

BNY Mellon International Asset Management Group Limited

Strategic report, Directors' report and financial statements

Registered number 3755033

31 December 2015

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BNY Mellon International Asset Management Group Limited

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BNY Mellon International Asset Management Group Limited

Board of Directors and other information

Directors

G A Brisk (Chair)

M Harris

S Sumal

Secretary

BNY Mellon Secretaries (UK) Limited

160 Queen Victoria Street

London

EC4V 4LA

Auditor

KPMG LLP

Chartered accountants

15 Canada Square

London

E14 5GL

Registered Office

BNY Mellon Centre

160 Queen Victoria Street

London

EC4V 4LA

Registered Number

3755033

BNY Mellon International Asset Management Group Limited

Strategic report

In accordance with Section 414A(1) of the Companies Act 2006, we have prepared the Strategic report which includes a review of BNY Mellon International Asset Management Group Limited ("the Company") business and future developments, a description of the principal risks and uncertainties facing the Company and key performance indicators.

Business review

The Company has continued to operate profitably and there have been no significant changes in the Company's core operations during the year.

Management have conducted an impairment assessment of the carrying value of the investments based on the net asset values and future profitability of the subsidiaries and have concluded that no impairments exist at the balance sheet date.

Financial key performance indicators

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

	2015	2014	Change	Change
	£000	£000	£000	%
Income from shares in group undertakings	114,500	129,000	(14,500)	(11)%
Administrative expenses	81	129	48	(37)%
Net assets	1,493,305	1,492,868	437	0.03%

Income from shares in group undertakings decreased by £14,500,000 during the year, reflecting lower levels of dividends declared and paid from the Company's underlying subsidiaries.

Administrative expenses decreased by £48,000 (37%) during the year in line with intentions that the Company should operate solely as a holding company.

Net assets remained constant during the year in line with the profit for the period less dividends paid.

Principal risks and uncertainties

The principal risks and uncertainties affecting the business have been considered and addressed in the Directors' report on pages 4 to 5.

Business and future developments

The directors believe that the nature of the business of the Company will continue for the foreseeable future.

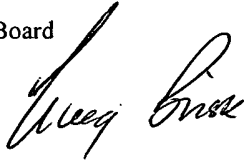
BNY Mellon International Asset Management Group Limited

Strategic report

Approval

By order of the Board

G A Brisk
Director



BNY Mellon International Asset Management Group Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

15 July 2016

Registered number: 3755033

BNY Mellon International Asset Management Group Limited

Directors' report

The directors present their report and financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the Company is to act as a holding company for the UK-based asset management operations of The Bank of New York Mellon Corporation ("the Group").

The Company was the primary paying agent for the UK group of companies with HMRC in respect of direct and indirect taxes until May 2015 when it was transferred to The Bank of New York Mellon (International) Limited.

Results and dividends

The profit for the year after taxation amounted to £114,937,000 (2014: £128,768,000).

Interim dividends paid during the year amounted to £114,500,000 (2014: £129,000,000). The directors do not recommend a final dividend for the year ended 31 December 2015 (2014: £nil).

Risk management

As a holding company, the Company is subject to the principal risks and uncertainties of its main operating subsidiaries.

Governance and policies

Policies and procedures are in place both across the BNY Mellon Corporation and within the Company's operating subsidiaries to govern and manage the business. Suitable policies and procedures exist in order to ensure an appropriate level of risk management is directed at the relevant element of the business.

The key risks of the Company are monitored through direct monitoring of the Company's operating subsidiaries, the results of which are reported to the directors, the parent company Board and key local governance committees.

Governance of the Company is the ultimate responsibility of the Board of Directors. The Board is responsible for the on-going success and development of the Company's business. Management of and oversight over the Company's subsidiaries is exercised by their respective boards which in turn are integrated into BNY Mellon's global governance structures.

Risk management process

The Company's operating subsidiaries are responsible for actively identifying their risks associated with 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 detailed self-assessment is to prevent or minimise:

- Errors or service delivery failures
- Financial losses
- Compliance breaches
- Reputational damage

The Company's subsidiaries utilise 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 tracking of 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.

BNY Mellon International Asset Management Group Limited

Directors' report

Risk management process - continued

The risk appetite at Bank of New York Mellon Corporation 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 is commensurate with local business requirements, within the guidance set by the Group and in coordination with the relevant business expertise.

Pillar 3 risk disclosures

CRR Pillar 3 disclosures about the Company (capital and risk management) are covered by the BNY Mellon Investment Management (Europe) Holdings Limited 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:

	Appointed	Resignation
G A Brisk	-	-
M Harris	-	-
P Pardi	-	30 June 2015
S Lipiner	-	2 November 2015
S Sumal	15 September 2015	-

Directors' indemnity provision

The articles of association of the Company provide that in certain circumstances 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 (2014: none).

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 Company's auditor is aware of that information.

Post balance sheet events

In relation to the assessment and monitoring of economic, political and regulatory risks, the Company is continuing to evaluate the impact of the outcome of the recent referendum in relation to the UK's membership of the EU on the company's business strategy and business risks in the short, medium and long term. In the short term there is no significant impact expected on the Company's business activities, there will be no immediate change in business strategy, and it does not affect the going concern position of the company. Over the course of the expected two year transition period following a notification of intention to leave the EU, the Company will continue to closely monitor developments and will make appropriate changes to the business strategy once the outcome of the referendum result and its impact on the UK and European financial services industry is more certain.

BNY Mellon International Asset Management Group Limited

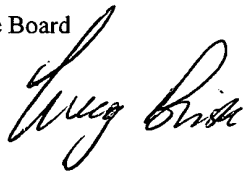
Directors' report

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

G A Brisk
Director



BNY Mellon International Asset Management Group Limited
BNY Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

15 July 2016

Registered number: 3755033

BNY Mellon International Asset Management Group Limited

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

The directors are responsible for preparing the Strategic report, 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), including Financial Reporting Standard 101: *Reduced Disclosure Framework* ("FRS 101").

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, including FRS 101, 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.

Independent auditor's report to the members of BNY Mellon International Asset Management Group Limited

We have audited the financial statements of BNY Mellon International Asset Management Group Limited for the year ended 31 December 2015 set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101: *Reduced Disclosure Framework* ("FRS 101").

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of director's responsibilities 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 Strategic report and 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.



Neil Palmer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

15 July 2016

BNY Mellon International Asset Management Group Limited

Statement of profit and loss for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Administrative expenses	2	(81)	(129)
Operating loss		(81)	(129)
Income from shares in group undertakings	3	114,500	129,000
Net return on current asset investment	4	33	54
Interest receivable and similar income	5	515	439
Interest payable and similar charges	6	-	(594)
Profit on ordinary activities before tax		114,967	128,770
Taxation on profit on ordinary activities	7	(30)	(2)
Profit for the financial year		<u>114,937</u>	<u>128,768</u>

Notes 1 to 14 are integral to these financial statements.

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

The Company has not prepared a separate statement of other comprehensive income as all the income and losses are reflected in the statement of profit and loss above.

BNY Mellon International Asset Management Group Limited

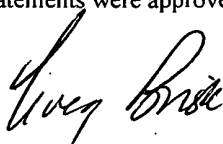
Balance Sheet at 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Fixed asset investment	8	1,411,675	1,411,674
Current assets			
Debtors	9	7,839	30,094
Cash at bank and in hand	10	73,821	55,173
		81,660	85,267
Creditors: amounts falling due within one year	11	(30)	(4,073)
Net current assets		81,630	81,194
 Total assets less current liabilities		<u>1,493,305</u>	<u>1,492,868</u>
Net assets		<u>1,493,305</u>	<u>1,492,868</u>
 Capital and reserves			
Called up share capital	12	1,078,468	1,078,468
Share premium		20,587	20,587
Profit and loss account		394,250	393,813
Shareholders' equity		<u>1,493,305</u>	<u>1,492,868</u>

Notes 1 to 14 are integral to these financial statements.

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

G A Brisk
Director



15 July 2016

Company registered number: 3755033

BNY Mellon International Asset Management Group Limited

Statement of changes in equity

31 December 2015

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	1,078,468	20,587	394,045	1,493,100
Profit for the year	-	-	128,768	128,768
Dividends	-	-	(129,000)	(129,000)
Balance at 31 December 2014	1,078,468	20,587	393,813	1,492,868

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2015	1,078,468	20,587	393,813	1,492,868
Profit for the year	-	-	114,937	114,937
Dividends	-	-	(114,500)	(114,500)
Balance at 31 December 2015	1,078,468	20,587	394,250	1,493,305

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies

1.1 Basis of preparation and statement of compliance with FRS 101

The Company is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). These are the Company's first financial statements produced under FRS 101.

The Company's ultimate parent undertaking, The Bank of New York Mellon Corporation includes the Company and all its subsidiary undertakings in its consolidated financial statements. The consolidated financial statements of The Bank of New York Mellon Corporation are prepared in accordance with U.S. Generally Accepted Accounting Principles, which are *equivalent* to Adopted IFRS. The Bank of New York Mellon Corporation's consolidated financial statements are available at www.bnymellon.com/investorrelations/annualreport/index.html. Accordingly the Company is a *qualifying entity* for the purpose of FRS 101 disclosure exemptions.

Accordingly, in preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 14.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy; and

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.12.

1.2 Measurement convention

These financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale and liabilities for cash-settled share-based payments. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies - continued

1.3 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 Strategic report on pages 2 to 3. In addition, the Directors' report on pages 4 to 5 includes the Company's objectives, policies and processes for managing its capital, its financial risk management objective and its exposures to credit and liquidity risk.

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

Based on the above assessment of the Company's financial position, liquidity and capital, the directors have concluded that the Company has adequate resources to continue in operational existence 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.

1.4 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 IAS 24 and has therefore not disclosed transactions or balances with entities which form part of the Group.

1.5 Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in the statement of profit and loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange gains or losses that are recognised in the statement of profit and loss (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in the statement of profit and loss as it accrues, using the effective interest method.

1.6 Dividends

Dividend income is recognised in the statement of profit and loss on the date the entity's right to receive payments is established.

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.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies - continued

1.7 Taxation - continued

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.8 Foreign currency

The Company's functional currency is GBP. The Company's presentational currency is also GBP. Transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are reported net in the statement of profit and loss within interest receivable and similar income, except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Any resulting exchange differences are reported net in the statement of profit and loss within interest receivable or payable as appropriate.

1.9 Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

1.10 Impairment of fixed assets

The carrying amounts of the Company's assets are assessed annually for impairment when events or changes in circumstances indicate that the carrying amount of the fixed assets may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

1.11 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies - continued

1.11 Tangible fixed assets - continued

When parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. When land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|---------------------------------|--------------------|
| • Short term leasehold property | over life of lease |
| • Fixtures and fittings | 10 years |
| • Computer equipment | 4- 5 years |

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.12 Accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions about future conditions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Management believes that the Company's critical accounting policies for which judgement is necessarily applied are those which relate to impairment of investment in subsidiaries. Further information about key assumptions concerning the future, and other key sources of estimation uncertainty, are set out in the notes in the financial statements.

2 Expenses and auditor's remuneration

Profit on ordinary activities before taxation is stated after charging:

	2015	2014
	£000	£000
Depreciation of tangible fixed assets	-	273

Auditor's remuneration:

	2015	2014
	£000	£000
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of these financial statements pursuant to legislation	20	29

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

3 Income from shares in group undertakings

	2015	2014
	£000	£000
Income from shares in group undertakings	114,500	129,000

Income from shares in group undertakings reflects a £5,000,000 (2014: £nil) dividend received from BNY Mellon Investment Management EMEA Limited, £15,500,000 (2014: £89,000,000) from Insight Investment Management Limited, £20,000,000 (2014: £nil) from Newton Management Limited and £74,000,000 (2014: £40,000,000) from BNY Mellon International Asset Management (Holdings) Limited.

4 Net gain on current asset investments

	2015	2014
	£000	£000
Net gain on current asset investments	33	54

5 Interest receivable and similar income

	2015	2014
	£000	£000
Net foreign exchange gain	37	-
Receivable from group undertaking	478	439
Total interest receivable and similar income	515	439

6 Interest payable and similar charges

	2015	2014
	£000	£000
Net foreign exchange loss	-	594

7 Taxation

Recognised in the profit and loss account

	2015	2014
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the year	30	2

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

7 Taxation - continued

Reconciliation of effective tax rate

	2015	2014
	£000	£000
Profit for the year	114,937	128,768
Total tax expense	<u>30</u>	<u>2</u>
Profit excluding taxation	114,967	128,770
Tax using the UK corporation tax rate of 20.25% (2014: 21.50%)	23,281	27,686
Non-deductible expenses	(65)	-
Other short-term timing differences	-	(87)
Losses surrendered to group entities	-	136
Dividend income in the year not taxable	(23,186)	(27,735)
Under/(over) provided in prior years	-	2
Total tax expense	<u>30</u>	<u>2</u>

Factors that may affect current and total tax charge

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge accordingly. The deferred tax balance at 31 December 2015 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly. The effect of the reduction from 18% to 17% has not been quantified.

8 Fixed asset investment

	Subsidiaries £000
Cost or valuation	
At 1 January 2015	1,411,674
Additions	<u>1</u>
At 31 December 2015	<u>1,411,675</u>

Additions in the year related to the purchase of 193 (2014: 248,354) 'B' shares through the Voluntary Employee Participation Scheme (VEP) with Insight Investment Management Limited for £1,000 (2014: £902,000).

Management have conducted an impairment assessment of the carrying value of the investments based on the net asset values and future profitability of the subsidiaries and have concluded that no impairments exist at the balance sheet date.

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

8 Fixed asset investment - continued

Subsidiaries

The Company has 5 direct subsidiaries (2014: 5) and 18 indirect subsidiaries (2014: 18).

The Company has the following investments in subsidiaries:

	Country of Incorporation	Principal activity	Class of shares held	Effective Ownership 2015	Effective Ownership 2014
BNY Mellon Investment Management EMEA Limited	England & Wales	Investment management	Ordinary £1 shares	100%	100%
Standish Mellon Asset Management (UK) Limited	England & Wales	Investment management	Ordinary £1 shares	100%	100%
Insight Investment Management Limited	England & Wales	Holding company	Ordinary £1 shares 'B' Ordinary £0.0001 shares	100%	100%
Newton Management Limited	England & Wales	Holding company	Ordinary £1 shares	100%	100%
BNY Mellon International Asset Management (Holdings) Limited	England & Wales	Holding company	Ordinary £1 shares	100%	100%
Indirect subsidiaries:					
BNY Mellon Fund Managers Limited	England & Wales	Management and administration of unit trust/OEICs	Ordinary £1 shares	100%	100%
BNY Mellon Investments Switzerland GmbH	Switzerland	Investment management	Ordinary CHF1 shares	100%	100%
BNY MFM Nominees Limited	England & Wales	Dormant nontrading company	Ordinary £1 shares	100%	100%
Newton Investment Management Limited	England & Wales	Investment management	Ordinary £1 shares	100%	100%
Newton Investment Management (North America) Limited	England & Wales	Investment management	Ordinary £1 shares	100%	100%
Capital House Investments Limited	England & Wales	Dormant nontrading company	Ordinary £1 shares	100%	100%
Newton Capital Management LLC	United States of America	Sales & Marketing	N/A	100% of participating interest	100% of participating interest
Insight Investment Management (Global) Limited	England & Wales	Investment management	Ordinary £1 shares	100%	100%

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

8 Fixed asset investment - continued

Subsidiaries - continued

Insight Investment Fund Management Limited	England & Wales	Investment management	Ordinary £1 shares	100%	100%
Insight Investment Services Limited	England & Wales	Service company	Ordinary £1 shares	100%	100%
Pareto Investment Management Limited	England & Wales	Investment management	Ordinary £1 shares	100%	100%
Insight Investment Management Australia Pty Limited	Australia	Sales & Marketing	Ordinary AU \$1 shares	100%	100%
Insight Consumer Debt Recovery GP I Limited	Guernsey	General partner	Ordinary	100%	100%
Insight Consumer Debt Recovery GP II Limited	Guernsey	General partner	Ordinary	100%	100%
Insight Investment Management (CI) Limited	Guernsey	Investment management	Ordinary	100%	100%
Valetta Fund Management Limited	Malta	Investment management	Ordinary	40%	40%
BNY Mellon International Asset Management (Holdings) No.1 Limited	England & Wales	Holding company	Ordinary £1 shares	100%	100%
Walter Scott & Partners Limited	Scotland	Investment management	Ordinary £1 shares	100%	100%

9 Debtors

	2015	2014
	£000	£000
Loans to Group undertakings	-	25,000
Amounts owed by Group undertakings	4,265	2,464
Other debtors	3,574	2,630
	<u>7,839</u>	<u>30,094</u>
Due within one year	<u>7,839</u>	<u>30,094</u>

During the year, the intra-Group loan of £25,000,000 from BNY Mellon Investment Management Seed Capital Limited was repaid in accordance with the loan agreement.

10 Cash and cash equivalents

	2015	2014
	£000	£000
Cash at bank and in hand	<u>73,821</u>	<u>55,173</u>

Cash at bank represents funds on deposit with a UK regulated banking entity within the BNY Mellon group.

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

11 Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Amounts owed to Group undertakings	-	4,026
Accruals and deferred income	20	29
Other creditors	10	18
	<u>30</u>	<u>4,073</u>

12 Capital and reserves

Share capital

	2015	2014
	£000	£000
Allotted, called up and fully paid		
973,151,479 (2014: 973,151,479) Ordinary shares of £1 each	973,152	973,152
133,173,485 (2014: 133,173,485) Ordinary shares of \$1 each	70,548	70,548
49,998,944 (2014: 49,998,944) Ordinary shares of €1 each	34,768	34,768
	<u>1,078,468</u>	<u>1,078,468</u>

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

13 Ultimate parent company and parent company of larger group

The immediate parent undertaking of the Company is BNY Mellon Investment Management Europe Holdings Limited, a company registered in England and Wales. Copies of accounts for BNY Mellon Investment Management Europe 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 2015 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
225 Liberty Street
New York, NY
10286
USA

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

14 Explanation of transition to FRS 101 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity

	Note	1 January 2014		31 December 2014		
		UK GAAP £000	Effect of transition to FRS 101 £000	FRS 101 £000	UK GAAP £000	Effect of transition to FRS 101 £000
Fixed assets						
Tangible fixed assets		273	-	273	-	-
Investments		1,410,772	-	1,410,772	1,411,674	-
		1,411,045	-	1,411,045	1,411,674	-
Current assets						
Amounts owed by Group undertakings	a	17,534	818	18,352	112	2,352
Other debtors		1,177	-	1,177	2,630	-
Other financial assets		-	-	-	25,000	-
Investments		15,424	-	15,424	-	-
Cash at bank and in hand		55,399	-	55,399	55,173	-
		89,534	818	90,352	82,915	2,352
Creditors: amounts due within one year						
Amounts owed to Group undertakings	a	(5,946)	(818)	(6,764)	(1,674)	(2,352)
Taxation and social security		(1,192)	-	(1,192)	-	-
Accruals and deferred income		(341)	-	(341)	(47)	-
Net assets		1,493,100	-	1,493,100	1,492,868	-
Capital and reserves						
Called up share capital		1,078,468	-	1,078,468	1,078,468	-
Share premium account		20,587	-	20,587	20,587	-
Profit and loss account		394,045	-	394,045	393,813	-
Shareholders' equity		1,493,100	-	1,493,100	1,492,868	-

BNY Mellon International Asset Management Group Limited

Notes to the financial statements for the year ended 31 December 2015

14 Explanation of transition to FRS 101 from old UK GAAP - continued

Reconciliation of profit for 2014

		2014	
	UK GAAP	Effect of transition to FRS 101	FRS 101
	£000	£000	£000
Administrative expenses	(68)	-	(68)
Other operating expenses	(61)	-	(61)
Operating loss	(129)	-	(129)
Income from other fixed asset investments	129,000	-	129,000
Net gain on current asset investments	54	-	54
Other interest receivable and similar income	439	-	439
Interest payable and similar charges	(594)	-	(594)
Profit on ordinary activities before taxation	128,770	-	128,770
Taxation (excluding taxation on gain on sale of discontinued operation)	(2)	-	(2)
Profit for the year	128,768	-	128,768

Notes to the reconciliation of equity and profit

a) Under previous GAAP, the netting of asset and liability balances in the balance sheet is only allowed when there is the ability to insist on net settlement. Under IAS 32 the offsetting of financial assets and financial liabilities is only allowed when there is a legally enforceable right to offset and the intention to settle net. This has increased the Company's total assets by £2,352,000 (1 January 2014: £818,000).