

for the year ended 31 December 2011

2 ADMINISTRATIVE EXPENSES

	<i>Year ended 31 December 2011 £'000</i>	<i>Year ended 31 December 2010 £'000</i>
Auditor's remuneration - statutory audit services	4	4
Other Operating Expenses	-	18
	<u>4</u>	<u>22</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	<i>Year ended 31 December 2011 £'000</i>	<i>Year ended 31 December 2010 £'000</i>
Interest payable on loans from group undertakings	1	3
	<u>1</u>	<u>3</u>

4 DIRECTORS' EMOLUMENTS

The directors of the Company are also directors of other group companies

No directors received any emoluments in 2011 (2010 - £nil) as a consequence of their employment by the Company

NOTES TO THE ACCOUNTS

for the year ended 31 December 2011

5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<i>Year ended 31 December 2011 £'000</i>	<i>Year ended 31 December 2010 £'000</i>
(i) Analysis of the tax (charge)/credit for the year		
Current tax		
Continuing operations	(156)	145
Prior year adjustment	-	64
	<u>(156)</u>	<u>209</u>
Deferred tax		
Continuing operations (Note 6)	-	(150)
Adjustments in respect of change in tax rate (Note 6)	-	(11)
	<u>(156)</u>	<u>48</u>
Total Tax (charge)/credit for the year		

The standard rate of corporate tax for the year is calculated at the rate of 26% (2010: 28%). For 2011 individual group companies, where applicable, will surrender tax losses to other companies within the BNP Paribas UK tax group and will receive Group Relief at the rate of 26% (2010: 28%). The Company earns its profits and losses in the UK. Therefore the tax rate used for tax on loss on ordinary activities is the standard rate for UK corporation tax.

The UK Government in the 2012 Budget announced that it intends to enact further reductions to the main rate of corporation tax to reduce the rate to 24% from 1 April 2012 and then by 1% per annum to 22% by 1 April 2014. The 24% rate was substantively enacted on 26 March 2012, whilst 23% effective from 1 April 2013 is expected to be enacted through Finance Bill 2012. These changes to the main tax rate had not been substantively enacted at the Balance Sheet date and, therefore, are not included in these financial statements. Management does not expect the impact of these rate changes to be significant.

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (26%).

The differences are explained below:

Profit on ordinary activities before tax	4,963	18,482
Profit on ordinary activities multiplied by the standard rate of corporation tax (26%) (2010: 28%)	(1,290)	(5,175)
Tax Effects of		
UK dividend income not taxable	1,135	5,170
Other timing differences	-	198
Adjustments to tax charge in respect of previous periods	-	64
Unutilised trade losses	-	(48)
Current tax credit for the year	<u>(156)</u>	<u>209</u>

NOTES TO THE ACCOUNTS

for the year ended 31 December 2011

6. DEFERRED TAX ASSET

	<i>Year ended 31 December 2011 £'000</i>	<i>Year ended 31 December 2010 £'000</i>
At 1 January	145	306
Charged to profit and loss account for current year	-	(150)
Adjustment in respect of tax rate change	-	(11)
Transfer to related party	(145)	-
Provision for deferred tax asset (note 8)	-	145
The deferred tax asset is made up as follows		
Expenditure relating to the employee bonus scheme	-	100
Unutilised trade losses	-	45
	-	145

As at 31 December 2010 the Company recognised a deferred tax asset of £145,000. During 2011 this deferred tax asset was transferred to BNP Paribas Investment Partners UK Limited, a related party, as the recovery is tied to the underlying trade previously transferred to BNP Paribas Investment Partners UK Limited as part of the restructuring of the Investment Partners business unit following the acquisition of Fortis Bank S A /N V by BNP Paribas S A in 2009.

As at 31 December 2011, the Company recognises a debtor of £145,000 with BNP Paribas Investment Partners UK Limited reflecting unsettled consideration for the transferred deferred tax asset.

7. FIXED ASSET INVESTMENTS

The Company owned share capital of the following subsidiary and is presented at cost less impairment at the Balance Sheet date

	<i>Percentage Ownership</i>	<i>Year ended 31 December 2011 £'000</i>	<i>Year ended 31 December 2010 £'000</i>
Fisher Francis Trees & Watts UK Limited	100%	-	9,920
		-	9,920

During the period the Company disposed of its investment in Fisher Francis Tree and Watts UK Limited (see Note 17)

8. DEBTORS amounts falling due within one year

	<i>Year ended 31 December 2011 £'000</i>	<i>Year ended 31 December 2010 £'000</i>
Group relief debtor	394	740
Deferred tax (see note 6)	-	145
Other debtors	327	942
	721	1,827

9. CREDITORS amounts falling due within one year

	<i>31 December 2011 £'000</i>	<i>31 December 2010 £'000</i>
Amounts owed to related party	232	4
Corporation tax payable	-	594
	232	598

NOTES TO THE ACCOUNTS

for the year ended 31 December 2011

10 CALLED UP SHARE CAPITAL

	<i>2011</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>
Allotted, called up and fully paid		
1 ordinary share of £0.000001 each (2010: 10,739,279 ordinary shares of £1 each)	-	10,739

Refer to Note 18 for details of movement

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>Ordinary Share Capital £000</i>	<i>Profit and loss account £000</i>	<i>Total Shareholders' Funds £000</i>
At 1 January 2010	10,739	9,710	20,449
Profit for year	-	18,530	18,530
Dividends paid	-	(23,733)	(23,733)
At 31 December 2010	<u>10,739</u>	<u>4,507</u>	<u>15,246</u>
At 1 January 2011	10,739	4,507	15,246
Profit for year	-	46,569	46,569
Dividends paid	-	(4,349)	(4,349)
Capital reduction	(10,739)	-	(10,739)
Repurchase of Share Capital	-	(46,234)	(46,234)
At 31 December 2011	<u>-</u>	<u>493</u>	<u>493</u>

12 CAPITAL COMMITMENTS

No capital expenditure has been authorised or contracted as at 31 December 2011 (2010 - £nil)

13 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available in paragraph 3c of FRS 8 'Related Party Disclosures' from disclosing transactions with entities that are part of the group into which the Company is consolidated

14 CASH FLOW STATEMENT

Cash flows of the Company are included in the consolidated cash flow statement of BNP Paribas Investment Partners S.A. and consequently, the Company is exempt under the terms of FRS 1 (Revised) from publishing a cash flow statement

15 DIVIDENDS PAID

The aggregate amount of dividends comprises of

	<i>2011</i>	<i>2010</i>
	<i>£'000</i>	<i>£'000</i>
Interim dividend	4,349	23,733
Final dividend	-	-
	<u>4,349</u>	<u>23,733</u>

16 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking as at 31st December 2011 and 2010 is BNP Paribas Investment Partners S.A., a company incorporated in

The ultimate parent company and controlling party is BNP Paribas S.A. which presents group accounts in which the Company is included. Group accounts are available from BNP Paribas S.A., Boulevard des Italiens, 75009 Paris, France, or from the company's website at www.bnpparibas.com

NOTES TO THE ACCOUNTS**for the year ended 31 December 2011****17 SALE OF FIXED ASSET INVESTMENT**

On the 14 April 2011, the Company sold its investment in subsidiary, Fisher Francis Tree and Watts UK Limited to BNP Paribas Investment Partners S A for £51.7million and realised a gain of £41.8million

18 REPURCHASE OF ORDINARY SHARES

A share buy back for £56,971,870 equivalent to 10,739,278 ordinary shares was undertaken on 18 April 2011 at a price per share of £5.305. The share buy back was funded using distributable reserves and a capital reduction. The newly created distributable profits were used to fund the repurchase of ordinary shares. Therefore, BNP Paribas Investment Partners UK Holdings has purchased 10,739,278 shares on a total authorised ordinary share capital of 10,739,279 shares for £57million, leaving one remaining share of BNP Paribas Investment Partners UK Holdings owned by BNP Paribas Investment Partners S A.

19 CESSATION OF TRADE

The restructuring within the BNP Paribas Investment Partners business in which redundant legal entities are streamlined impacts on the Company. The Company ceased trading during the year following the divestment of the investment of Fisher Francis Trees & Watts UK Limited. The directors intend to close the company by July 2013, but have not developed a formal timeline or initiated liquidation proceedings at the date of signing the financial statements.