

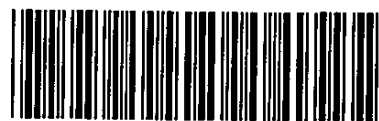
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**LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**

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Registered number 2149892

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COMPANIES HOUSE

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# **LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2012**

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# **LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED**

**Company No. 2149892**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012**

The Directors present their report and audited financial statements for the year ended 31 March 2012

### **PRINCIPAL ACTIVITY, BUSINESS REVIEW AND FUTURE DEVELOPMENT**

The principal activity of Legg Mason Investments Management Services Limited ("the Company") was to act as a shared services company for the Legg Mason Investments Group of companies. The Company is now inactive.

### **RESULTS AND DIVIDENDS**

The Company's profit for the financial year is £nil (2011: loss of £nil). Net Assets as at 31 March 2012 were £100,000 (2011: £1,611,105).

During the year the Directors of the Company resolved that as it had retained earnings in excess of the requirements of the Company and it could no longer usefully employ the funds in its business, a dividend of £1,511,105 in respect of the year to 31 March 2012 was declared payable to the shareholders registered in the books of the Company on 28 February 2012 (2011: nil). The Directors do not recommend the payment of a final dividend (2011: nil).

### **FINANCIAL RISK MANAGEMENT**

The Company operates systems and controls to mitigate any adverse effects across the range of risks that it faces. The Company has no significant exposure to price, credit or interest rate risk. Given the size of the Company, detailed analysis of risks and uncertainties has not been prepared since such information is not material for the assessment of the Company's assets, liabilities, financial position and results.

### **DIRECTORS AND THEIR INTERESTS**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

I S Goodhew  
T A Johnson (Resigned 20 April 2012)  
E S S Venner (Appointed 20 April 2012)

No Director of the Company had any interest in the share capital of the Company or in any other UK group companies during the year ended 31 March 2012.

None of the Directors has any material interest in the contracts of the Company.

By order of the Board



Director  
E S S Venner  
201, Bishopsgate, London  
EC2M 3AB

18 July 2012

# LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED

Company No. 2149892

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 the Directors have prepared 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 judgements and accounting 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,
- 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.

## DISCLOSURE OF INFORMATION TO AUDITORS

The Directors' confirm

- so far as each Director is 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 Directors in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board



E S Venner  
Director  
201 Bishopsgate  
London EC2M 3AB

18 July 2012

# **LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED**

**Company No. 2149892**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED**

We have audited the financial statements of Legg Mason Investments Management Services Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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 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 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006.

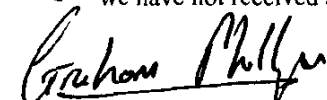
### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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.



Graham Phillips (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

19 July 2012

# LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED

Company No. 2149892

## PROFIT AND LOSS ACCOUNT For the year ended 31 March 2012

	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Administrative expenses	-	-
<b>Operating Profit</b>	-	-
Other operating income	-	-
<b>Profit on ordinary activities before taxation</b>	-	-
Tax on profit on ordinary activities	-	-
<b>Profit for the financial year on ordinary activities</b>	-	-

The Company had no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the result on ordinary activities before taxation and the result for the years stated above and their historical cost equivalents

The results for the year all arose from continuing operations

The notes on pages 6 and 7 form part of these financial statements

# LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED

Company No. 2149892

## BALANCE SHEET As at 31 March 2012

	Note	31 March 2012	31 March 2011
		£'000	£'000
<b>Current Assets</b>			
Debtors	3	<u>100</u>	<u>1,611</u>
<b>Net Assets</b>		<u>100</u>	<u>1,611</u>
<b>Capital and Reserves</b>			
Called up share capital	4	100	100
Profit and loss account	5	-	1,511
<b>Total Shareholders' Funds</b>	5	<u>100</u>	<u>1,611</u>

The financial statements on pages 4 to 7 were approved by the Board of Directors on 18 July 2012 and signed on its behalf by



E S S Venner  
Director  
201 Bishopsgate  
London  
EC2M 3AB

18 July 2012

The notes on page 6 to 7 form part of these financial statements

# LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED

Company No. 2149892

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

### 1. ACCOUNTING POLICIES

#### a) Basis of preparation

The financial statements contain information about Legg Mason Investments Management Services Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent in the United States, Legg Mason, Inc.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and the applicable UK Accounting Standards.

The principal accounting policies, all of which have been applied consistently throughout the period and with the preceding year, are set out below.

#### (b) Cash flow statement

The Company is a wholly owned subsidiary and the cash flows of the Company are included in the consolidated cash flow statement of its ultimate parent Company Legg Mason, Inc. Consequently the Company is exempt under the terms of Financial Reporting Standard (FRS) 1 (Revised 1996) from the requirement to publish a cash flow statement.

### 2. OPERATING PROFIT

The auditors' remuneration for statutory audit purposes for the year ended 31 March 2011 was borne by Legg Mason & Co (UK) Limited.

The Company had no employees during the year (2011: nil).

The Directors of Legg Mason Investment Management Services Limited earn no fees for their services to this Company. Directors' emoluments for the Directors of the Company are included in the relevant disclosures within the report and accounts of Legg Mason & Co (UK) Limited.

### 3. DEBTORS : Amounts falling due within one year

	31 March 2012	31 March 2011
	£'000	£'000
Amounts owed by group undertakings	<u>100</u>	<u>1,611</u>



# LEGG MASON INVESTMENTS MANAGEMENT SERVICES LIMITED

Company No. 2149892

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

### 4 CALLED UP SHARE CAPITAL

	31 March 2012 £'000	31 March 2011 £'000
<u>Authorised</u>		
13,500,000 ordinary shares of £1 each	<u>13,500</u>	<u>13,500</u>
<u>Allotted, called-up and fully paid</u>		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 5. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital	Profit and loss account	31 March 2012 Total	31 March 2011 Total
	£'000	£'000	£'000	£'000
Opening shareholders' funds at 1 April	100	1,511	1,611	1,611
Dividend in the period	-	(1,511)	(1,511)	-
(Loss)/profit for the period	-	-	-	-
Closing shareholders' funds at 31 March	<u>100</u>	<u>-</u>	<u>100</u>	<u>1,611</u>

During the year the Directors of the Company resolved that as it had retained earnings in excess of the requirements of the Company and it could no longer usefully employ the funds in its business, a dividend of £1,511,105 in respect of the year to 31 March 2012 was declared payable to the shareholders registered in the books of the Company on 28 February 2012

### 5. RELATED PARTIES

As permitted by FRS 8, the Company is exempt from disclosing transactions with entities that are part of, or investees of, a group qualifying as related parties

### 6 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking and immediate controlling party is Legg Mason Investments Limited, a private limited Company, incorporated and registered in England and Wales, whose accounts are not consolidated. On 18 April 2012, the Company's immediate parent undertaking and immediate controlling party was changed to Legg Mason Investments Holdings Limited, a private limited Company, incorporated and registered in England and Wales

The Company's ultimate parent Company and ultimate controlling party is Legg Mason, Inc, a Company incorporated and registered in the United States of America and listed on the New York Stock Exchange. Copies of the consolidated financial statements of Legg Mason, Inc, are available from 100 International Drive, Baltimore, MD 21202, USA