

Incorporated in Jersey under registration no 88121
and registered in the UK under registration no FC025708

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HAREWOOD INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2011

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HAREWOOD INVESTMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2011

COMPANY INFORMATION

Country of Incorporation

Jersey

Directors

M Field

N E Brick

Secretary

Carey Olsen

Registered Office

47 Esplanade

St Helier

JE1 0BD

Jersey

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HAREWOOD INVESTMENTS LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements of Harewood Investments Limited (the 'Company') for the year ended 31 December 2011

Principal activity and review of the business

The principal activity of the company is investing in financial securities. The Company is incorporated in Jersey and its principal place of business is the United Kingdom.

The income statement on page 5 of the financial statements shows a profit after taxation for the year of £35 (2010: £34). The result is attributable to interest receivable.

The balance sheet on page 6 shows the Company's financial position at the end of the year, which, in net asset terms, is consistent with the prior period. There has been a decrease in cash and cash equivalents to £11,697 (2010: decrease to £11,734) attributed to interest received and tax payment made during the financial period.

The Directors do not recommend the payment of a dividend (2010: Nil).

Going concern and liquidity

The Company has financial resources in the form of cash and cash equivalents which more than cover any payables under which it is currently obligated. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Financial risk management

The Company's activities expose it to a variety of financial risks: price risk, credit risk, liquidity risk and cash flow and fair value interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

(a) Foreign exchange risk

The Company is not exposed to foreign exchange risk as all its assets and liabilities are denominated in the Company's functional currency of sterling.

(b) Credit risk

The Company has no significant concentrations of credit risk. All credit risk is currently with other group companies.

(c) Liquidity risk

Other group companies will provide liquidity to the Company as and when cash is required.

(d) Interest rate risk

The Company is not exposed to fair value interest rate risk as its investment in fixed rate UK Government Securities matured in prior financial period. The Company is exposed to cash flow interest rate risk from its floating rate cash balances. It is the opinion of the Directors that the cash flow and fair value interest rate risk arising from these investments is insufficient to require hedging.

HAREWOOD INVESTMENTS LIMITED

DIRECTORS' REPORT (continued)

Capital structure

Details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital are shown in note 7. The Company has in issue only one class of equity shares, which is non-redeemable, carries one vote per share and has no right to dividends other than those recommended by the Directors, and unlimited right to share in the surplus remaining on a winding up.

Results and dividends

The results of the Company are set out in the income statement on page 5. No dividends have been declared during the year and none have been recommended (2010 Nil).

Directors

The Directors holding office since 1 January 2011 were

M Field
N E Brick

Directors' indemnity

The ultimate parent undertaking has put in place qualifying third party indemnity provisions in the form of a D&O insurance policy, for the benefit of the Company's Directors, effective throughout the year and which remain in force at the date of this report.

Charitable and political donations

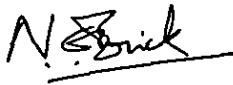
During the year there were no charitable or political contributions made by the Company (2010 nil).

Secretary

The Company Secretary during the year was Carey Olsen.

The registered office of the Company was 47 Esplanade, St Helier, Jersey.

Director 15th Oct. 2012



N.E. BRICK

HAREWOOD INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Companies (Jersey) Law 1991 requires the Directors to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company and of the profit and loss for that year

In preparing those accounts, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State that the financial statements comply with International Financial Reporting Standards, 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 proper accounting records which disclose at any time with reasonable accuracy the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with laws or regulations

HAREWOOD INVESTMENTS LIMITED**INCOME STATEMENT****For the year ended 31 December 2011**

	Notes	2011 £	2010 £
Interest receivable	2	48	48
Profit before taxation	3	48	48
Taxation	4	(13)	(13)
Profit for the year		35	34

The results for both the current year and prior period are derived wholly from continuing operations. Statement of comprehensive income is not required as a result of no movement noted in comprehensive income in both periods.

HAREWOOD INVESTMENTS LIMITED

Company Registration No FC025708

BALANCE SHEET
As at 31 December 2011

	Notes	2011 £	2010 £
ASSETS			
Current assets			
Cash and cash equivalents	5	11,698	11,734
TOTAL ASSETS		11,698	11,734
LIABILITIES			
Current liabilities			
Other payables	6	26	96
TOTAL CURRENT LIABILITIES		26	96
SHAREHOLDERS' EQUITY			
Capital and reserves			
Ordinary shares	7	10,000	10,000
Retained earnings		1,672	1,637
TOTAL EQUITY		11,672	11,637
TOTAL EQUITY AND LIABILITIES		11,698	11,734

Approved by the Board of Directors and authorised for issue on 15 Oct 2012 and signed on its behalf by



Director M. FIELD

HAREWOOD INVESTMENTS LIMITED**STATEMENT OF CHANGES IN EQUITY****For the year ended 31 December 2011**

	Ordinary shares £	Retained earnings £	Total equity £
Opening balance at 1 January 2010	10,000	1,603	11,603
Profit for the year	-	34	34
At 31 December 2010	10,000	1,637	11,637
Opening balance at 1 January 2011	10,000	1,637	11,637
Profit for the year	-	35	35
At 31 December 2011	10,000	1,672	11,672

HAREWOOD INVESTMENTS LIMITED**STATEMENT OF CASH FLOWS**
For the year ended 31 December 2011

	Notes	2011 £	2010 £
Cash flows from operating activities			
Profit for the year		48	48
Adjustments for			
Interest received		(1)	3
Tax paid		(83)	(116)
Net cash generated by operating activities		(36)	(65)
Net decrease in cash and cash equivalents		(36)	(65)
Opening cash and cash equivalents		11,734	11,799
Closing cash and cash equivalents	5	11,698	11,734

HAREWOOD INVESTMENTS LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2011

1 Accounting Policies

The Company's principal activity is the holding of UK Government securities (gilts). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied during the year presented, unless otherwise stated.

a) Basis of preparation

The company is registered in Jersey.

These financial statements have been prepared in accordance with Companies (Jersey) Law 1991 and International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The following new and revised Standards and Interpretation have been adopted in the current year. They have had no material effect on the financial statements of the Group or the company.

- IAS 24 (amended) Related Party Disclosures simplifies the disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a government (referred to as government related parties) and clarifies the definition of related parties.
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' provides guidance on the accounting treatment when financial liabilities are settled with equity instruments.
- Amendment to IAS 32 'Financial Instruments: Presentation' - 'Classification of Rights Issues' amends IAS 32 so that rights, options or warrants that are fixed for fixed (i.e. a fixed amount of cash for a fixed number of instruments) offered pro rata to all owners of a class of instrument are classified as equity instruments regardless of the currency denomination of the exercise price.
- Amendment to IFRIC 14 'IAS 19 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' - 'Prepayments of a Minimum Funding Requirement' applies in the limited circumstances.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9	Financial Instruments
IFRS 10	Consolidated financial statements
IFRS 11	Joint Arrangement
IFRS 12	Disclosure of Interests in Other entities
IFRS 13	Fair value measurements
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27	Separate financial statements
IAS 28	Investments in associates and joint ventures
IAS 12 (amended)	Deferred Tax: Recovery of Underlying Assets
IFRS 1 (amended)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

The adoption of IFRS 9 which the Group plans to adopt for the year beginning 1 January 2015 after the standard is endorsed by EU will impact both measurement and disclosure of financial instruments. The directors do not expect that the adoption of the other standards listed above will have material impact on the financial statements of the Group in future periods.

These separate financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group.

HAREWOOD INVESTMENTS LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2011

1 Accounting Policies (*continued*)

a) Basis of preparation (*continued*)

Going concern and liquidity

The Directors have a reasonable expectation that the Company and the Group will continue to have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. This is discussed in the Directors Report on page 2 under the heading of 'Going concern and liquidity'.

Once approved, the Financial Statements cannot be amended without re-presenting them for approval by the Board.

b) Accounting Convention

(i) Trade date accounting

Purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the assets.

c) Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as fair value of financial instruments (Note 1e).

d) Revenue recognition

(i) Interest income

Interest income arises from interest received on cash and cash equivalents and coupon receipt on available-for-sale investments. Interest income is recognised in the income statement using the effective interest method.

e) Financial instruments

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which is initially measured at fair value.

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss ('FVTPL'), 'held-to-maturity' investments, 'loans and receivables', 'payables' and 'available-for-sale' ('AFS'). Management determines the classification of its financial instruments upon initial recognition – such classification being dependent on the purpose for which the financial instruments were acquired.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

HAREWOOD INVESTMENTS LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2011

1 Accounting Policies (*continued*)

e) Financial instruments (*continued*)

Gains or losses arising, from changes in the fair value of the 'derivative financial instruments' category, including interest and dividend income, are presented in the income statement within 'net gains and losses on derivative financial instruments', in the year in which they arise

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Fair value estimation

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the balance sheet date.

f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdraft. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

g) Share capital, capital contribution and debt instruments

Ordinary shares and capital contributions that evidence a residual interest in the assets of the Company after deducting all of its liabilities are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

h) Taxation

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that foreseeable future taxable profit will be available against which the temporary differences can be utilised.

HAREWOOD INVESTMENTS LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2011

1 Accounting Policies *(continued)*

i) Dividend distribution

The final dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders

2 Interest receivable

	2011	2010
	£	£
Interest income	48	48
	48	48

3 Profit before taxation

a) Director's emoluments

The Directors provide services to the Company, the ultimate parent undertaking and a number of fellow subsidiary undertakings. The emoluments of all Directors are paid by the ultimate parent undertaking in the current and prior year.

b) Number of employees

The Company had no employees during the year to 31 December 2011 (2010: nil)

4 Taxation

	2011	2010
	£	£
Analysis of tax (charge) for current period		
Current tax	(13)	(13)
Tax (charge) for current period	(13)	(13)

HAREWOOD INVESTMENTS LIMITED**NOTES TO FINANCIAL STATEMENTS****For the year ended 31 December 2011**

4 Taxation (continued)

The tax rate for the year is 26.5% being the UK corporation tax rate

The tax (charge) for the period could be reconciled as follows -

	2011	2010
	£	£
Profit on ordinary activities before taxation	48	48
Profit on ordinary activities multiplied by a blended rate of corporation tax in the UK of 26.5% (28% 2010)	(13)	(13)
Tax (charge) for current period	(13)	(13)

5 Cash and cash equivalents

	2011	2010
	£	£
Cash and cash equivalents (Note 9)	11,698	11,734

6 Other payables

	2011	2010
	£	£
Corporation tax payable	26	96

HAREWOOD INVESTMENTS LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2011

7 Share capital

	Number of shares	2011 £	2010 £
Authorised Ordinary shares of £1 each	500,010,000	500,010,000	500,010,000
Issued and fully paid Ordinary shares of £1 each	10,000	10,000	10,000

The Company has in issue only one class of equity share, which is non-redeemable, carries one vote per share and has no right to dividends other than those recommended by the Directors, and unlimited right to share in the surplus remaining on a winding up

8 Financial risk management

The Company's activities potentially expose it to a variety of financial risks, credit risk, liquidity risk, foreign exchange risk, price risk and cash flow and fair value interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The exposures and risk management techniques have not changed significantly from the prior year.

a) Credit risk

The Company takes on exposure to credit risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit risk arises on cash and cash equivalents due from other group companies and on available-for-sale UK Government Securities.

Maximum exposure to credit risk before collateral held or credit enhancements

	2011 £	2010 £
Cash and cash equivalents	11,698	11,734
	11,698	11,734

The above table represents a worse case scenario of credit risk exposure for the Company at 31 December 2011 and 2010, without taking into account collateral held or other credit enhancements attached. The exposures set out above are based on the carrying amounts as reported in the balance sheet.

b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Other group companies will provide liquidity to the Company as and when cash is required. The financial liabilities as shown in Note 6 are all repayable on demand; consequently, no liquidity table is provided.

HAREWOOD INVESTMENTS LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2011

8 Financial risk management

c) Market risk

The Company activities potentially expose it to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency, and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. Exposure to market risk is monitored by the Directors.

(i) Foreign exchange risk

The Company is not exposed to foreign exchange risk as all assets and liabilities are denominated in the Company's functional currency of sterling.

(ii) Interest rate risk

The Company is not exposed to fair value interest rate risk as its investment in fixed rate UK Government Securities matured in prior financial period. The Company is exposed to cash flow interest rate risk from its floating rate cash balances. It is the opinion of the Directors that the cash flow and fair value interest rate risk arising from these investments is insufficient to require hedging.

9 Related party transactions

Related party transaction and the outstanding balances receivable as at 31 December 2011 were as follows:

Nature of transaction	Related party	2011 £	2010 £
Interest income	Ultimate parent undertaking	48	48
Cash and cash equivalents	Ultimate parent undertaking	11,698	11,734

Costs including key management compensation, audit fees, and services provided by support functions of the ultimate parent undertaking, e.g. (finance, legal and secretarial services) which are incidental to the Company's operations, were borne by the ultimate parent undertaking and no re-charge was made to the Company.

10 Capital management

The Company categorises capital and retained profit as Shareholders' equity and as at 31 December, 2011, the value was £11,672 (2010: £11,637). Any changes to this total between prior year and current year are as a result of changes in the Company's income statement, changes in the value of available-for-sale reserves, payments of dividends or injections of new capital.

11 Ultimate parent undertaking

BNP Paribas SA, the main provider of funds, is the immediate, ultimate parent and controlling party of the group, and is the smallest and largest group to consolidate these financial statements. BNP Paribas SA is a company incorporated in France with limited liability.

Copies of the group financial statements can be obtained from BNP Paribas SA, 16 boulevard des Italiens, 75009 Paris, France.