

F&C Holdings Limited

(Registered Number 2355196)

**Report & Financial
Statements for the
year ended
31 December 2011**

Contents

1	Directors and Advisers
2-3	Report of the Directors
4	Statement of Directors' Responsibilities
5	Independent Auditor's Report
6	Profit and Loss Account
7	Balance Sheet
8-14	Notes to the Financial Statements

FRIDAY



S1FZQKSJ

SCT

24/08/2012

#89

COMPANIES HOUSE

F&C HOLDINGS LIMITED

DIRECTORS AND ADVISERS

REGISTERED NUMBER: 2355196

DIRECTORS. D Logan
F&C Asset Management plc

SECRETARY F&C Asset Management plc
80 George Street
Edinburgh
EH2 3BU

REGISTERED OFFICE: Exchange House
Primrose Street
London
EC2A 2NY

SOLICITORS: Norton Rose LLP
3 More London Riverside
London
SE1 2AQ

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

AUDITOR. KPMG Audit Plc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

F&C HOLDINGS LIMITED

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITY

The principal activity of the company is to act as a holding company. This is expected to continue.

RESULTS AND BUSINESS REVIEW

Results and Dividend

The financial statements show a profit after tax of £998,000 (2010: loss of £2,000). This is due to a £1,000,000 dividend received in 2011 (2010: £nil). An interim dividend of £1,000,000 was paid in 2011 (2010: £nil) and the directors propose no further dividends for the year (2010: £nil).

Future Developments

The directors do not anticipate any major change in the principal activities of the business within the foreseeable future.

Risks

The directors manage the risks as part of the overall risk management framework within the F&C Asset Management plc Group. Members of the F&C Group's executive management are responsible for identifying and evaluating key risks facing their areas of the business and procedures to control these risks, where possible, are reviewed and agreed. The key operational risks facing the company are:

Financial risk

The F&C Group adopts a low risk approach to treasury management and financial risks in relation to shareholder equity, seeking to manage and preserve its capital. The F&C Group's treasury function ensures that sufficient cash is retained by the company in respect of short-term working capital requirements.

Credit risk

The debtors falling due within one year at the balance sheet dates are in respect of amounts owed by other F&C Group undertakings. As the F&C Group's working capital is monitored on a group-wide basis, the risk of default is considered minimal.

The F&C Group's treasury policy limits the exposure to any one counterparty (in respect of cash and cash equivalents), recognising that each counterparty has been approved by the F&C Credit Committee.

Liquidity risk

The treasury policy set by the F&C Group only allows financial assets attributable to equity holders to be invested in low risk deposits or money market instruments where the risk of capital loss is low, with prior Board approval required for an exception to this principle.

The overall cash position is monitored by the F&C Group as a whole and each individual company within the Group draws on the available cash balance to meet its working capital requirements.

F&C HOLDINGS LIMITED

REPORT OF THE DIRECTORS (continued)

GOING CONCERN

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern

On the basis of their assessment of the company's financial position the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows

A L Grisay
F&C Asset Management plc

In addition to the above, A L Grisay retired as director on 9 May 2012 D Logan was appointed as director on 9 May 2012

No individual director has any beneficial interest in the share capital of the company

DIRECTORS' AND OFFICERS' LIABILITY

The F&C Group maintains insurance cover in respect of directors' and officers' liability

AUDITOR

The company has passed an elective resolution in accordance with section 487 of the Companies Act 2006 to dispense with the annual appointment of the auditor, consequently KPMG Audit Plc will remain in office

ADEQUACY OF THE INFORMATION PROVIDED TO THE AUDITOR

The directors who held office at the date of approving 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 is obliged to take as a director 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



F&C Asset Management plc
Secretary
10 August 2012

F&C HOLDINGS 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.

F&C HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F&C HOLDINGS LIMITED

We have audited the financial statements of F&C Holdings Limited for the year ended 31 December 2011 set out on pages 6 to 14. 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 4, 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 website 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

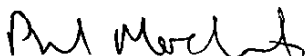
Opinion on other matter prescribed by the Companies Act 2006

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



Phil Merchant (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Saltire Court
Edinburgh
10 August 2012

F&C HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £000	2010 £000
Administrative expenses		<u>(3)</u>	<u>(2)</u>
OPERATING LOSS	2	(3)	(2)
Dividends received from subsidiary undertaking		<u>1,000</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		997	(2)
Taxation on profit/(loss) on ordinary activities	4	<u>1</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>998</u>	<u>(2)</u>

All amounts relate to continuing operations

The company has no recognised gains or losses in the current or preceding years other than those shown in the profit and loss account above

The notes on pages 8 to 14 form an integral part of these financial statements

F&C HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

(Registered Number 2355196)

	Notes	31 December 2011 £000	31 December 2010 £000
FIXED ASSETS			
Investments in subsidiary undertakings	6	176,794	176,794
CURRENT ASSETS			
Debtors – amounts falling due			
Within one year	7	1	32
After more than one year	7	2	2
Cash at bank		10	10
		<u>13</u>	<u>44</u>
CREDITORS: Amounts falling due within one year	9	<u>(84,444)</u>	<u>(84,473)</u>
NET CURRENT LIABILITIES		<u>(84,431)</u>	<u>(84,429)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>92,363</u>	<u>92,365</u>
CAPITAL AND RESERVES			
Called up share capital	10, 11	47,623	47,623
Share premium	11	43,698	43,698
Profit and loss account	11	<u>1,042</u>	<u>1,044</u>
TOTAL SHAREHOLDER'S FUNDS	11	<u>92,363</u>	<u>92,365</u>

The financial statements were approved by the Board of Directors and authorised for issue on 10 August 2012. They were signed on its behalf by



D Logan
Director

The notes on pages 8 to 14 form an integral part of these financial statements

F&C HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies set out below have been applied consistently for the years ended 31 December 2011 and 31 December 2010

Basis of Preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

Subsidiary Undertakings

The company has taken exemption under section 401 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of F&C Asset Management plc, a company incorporated in Scotland, which prepares consolidated financial statements

Interest payable

Interest payable comprises interest on an intra-group loan and is recognised in the profit and loss account on an accruals basis

Dividend recognition

Dividend receivables and liabilities are only recognised when the dividends have been declared and approved

Investments

Fixed asset investments are stated at cost less accumulated impairment

The carrying value of investments is reviewed at each reporting date. If an indication of impairment exists, the assets are written down to their recoverable amount and the impairment is charged to the profit and loss account in the year in which it arises

Deferred taxation

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 have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustment to tax payable in respect of previous years

F&C HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Related party disclosures

FRS 8 'Related Party Disclosures' requires disclosure of the details of material transactions between the reporting entity and related parties. The company has taken advantage of the exemption in FRS 8 not to disclose transactions between F&C Group Companies which eliminate on consolidation.

Cash flow statement

The company has taken advantage of the exemptions of FRS 1 (revised) 'Cash Flow Statements' and has elected not to prepare its own cash flow statement as it is included within the Consolidated Statement of Cash Flows in the financial statements of F&C Asset Management plc, its ultimate parent undertaking.

2. OPERATING LOSS

	2011	2010
	£000	£000
This is stated after charging		
Auditors' remuneration – audit of these financial statements	<u>2</u>	<u>2</u>

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is disclosed on a consolidated basis in the financial statements of the company's ultimate parent undertaking, F&C Asset Management plc.

The company had no employees for the year ended 31 December 2011 (2010: nil).

3. DIRECTORS' EMOLUMENTS

No director received any emoluments in respect of their services to the company during the year ended 31 December 2011 (2010: £nil).

The emoluments of A L Grisay are disclosed in the financial statements of F&C Asset Management plc, the ultimate parent undertaking.

F&C HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2011 £000	2010 £000
UK Corporation Tax		
UK Corporation Tax on profit/(loss) for the year	(1)	(1)
Total current tax credit for the year	(1)	(1)
Deferred tax		
Origination and reversal of timing differences (note 8)	-	1
Deferred tax charge for the year	-	1
Total tax credit for the year	(1)	-
Factors affecting tax credit for year		
The tax (2010 credit) assessed for the year is lower than the standard rate (2010 is the standard rate) of Corporation Tax in the UK of 26.5% (2010 28.0%)		
The differences are explained below		
Profit/(loss) on ordinary activities before taxation	997	(2)
Profit/(loss) on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 26.5% (2010 28.0%)	264	(1)
Effects of Non taxable income	(265)	-
Current tax credit for year	(1)	(1)

Factors affecting future tax charges

Various announcements by the Chancellor of the Exchequer, since the Emergency Budget of 22 June 2010, mean that the UK rate of corporation tax is expected to reduce to 22% by 2015

A 1% reduction in the UK Corporation Tax rate was announced in the Chancellor's Budget of 23 March 2011. This was substantively enacted on 29 March 2011 and reduced the Corporation Tax rate to 26% with effect from 1 April 2011

The current corporation tax rate is 24% which became effective from 1 April 2012, leading to a statutory UK corporation tax rate of 24.5% for 2012 for the Company

Of the two remaining forecast corporation tax changes, the 1% reduction to 23% was substantively enacted on 3 July 2012 and takes effect from 1 April 2013

F&C HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. ORDINARY DIVIDENDS

	2011 £000	2010 £000
Declared and paid during the year		
Interim dividend for 2011 2 11 pence per share (2010 nil)	1,000	-

The dividends are paid to the holders of the £1 ordinary shares

6. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	2011 £000	2010 £000
Cost		
At 1 January and at 31 December	176,794	176,794

In the opinion of the directors, the aggregate valuation of the company's investments is not less than the amount at which the investments are stated in the balance sheet

Details of the principal trading subsidiaries are shown in note 12

7. DEBTORS

	31 December 2011 £000	31 December 2010 £000
Amounts falling due within one year		
Group relief receivable	1	1
Amounts due from ultimate parent undertaking	-	31
	1	32
Amounts falling due after more than one year		
Deferred taxation (note 8)	2	2
	3	34

F&C HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. DEFERRED TAXATION

	31 December 2011 £000	31 December 2010 £000
Deferred tax asset		
Short term timing differences	<u>2</u>	<u>2</u>

The movement in the deferred tax balance results from the following

	2011 £000	2010 £000
Deferred tax asset at 1 January	2	3
Deferred tax charged in profit and loss account (note 4)	<u>-</u>	<u>(1)</u>
Deferred tax asset at 31 December (note 7)	<u>2</u>	<u>2</u>

The directors believe it is appropriate to recognise a deferred tax asset because it is considered that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

9. CREDITORS

	31 December 2011 £000	31 December 2010 £000
Amounts falling due within one year		
Amounts due to immediate parent undertaking	84,399	84,399
Loan due to fellow subsidiary undertaking	42	71
Amounts due to ultimate parent undertaking	3	-
Accruals	<u>-</u>	<u>3</u>
	<u>84,444</u>	<u>84,473</u>

The loan is from F&C Treasury Limited, a fellow subsidiary undertaking. It is unsecured, repayable on demand and is subject to interest at the 3 month LIBOR minus 0.25% margin.

F&C HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. SHARE CAPITAL

	31 December 2011	31 December 2010
Allotted, called up and fully paid		
1,000,002 Ordinary Shares of €0.511292 each (31 December 2010 1,000,002 Ordinary shares of DM1 each)	€511,293	€511,293
47,302,000 Ordinary shares of £1 each	<u>£47,302,000</u>	<u>£47,302,000</u>
	31 December 2011 £000	31 December 2010 £000
Allotted, called up and fully paid		
1,000,002 Ordinary shares of €0.511292 each (31 December 2010 1,000,002 Ordinary shares of DM1 each)	321	321
47,302,000 Ordinary shares of £1 each	<u>47,302</u>	<u>47,302</u>
	<u>47,623</u>	<u>47,623</u>

The ordinary Deutsch Mark share capital of F&C Holdings Limited has been converted to Euros at an exchange rate of DM 1.95583, the standard conversion rate

On 30 June 2011, a resolution of the Board was passed to re-designate 2,000,000 Authorised Ordinary Shares of DM1 each as 2,000,000 Ordinary Shares of €0.511292 each

Both share classes have identical rights to dividends, would rank equally in the event of winding up and have the same voting rights

11. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT IN RESERVES

	Share capital £000	Share premium account £000	Profit and loss account £000	Total shareholder's funds £000
At 1 January 2010	47,623	43,698	1,046	92,367
Loss on ordinary activities after taxation	-	-	(2)	(2)
At 31 December 2010	47,623	43,698	1,044	92,365
Profit on ordinary activities after taxation	-	-	998	998
Interim dividend 2011	-	-	(1,000)	(1,000)
At 31 December 2011	<u>47,623</u>	<u>43,698</u>	<u>1,042</u>	<u>92,363</u>

F&C HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. PRINCIPAL SUBSIDIARY UNDERTAKINGS

The principal trading subsidiaries at 31 December 2011 are

Subsidiary undertaking	Country of registration or incorporation	Nature of business	Percentage of ordinary share capital held
F&C Management Limited*	England	Investment management	100
F&C Unit Management Limited	England	Unit Trust management [#]	100
FCEM Holdings (UK) Limited	England	Holding company [#]	100
F&C Emerging Markets Limited	England	Investment management [#]	100
F&C Investment Services Limited*	England	Intra-group support services	100
F&C (CI) Limited*	England	Private equity investments	100
F&C Private Equity Nominees Limited	England	Private equity investments	100
F&C Channel Islands Limited	Jersey	Employee services	100

* Direct holding by the Company

[#] Company inactive

13. RELATED PARTY TRANSACTIONS

The company has taken exemption from the requirement to disclose related party transactions with members of the F&C Asset Management plc group on the basis that it is a wholly owned subsidiary. There are no other related party transactions.

14. CONTINGENT LIABILITIES

In the normal course of its business, the company is subject to matters of litigation or dispute. While there can be no assurances, at this time the directors believe, based on the information currently available to them, that it is not probable that the ultimate outcome of any of these matters will have a material adverse effect on the financial condition of the company.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is F&C Group Management Limited, a company registered in England and Wales.

The smallest group of which the company is a member and for which group financial statements are prepared is F&C Asset Management plc, the ultimate parent undertaking. Copies of the Annual Report and Financial Statements are available from its registered office at 80 George Street, Edinburgh, EH2 3BU.

In the directors' opinion, the company's ultimate parent undertaking is considered to be F&C Asset Management plc.