

BNY Mellon Fund Managers Limited

Directors' report and financial statements

Registered number: 1998251

For the year ended 31 December 2011

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BNY Mellon Fund Managers Limited

Contents

	Page
Board of directors and other information	2
Directors' report	3-6
Statement of directors' responsibilities	7
Independent auditor's report	8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11-17

BNY Mellon Fund Managers Limited

Board of directors and other information

Directors

G A Brisk
L E Lenel
A Mearns
D Turnbull

Secretary

BNY Mellon Secretaries (UK) Limited
160 Queen Victoria Street
London
EC4V 4LA

Auditor

KPMG Audit Plc
15 Canada Square
London
E14 5GL

Registered Office

BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Registered Number

1998251

BNY Mellon Fund Managers Limited

Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities

The principal activity of BNY Mellon Fund Managers Limited ("the Company") is the management and administration of unit trusts and Investment Companies with Variable Capital ("ICVC"). In its role, the Company acts as the Authorised Corporate Director ("ACD") for such products.

The ACD of a fund is responsible for managing and administering the products in accordance with Financial Services Authority ("FSA") and Treasury Regulations. The ACD may delegate its management and administration functions to third parties including associates subject to the FSA Regulations. The Company has delegated the investment management of all unit trusts and ICVCs to the following Bank of New York Mellon group companies, Newton Investment Management Limited, Walter Scott & Partners Limited and Standish Mellon Asset Management LLC. Additionally, part of the administration of the aforementioned products has been delegated to The Bank of New York Mellon (International) Limited. The Board regularly reviews the service levels received from these companies to ensure continual delivery of quality to the customer.

The Company is authorised and regulated by the FSA, pursuant to the Financial Services & Markets Act 2000. All the Company's activities during the year were regulated and conducted within the permissions granted to the Company by the FSA.

Results and dividends

The profit for the year after taxation amounted to £1,699,000 (2010: £1,634,000).

Interim dividends paid during the year amounted to £6,000,000 (2010: £nil). The directors do not recommend a final dividend for the year ended 31 December 2011 (2010: £nil).

Business review

The Company's key financial and other performance indicators during the year were as follows:

	2011 £000	2010* £000	Change %
Turnover	11,297	10,773	5%
Administrative expenses	(9,135)	(8,739)	5%
Net assets	11,907	16,208	(27%)
	£m	£m	%
Year end funds under management	23,399	22,107	6%
Average funds under management	22,642	18,653	21%

* Certain prior year numbers have been reclassified to be consistent with current year presentation.

Turnover increased by £524,000 (5%) during the year. Within turnover, management fee income, which is generated from daily fund valuations, increased by £36,700,000. This increase reflects both the average increase in market levels and stronger net sales during the year.

Administrative expenses have increased by £396,000 (5%) year-on-year, as a result of higher funds under management and associated unit holdings, which in turn have increased the recharges payable to other group companies.

Net assets decreased 27% during the year, reflecting the £6,000,000 interim dividend paid, offset by current year profit after tax.

BNY Mellon Fund Managers Limited

Directors' report - continued

Future developments

During 2012, the Company will aim to continue its momentum in funds under management growth, through a continued focus on launching new products and servicing existing clients

Risk management process

The Company is a non BIPRU firm and is regulated by the FSA. Capital and other financial returns are prepared and submitted to the regulator on a quarterly basis. At 31 December 2011, surplus regulatory capital, as reflected within the Company's regulatory returns, amounted to £4,925,000 (2010 £9,543,000). Whilst the Company remains well capitalised, the year-on-year surplus regulatory capital reduction reflects dividends paid during the year.

Governance and policies

Policies and procedures are in place to govern and manage the business. Suitable policies and procedures have been adopted by the Company in order to ensure an appropriate level of risk management is directed at the relevant element of the business.

Governance of the Company is the ultimate responsibility of the Board of directors. The Board is responsible for the ongoing success and development of the Company's business as well as setting the risk appetite for the firm as part of the risk framework.

Key committees are in place to oversee the risk management function and to ensure adequate risk management and controls are in place. Each committee has clearly stated terms of reference and reporting lines. Significant issues arising from these committees may be reported up to the appropriate Europe, Middle East, and Africa (EMEA) or Asset Management committee. The committees' remit extends to other companies within the BNY Mellon Asset Management International (AMI) business.

The key committees include:

- Executive Operating Committee, The AMI Executive Operating Committee is the senior governance and decision making forum within the Company and is made up of directors and senior managers.
- Risk and Compliance Committee, The monthly AMI Risk and Compliance Committee is chaired by the Head of Compliance and attended by the Head of Risk Management, directors and other senior managers who also consider the risk and compliance issues of the Company. The committee receives a report from the Head of Risk Management on current risk issues and activities.

There are a number of regional key oversight committees in place to build on the US Corporate Global Risk Management Framework. The EMEA Senior Risk Management Committee which has an oversight responsibility covering the major risk sources, including Compliance of the EMEA region, is the most senior committee. The BNYM EMEA Senior Risk Committee is attended by senior risk managers and business heads. Reports are provided and reviewed covering the risk sources and any issues that need monitoring. The EMEA Senior Risk Management Committee has a number of sub-committees focussing on specific areas of risk.

Risk management process

The BNY Mellon businesses are responsible for actively identifying the risks associated with their key business processes, business change or external threats, identifying and assessing the quality of controls in place to mitigate risk and assigning accountability for the effectiveness of those controls. The objective of this is to prevent or minimise:

- Errors or service delivery failures, especially those with visible impact on clients
- Financial losses
- Compliance breaches
- Reputational damage

BNY Mellon Fund Managers Limited

Directors' report - continued

Risk management process - continued

The Company utilises the BNY Mellon Operational Risk Platform to achieve the above. The platform is used to maintain risk and control self-assessments, high level assessments, key risk indicators and operational risk events. Risk Management works in partnership with the business to ensure that there is adequate understanding and assessment of, and accountability for, all risks that relate to the Company.

The Risk Appetite at Group level is set and owned by the BNY Mellon Board of Directors, giving the overall strategy and willingness to take on risk at a global level. The Company's risk appetite, as part of the AMI Holding Group risk appetite, is commensurate with local business and regulatory requirements, within the guidance set by the group and in coordination with the relevant business expertise.

From September 2010, risks of the Company, as part of the AMI Holding Group have been measured, reported and monitored quarterly as part of the risk management framework which have been adopted by the Company. The reporting measures risk and capital against their regulatory capital requirements as well as monitoring Pillar 2 risk assessments, the internal capital adequacy processes (ICAAP) and liquidity assessments.

Credit risk

Credit risk covers default risk from counterparties or clients for loans, commitments, securities, and other assets where realisation of the value of the asset is dependent on counterparties ability to perform.

The level of residual operational risk is managed by rigorous operating policies, procedures and controls.

Market risk

Market risk is the risk of loss due to adverse changes in the financial markets. Market risk arises from foreign exchange exposure in respect of revenue, expenses, deposits and borrowings, and interest rate exposure on cash balances, deposits and borrowings.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events including the potential for loss that arises from problems with operational processing, human error or omission breaches in internal controls, fraud, and unforeseen catastrophes.

Liquidity risk

Liquidity risk is the risk that a firm, although balance sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.

Business risk

Business risk includes risk to a firm arising from changes in its business, including the risk that the firm may not be able to carry out its business plan and its desired strategy.

Compliance risk

Compliance risk covers the risk relating to earnings or capital from violation, or non-conformance with laws, rules, regulations, prescribed practices or ethical standards which may, in turn, expose the firm and its executors to fines, payment of damages, the voiding of contracts and damaged reputation.

This risk is mitigated through senior management culture, training, integration of compliance policies and controls into business processes and independent compliance monitoring and oversight.

BNY Mellon Fund Managers Limited

Directors' report - continued

Pillar 3 risk disclosures statement

Basel II Pillar 3 disclosures about the Company (capital and risk management) are covered by the Mellon International Holdings S à r l group disclosures which can be found on the group website (<http://www.bnymellon.com/investorrelations/filings/index.html>)

Directors

The directors who served during the year and up to the date of the report were as follows

	Appointment	Resignation
G A Brisk	-	-
P Feeney	-	31 October 2011
L E Lenel	26 March 2012	-
A Mearns	-	-
S Pryke	-	1 June 2011
D Turnbull	1 August 2011	-

Directors' indemnity provision

The directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Indemnity provisions of this nature have been in place during the year but have not been utilised by the directors (2010: 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 he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office

By order of the Board


G A Brisk
Director

BNY Mellon Fund Managers Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

20 April 2012

Registered number 1998251

BNY Mellon Fund Managers Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with 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.

BNY Mellon Fund Managers Limited

Independent auditor's report to the members of BNY Mellon Fund Managers Limited

We have audited the financial statements of BNY Mellon Fund Managers Limited for the year ended 31 December 2011 set out on pages 9 to 17. 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its 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

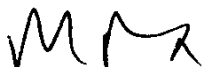
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Paul Furneaux (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

 April 2012

BNY Mellon Fund Managers Limited

Profit and loss account for the year ended 31 December 2011

	Notes	2011 £000	2010* £000
Turnover	2	11,297	10,773
Administrative expenses		(9,135)	(8,739)
Operating profit	3	2,162	2,034
Interest receivable and similar income	6	190	267
Interest payable and similar charges	7	(40)	(32)
Profit on ordinary activities before taxation		2,312	2,269
Taxation on profit on ordinary activities	8	(613)	(635)
Profit for the financial year		<u>1,699</u>	<u>1,634</u>

Notes 1 to 18 are integral to these financial statements

All items dealt with in arriving at the Company's results for the financial year relate to continuing operations

The Company has not prepared a separate statement of total recognised gains and losses as all gains and losses are reflected in the profit and loss account above

* Certain prior year numbers have been reclassified to be consistent with current year presentation

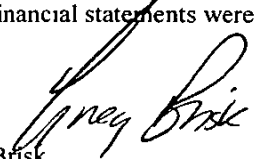
BNY Mellon Fund Managers Limited

Balance sheet at 31 December 2011

	Notes	2011 £000	2010 £000
Current assets			
Debtors	9	107,618	116,431
Investments	10	768	818
Cash at bank and in hand	11	16,795	5,991
		<u>125,181</u>	<u>123,240</u>
Creditors amounts falling due within one year	12	(113,274)	(104,518)
Net current assets		<u>11,907</u>	<u>18,722</u>
Provision for liabilities	13	-	(2,514)
Net assets		<u>11,907</u>	<u>16,208</u>
Capital and reserves			
Called up share capital	14	1,625	1,625
Share premium account	15	6,000	6,000
Profit and loss account	15	4,282	8,583
Shareholders' funds		<u>11,907</u>	<u>16,208</u>

Notes 1 to 18 are integral to these financial statements

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


G A Brisk
Director
20 April 2012

BNY Mellon Fund Managers Limited

Notes to the financial statements at 31 December 2011

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

The following amendments to standards have been adopted in these financial statements for the first time and have not had a material impact

- Improvements to FRSs (mandatory for periods starting on/after 1 January 2011) including amendment to FRS 8 Related Party Disclosures replacing the definition of a related party with that set out in UK law
- The amendment to FRS 25 Financial Instruments Presentation (mandatory for periods starting on/after 1 February 2010)

The following amendments to standards are not yet effective, and are not expected to have a material impact on these financial statements

- The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) (Amendment) Regulations 2011 is mandatory for periods starting on/after 1 October 2011

Reclassification

Certain prior year numbers have been reclassified to be consistent with current year presentation

Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with UK applicable accounting standards and under the historical cost accounting rules, modified for the valuation of certain assets and liabilities

Related party transactions

As the Company is a wholly owned indirect subsidiary of the ultimate parent company, The Bank of New York Mellon Corporation, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

Cash flow statement

The Company is a wholly owned indirect subsidiary of the ultimate parent company, The Bank of New York Mellon Corporation, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996)

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 Directors' Report on page 3. In addition, the Directors' Report includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit and liquidity risk.

The directors perform an annual going concern assessment that considers, under a stress test scenario, the Company's ability to meet its forecast financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. The Company has adequate liquidity and capital, and appropriate cash flow management. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

BNY Mellon Fund Managers Limited

Notes to the financial statements - continued at 31 December 2011

1 Accounting policies - continued

Going concern – continued

Based on the above assessment of the Company's financial position, liquidity and capital, the directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern for the foreseeable future (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover, which is stated net of value added tax, comprises management fees, performance fees and the gross profit arising from the sale of units and shares, after deducting discounts, commission, stamp duty and other costs. Turnover is accounted for on an accruals basis.

Management fees are fees paid for the management of investment portfolios. These are recognised as services are provided and are calculated on various formulae linked to the value of portfolios at invoicing dates and investment performance in current and previous periods. Performance fees are recognised for the element of management fees linked to performance, which is usually billed on a four-year rolling basis, when such fees in respect of each calendar year are receivable in accordance with management agreements.

Segmental reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Currently, the directors consider that the Company's services comprise one business segment (being the provision of investment management services) and that it operates in the UK, which is not geographically segmented.

Interest, fees and commission

Interest, fees and commission, both income and expense, are recognised on an accruals basis.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined.

Taxation

Income tax comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in the statement of total recognised gains and losses, in which case it is recognised directly in the statement of total recognised gains and losses. Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the 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.

BNY Mellon Fund Managers Limited

Notes to the financial statements - continued at 31 December 2011

1 Accounting policies - continued

Taxation – continued

Deferred tax is recognised without discounting on timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax liabilities are generally recognised and deferred tax assets are recognised to the extent that it is probable that they will be recoverable. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the balance sheet date. Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and relate to income taxes levied by the same taxation authority, and when a legal right to offset exists in the entity.

Investments

Investments represent the stocks of units and shares held and are carried at fair value through profit and loss. These are initially recognised at fair value and associated transaction costs are expensed in the profit and loss account. Gains and losses arising from changes in the fair value based on quoted market prices are recognised through the profit and loss account.

Dividends

Dividends are recognised as a liability at the date that they are declared, to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. Analysis of turnover

By activity

	2011 £000	2010* £000
Management fees	253,688	217,932
Gross sales of units and shares	7,370,497	7,120,846
Total turnover	7,624,185	7,338,778
Net costs of units and shares created / liquidated	(2,364,741)	(3,173,220)
Repurchases of units and shares	(4,801,317)	(3,761,578)
Discounts	(203,527)	(184,638)
Commissions and other costs	(243,303)	(208,569)
Total cost of sales	(7,612,888)	(7,328,005)
Net Turnover	11,297	10,773

* Certain prior year numbers have been reclassified to be consistent with current year presentation

3. Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging

	2011 £000	2010 £000
Auditor's remuneration		
Audit of these financial statements pursuant to legislation	16	16
Other services pursuant to legislation	13	13
	29	29

BNY Mellon Fund Managers Limited

Notes to the financial statements - continued at 31 December 2011

4. Staff costs

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

5. Directors' emoluments

The directors did not receive any remuneration for their services in respect of the Company (2010 £nil)

6. Interest receivable and similar income

	2011 £000	2010 £000
Interest receivable from group undertakings	19	33
Interest earned on short-term deposits	171	234
	<u>190</u>	<u>267</u>

7. Interest payable and similar charges

	2011 £000	2010 £000
Net foreign exchange loss	31	29
Interest paid on external bank loans	9	3
	<u>40</u>	<u>32</u>

8. Taxation

<i>Analysis of charge in the period</i>	2011 £000	2010 £000
Taxation is based on profit before tax for the year and comprises		
Current corporation tax charge for the year at 26.5% (2010 28.0%)	<u>613</u>	<u>635</u>

Factors affecting the tax charge for the current period

The current corporation tax charge for the year equals (2010 equals) the standard rate of tax for the year, as set out below

	2011 £000	2010 £000
Profit on ordinary activities before tax	<u>2,312</u>	<u>2,269</u>
Taxation on profit on ordinary activities at standard rate of 26.5% (2010 28.0%)	<u>613</u>	<u>635</u>

Factors that may affect future current and total tax charges

It was originally announced that the UK corporate income tax would reduce from 26% to 25% with effect from 1 April 2012 with further reductions of 1% in each year until the standard rate will be 23% in 2014. In the 2012 budget on 21 March 2012 the UK government announced that the rate of corporate income tax would drop from 26% to 24% with effect from 1 April 2012 with further reductions of one per cent in each year until the standard rate is 22% in 2014. Further changes in the rate have not been substantively enacted at the balance sheet date and therefore these have not been reflected in the financial statements.

BNY Mellon Fund Managers Limited

Notes to the financial statements - continued at 31 December 2011

9. Debtors

	2011 £000	2010 £000
Trade debtors	85,476	94,649
Due from fellow group undertakings	114	31
Prepayments and accrued income	22,028	21,715
Other debtors	-	36
	<u>107,618</u>	<u>116,431</u>

10. Investments

	2011 £000	2010 £000
Units held	<u>768</u>	<u>818</u>

Investments represent units held at the end of each day in each of the quoted unit trusts managed by the Company

11. Cash at bank

	2011 £000	2010 £000
Cash at bank	<u>16,795</u>	<u>5,991</u>

Cash at bank includes £2,934,000 (2010 £354,000) of funds on deposit with a UK regulated banking entity within the BNY Mellon Group

12. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Trade creditors	92,318	93,296
Due to fellow group undertakings	20,165	10,583
Corporation tax	282	211
Accruals and deferred income	177	115
Other creditors	332	313
	<u>113,274</u>	<u>104,518</u>

13. Provision for liabilities

	2011 £000	2010 £000
At 1 January	2,514	-
Charge to the profit and loss for the year	-	2,514
Utilised during the year	<u>(2,514)</u>	<u>-</u>
At 31 December	<u>-</u>	<u>2,514</u>

The provision at 31 December 2010 was in respect of a levy raised by the Financial Services Compensation Scheme (FSCS), the UK's compensation fund of last resort for customers of authorised financial services firms, in respect of the Keydata Investment Services Limited failure

BNY Mellon Fund Managers Limited

Notes to the financial statements - continued at 31 December 2011

14. Called up share capital

	2011 £000	2010 £000
Allotted, called up and fully paid 1,625,000 ordinary shares of £1 each	1,625	1,625

15. Reserves

	Share capital account £000	Share premium account £000	Profit & loss account £000	Total £000
2011				
At 1 January	1,625	6,000	8,583	16,208
Profit for the financial year	-	-	1,699	1,699
Interim 2011 dividend paid	-	-	(6,000)	(6,000)
At 31 December	1,625	6,000	4,282	11,907
2010				
At 1 January	1,625	6,000	6,949	14,574
Profit for the financial year	-	-	1,634	1,634
At 31 December	1,625	6,000	8,583	16,208

16. Transactions involving directors and officers

At 31 December 2011 there were no loans and other transactions made to directors and officers of the Company (2010 £nil)

17. Related party transaction

During the period, the Company received income from the 54 funds (31 December 2010 54 funds) it manages and which are classified as related parties. During the period, the Company received £253,688,332 (31 December 2010 £217,931,369) in gross management fees and performance fees. As at 31 December 2011 the Company had £22,428,162 receivable from funds (31 December 2010 £22,159,969).

BNY Mellon Fund Managers Limited

Notes to the financial statements - continued at 31 December 2011

18. Parent company

The immediate parent of the Company is BNY Mellon Asset Management International Holdings Limited, a company incorporated in England and Wales. Copies of accounts for BNY Mellon Asset Management International Holdings Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

The largest and smallest group in which the results of the Company are consolidated is that headed by The Bank of New York Mellon Corporation, incorporated in the United States of America.

The ultimate parent company as at 31 December 2011 was The Bank of New York Mellon Corporation, incorporated in the United States of America. The consolidated accounts of the ultimate parent company may be obtained from

The Secretary
The Bank of New York Mellon Corporation
One Wall Street
New York, NY
10286
USA