

Kleinwort Benson Group Limited

Directors' report and financial statements

31 December 2012

Company No 07061507



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Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the Company is that of a holding company

Business review and future plans, trends and developments

The Company was incorporated on 30 October 2009 and started its operations on 1 July 2010 when it acquired Kleinwort Benson Bank Limited (formerly Kleinwort Benson Private Bank Limited) and Kleinwort Benson Channel Islands Holdings Limited

These acquisitions marked the beginning of the Company's transformation into the holding company of an active and dynamic financial services group. The parent company, RHJ International S A, seeks to add incremental new business via the Company, developing it with an exclusive focus on banking and other financial services. This will allow the Company, via its subsidiaries, to broaden its product offerings, with a focus on wealth management (including fiduciary), specialised asset management and financial advisory services.

The execution of this strategy continued with the acquisition on 11 October 2010 of KBC Asset Management Limited (Dublin), which has been renamed Kleinwort Benson Investors Dublin Limited ("Kleinwort Benson Investors")

Kleinwort Benson Investors is an asset management firm which manages discretionary assets for global institutional clients and offers specialist equity products in three core competence areas with strong growth prospects: environmental equities, dividend oriented equities and multi assets strategies. Headquartered in Dublin, Ireland, Kleinwort Benson Investors has a strong client base in Europe, North America, Ireland and Asia.

Results and dividends

During the year, the Company made a profit on ordinary activities, after taxation of GBP 0.7 million (12 month period ended 31 December 2011: GBP 5.8 million loss). The directors do not recommend the payment of a final dividend (2011: GBP nil). During the year the Company received a £10.0 million dividend from its subsidiary undertaking, Kleinwort Benson Channel Islands Holdings Limited, which was reinvested in Kleinwort Benson Bank Limited. The operating costs incurred during the period relate to the continuing monitoring of the Company's regulated subsidiaries as well as the on-going implementation of the transformation into an active dynamic financial services group, notably through the proposed acquisition of BHF Bank.

Share capital

As at 31 December 2012, the Company has 271,511,065 authorised and issued ordinary shares of GBP 1 each. During February 2012, the Company issued 10,382,430 ordinary shares of GBP 1 each for a consideration of GBP 10,382,430, settled in cash. A further 4,927,815 ordinary shares of GBP 1 each for a consideration of GBP 4,927,815, were issued and settled in cash in July 2012 and 860,853 ordinary shares of GBP 1 each for a consideration of GBP 860,853, were issued and settled in cash in November 2012.

During the year, the Company's investment in its wholly owned subsidiary, Kleinwort Benson Bank Limited, was increased by GBP 20,000,000 as the subsidiary issued 20,000,000 ordinary shares of GBP 1 each for a consideration of GBP 20,000,000 settled in cash.

Post balance sheet events

On 27 March 2013, the Company issued 4,247,230 shares to RHJ International SA for consideration of £4,247,230 to fund the operations of the Company

Directors

The following directors have held office since 31 December 2011

A C D Yarrow	Alderman Alan Yarrow was appointed as the independent non-executive Chairman of the Company on 1 July 2010. He is Chairman of the Chartered Institute of Securities and Investments, a Director of Fixnetix Limited and of Turquoise Global Holdings Limited, a Governor of the City of London Freeman's School, an Almoner of Christ's Hospital and a magistrate. Prior to this, he held senior positions within the banking and financial services industry.
A van Aaken	Anne van Aaken was appointed as an independent non-executive director of the Company on 6 October 2011. She is a Professor for Law and Economics at the University of St Gallen, Switzerland, Vice President of the European Association of Law and Economics and is an expert consultant to the World Bank, the Organisation for Economic Co-operation and Development and the United Nations Conference on Trade and Development.
A J Adcock	Andrew Adcock was appointed as an independent non-executive director of the Company on 8 February 2011. He is also a director of Kleinwort Benson Bank Limited and a member of the Kleinwort Benson Group Audit Committee. Andrew Adcock was formerly a Managing Partner of Brompton Asset Management, Vice Chairman of Corporate Broking, Citigroup, London and an Equity Partner of Lazard LLC, London.
L H Fisher	Leonhard Fischer is Chief Executive of the Company and joined the board as an executive director on 1 July 2010. He is also Chairman of Kleinwort Benson Bank Limited and of the Kleinwort Benson Group Nomination and Remuneration Committee. He is the Chief Executive Officer of RHJ International S A and prior to this he held senior positions within the banking and financial services industry.
G R Hausler	Gerd Hausler resigned as a non-executive director of the Company on 31 October 2012, having served since July 2010. He was the Chief Executive Officer of Bayerische LB and prior to this was a Vice-Chairman of Lazard, Director of the IMF, Chairman of Dresdner Kleinwort Benson and Member of the Bundesbank's Directorate and Central Bank Council.
K N von Schweinitz	Konstantin Graf von Schweinitz was appointed as an independent non-executive director of the Company on 1 July 2010. He is Chairman of the Kleinwort Benson Group Audit Committee and a member of the Kleinwort Benson Group Strategic Risk Committee. He is also an independent non-executive director of Kleinwort Benson Bank Limited and RHJ International S A. Konstantin Graf von Schweinitz has over 25 years investment and commercial banking experience principally in capital markets and risk management and is currently an independent advisor to hedge funds, banks and private equity companies.

Directors (continued)

None of the directors had an interest in the share capital of the Company, nor any disclosable interests in the shares or debentures of any group company. The directors are exempt from disclosing their interests in the shares or debentures of the ultimate parent company, RHJ International S A, as it is incorporated outside the UK.

None of the directors benefited from qualifying third party indemnity provisions during the year or at the date of this report.

Risk and uncertainties

The Company acts as a holding company and therefore the Directors do not consider it necessary to include a discussion of risks and uncertainties within their Directors' Report. The risks and uncertainties that the Company's subsidiary undertakings may be exposed to are discussed in the accounts of each legal entity.

Corporate governance

The Board of Directors comprises one executive director and four non-executive directors, all of which are fully independent. The non-executive directors participate fully with their executive colleague in Board Meetings and have access to any information they need to perform their duties.

The roles of Chairman and Chief Executive are separated and are clearly defined. The Chairman is primarily responsible for the working of the Board and the Chief Executive for the running of the business and implementation of Board strategy and policy.

The appointment of directors is considered by the Board and approved by the shareholder. Directors need not retire by rotation or stand for re-election by the shareholder.

The Board has approximately three substantive meetings each year with a further number of Board meetings and teleconference calls during the year. A programme is prepared which ensures that the directors are able to regularly discharge their duties. Matters reserved for the attention of the Board include determination of the Company's strategy, reviews of budgets and financial statements, company acquisitions and disposals and major capital expenditure.

Every director is offered training upon appointment and as necessary during their appointment. All directors have access to the advice and services of the Company Secretary and may seek independent professional advice, if necessary, at the Company's expense.

The Board has appointed the following committees and each of them has formal terms of reference covering its authority and duties, which are regularly reviewed by the Board.

In conjunction with the Company's activities as a holding company, the Board regularly reviews capital, market, liquidity and credit risks to ensure exposure remains within limits set internally and by the regulator. Operational risks are also assessed regularly and, where appropriate, mitigating actions taken.

Kleinwort Benson Group Audit Committee ("Audit Committee")

On 31 December 2012, the members of the Audit Committee were Konstantin Graf von Schweinitz (Chairman), Andrew Adcock (appointed 1 February 2012) and Anne Ewing (appointed 25 July 2012). Jonathan Hooley resigned from the Audit Committee on 18 June 2012 and Alderman Alan Yarrow on 1 February 2012, on which date Andrew Adcock was appointed.

The Audit Committee reviews the adequacy of the accounting systems and internal controls of the Company, the financial statements and the Company's accounting policies.

The Audit Committee is responsible for reviewing the external auditors' independence, the nature of non-audit services supplied and non-audit fee levels relative to the audit fee.

The Committee has at least three substantive meetings each year. On invitation, the Chairman, the Chief Executive, the Chief Financial Officer, the Chief Risk Officer, the Head of Internal Audit and the external auditors attend meetings to assist the committee to fulfil its duties.

Kleinwort Benson Group Strategic Risk Committee ("Strategic Risk Committee")

The members of the Strategic Risk Committee are Heinrich Linz (Chairman), Peter Neville and Konstantin Graf von Schweinitz.

The Strategic Risk Committee assesses the business's strategies and plans from a risk perspective and, in particular, the tolerance for risk and potential risk exposure. The Committee also reviews and recommends actions in respect of oversight, management and control of risk.

The Committee has at least three substantive meetings each year.

Kleinwort Benson Group Nomination and Remuneration Committee ("Nomination and Remuneration Committee")

On 31 December 2012, the members of the Nomination and Remuneration Committee were Leonhard Fischer (Chairman) and Anne Ewing (appointed 1 October 2012). John Henwood retired on 30 September 2012.

The Nomination and Remuneration Committee sets the strategy regarding the remuneration policy for the Kleinwort Benson group companies, determines specific terms and compensation levels above an agreed threshold and reviews and recommends main Board and key staff appointments.

The Committee has at least two substantive meetings each year.

Employees

It is the Company's policy to give full and fair consideration to employees, workers and potential employees without regard to race, colour, nationality or national origin, sex, gender reassignment, marriage, disability, age, sexual orientation, religion or belief. All Company policies, practices and procedures relating to resourcing, training, development and promotion are administered equally and in accordance with all applicable laws.

It is the Company's policy to provide equal opportunities in all aspects of employment from the sourcing and selection of candidates, recruitment and training of employees to terms and conditions of employment and reasons for termination of employment and to ensure that any employment decisions are taken without reference to irrelevant or discriminatory criteria.

Policy statement on payment of creditors

The Company's policy is to agree terms of payment before business is transacted, to ensure suppliers are aware of their terms and to settle accounts in accordance with them. The number of creditor days in relation to suppliers' balances outstanding at the year end was 50 days (2011: 61 days).

Political and charitable contributions

No political or charitable contributions were made during the year or prior period.

Disclosure of information to auditors

In accordance with the provisions of section 418 of the Companies Act 2006 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 auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. Words and phrases used in this confirmation should be interpreted in accordance with section 418 of the Companies Act 2006

Auditors

Pursuant to Section 487(2) of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

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 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 its 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

Approved by the Board of Directors

Signed on behalf of the Board

J C Boait Secretary	
Kleinwort Benson Group Limited Company No 07061507 14 St George Street, London W1S 1FE	27 March 2013

Independent auditors' report to the directors of Kleinwort Benson Group Limited

We have audited the financial statements of Kleinwort Benson Group Limited for the year ended 31 December 2012 set out on pages 8 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 2012 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 period 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

Nicholas Edmonds (Senior Statutory Auditor) For and on behalf of KPMG Audit Plc, Statutory Auditor Chartered Accountants	
15 Canada Square E14 5GL London United Kingdom	27 March 2013

Profit and loss account

For the year ended 31 December 2012	Notes	For the year ended 31 December 2012 GBP '000	For the year ended 31 December 2011 GBP '000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Dividend income		10,000	-
Administrative expenses	3	(9,272)	(5,794)
Profit (loss) on ordinary activities before tax	4	728	(5,794)
Tax on profit (loss) on ordinary activities	5	-	-
Profit (loss) on ordinary activities after tax for the year/period		728	(5,794)

There were no other recognised gains or losses in the year other than the profit for the year (2011 no other recognised gains or losses)

There is no difference between the profit (loss) on ordinary activities before taxation and their historical cost equivalents

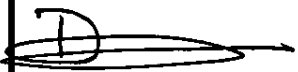
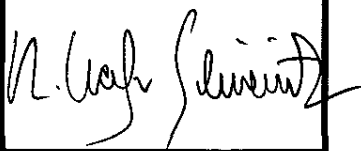
All income and loss are in respect of continuing operations

The accounting policies and notes on pages 10 to 17 form part of these accounts

Balance sheet

As at 31 December 2012	Notes	2012 GBP '000	2011 GBP '000
Fixed assets			
Tangible fixed assets	6	2,797	2,841
Investments in subsidiary undertakings	7	270,320	250,318
		273,117	253,159
Current assets			
Cash at bank and in hand		26	3
Debtors falling due within one year	8	10	25
Total current assets		36	28
Creditors falling due within one year	9	(7,434)	(4,562)
Net current liabilities		(7,398)	(4,534)
Total assets less current liabilities		265,719	248,625
Shareholders' funds			
Called up share capital	10	271,512	255,340
Profit and loss account	11	(5,793)	(6,715)
Total shareholders' funds		265,719	248,625

Approved and authorised for issue by the Board of Directors on 27 March 2013 and signed on its behalf by

A C D Yarrow Chairman		K N Graf von Schweinitz Director	
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The accounting policies and notes on pages 10 to 17 form part of these accounts

Notes to the financial statements

1 Accounting policies

(a) Basis of preparation

Kleinwort Benson Group Limited (the "Company") is a company incorporated and domiciled in the United Kingdom

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

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

The Company has taken advantage of section 400 of the Companies Act 2006 to not prepare consolidated accounts as the Company's parent undertaking, RHJ International S A , prepares consolidated accounts that are publicly available (see note 16)

As the Company is a wholly owned subsidiary of RHJ International S A , the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

The financial statements have been prepared on a going concern basis. The Company has sufficient level of capital as reflected in its shareholders' funds. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future

(b) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less provision for impairment in value

(c) Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful economic life as follows

Leasehold buildings - life of lease

Fixtures and fittings - 3 years

Motor vehicles - 4 years

Fixed assets are periodically reviewed for impairment. Where the carrying amount is greater than its estimated recoverable amount, the asset is written down to its recoverable amount. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate

1 Accounting policies (continued)

(d) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell an appropriate valuation model is used.

(e) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at mid market closing rates of exchange ruling at the balance sheet date. All foreign exchange translation differences are recognised in the profit and loss account.

(f) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(g) Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Full provision for deferred tax is made for timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations, using appropriate tax rates. The Company does not discount these balances.

Deferred tax assets are only recognised to the extent that it is more likely than not that they will be recovered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(h) Share-based payments

RHJ International S A, the ultimate parent company, extended a share-based payments scheme during the year for selected employees of the Company.

Expense is recognised in accordance with the provisions of FRS 20 (Share-based payments). The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding credit to reserves, over the period that the employees unconditionally become entitled to the awards. The vesting period is the period during which all the specified vesting conditions are to be satisfied.

(i) Functional and presentation currency

These financial statements are presented in GBP, which is the Company's functional currency. Except as indicated, financial information presented in GBP has been rounded to the nearest thousand.

(j) Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) not to prepare a cash flow statement, as the parent undertaking, RHJ International S A, prepares consolidated accounts which are publicly available.

2 Segmental information

The Company's business relates to that of a holding company and provision of services to subsidiary undertakings.

3 Administrative expenses

Staff costs (including directors)	For the year ended 31 December 2012 GBP '000	For the period ended 31 December 2011 GBP '000
Wages and salaries	2,490	1,159
Share Based Payments	194	-
Social security costs	140	46
Company pension contributions to money purchase scheme	120	10
	2,944	1,215

Average number of employees (including directors) for the year/period	6	9
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Directors' remuneration	For the year ended 31 December 2012 GBP '000	For the period ended 31 December 2011 GBP '000
Aggregate emoluments	456	704

There are no retirement benefits accruing for the directors.

Highest paid director	For the year ended 31 December 2012 GBP '000	For the period ended 31 December 2011 GBP '000
Aggregate emoluments	250	252

Other administrative expenses primarily relate to costs incurred as part of the continuing monitoring of the Company's regulated subsidiaries as well as the on-going implementation of the transformation into an active dynamic financial services group, notably through the proposed acquisition of BHF Bank

4 Profit (loss) on ordinary activities before tax

Profit (loss) on ordinary activities before taxation is stated after charging	For the year ended 31 December 2012 GBP '000	For the period ended 31 December 2011 GBP '000
Depreciation	44	45

Auditors' remuneration (excluding VAT) for the year ended 31 December 2012 is set out below

	For the year ended 31 December 2012 GBP '000	For the period ended 31 December 2011 GBP '000
Audit of these financial statements	8	9
Audit related assurance services	197	5
Other tax and consultancy services	324	545
Total fees paid to auditors	529	559

5 Tax on profit (loss) on ordinary activities

Taxation is based on the results for the period and comprises:	For the year ended 31 December 2012 GBP '000	For the period ended 31 December 2011 GBP '000
Total tax on profit / loss on ordinary activities	-	-

The current tax charge for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below

Factors affecting current tax charge for the period	GBP '000	GBP '000
Profit (loss) on ordinary activities before tax	728	(5,794)
Tax on profit / loss on ordinary activities at standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	178	(1,535)
Effects of:		
Expenses not deductible for tax purposes	1,096	11
Losses available for carry-forward	1,120	1,667
(Accelerated)/decelerated capital allowances	11	(143)

Factors affecting current tax charge for the period	GBP '000	GBP '000
Other short term timing differences	45	-
Non-taxable dividend income	(2,450)	-
Current tax charge for the year	-	-

Losses carried forward of GBP 6,810,000 (2011 GBP 2,313,439 as restated) and other short-term timing differences of GBP 2,535,275 (2011 GBP 2,763,668) have not been recognised as deferred tax assets as it is not expected that future profits will be available to utilise these assets in the foreseeable future

6 Tangible fixed assets

Cost	Leasehold buildings GBP '000	Furniture, fittings and equipment GBP '000	Motor vehicles GBP '000	Total GBP '000
At 1 January 2011	2,838	16	60	2,914
Additions	-	-	-	-
At 31 December 2011, and 1 January 2012	2,838	16	60	2,914
Additions	-	-	-	-
At 31 December 2012	2,838	16	60	2,914

Depreciation				
At 1 January 2011	12	2	14	28
Charge for 2011	24	6	15	45
At 31 December 2011, and 1 January 2012	36	8	29	73
Charge for the year	24	5	15	44
At 31 December 2012	60	13	44	117

Net book value at 31 December 2011	2,802	8	31	2,841
Net book value at 31 December 2012	2,778	3	16	2,797

7 Investments in subsidiary undertakings

	2012 GBP '000	2011 GBP '000
At 1 January	250,318	237,742

	2012 GBP '000	2011 GBP '000
Additions	20,002	12,576
At 31 December	270,320	250,318

During 2012, the Company injected GBP 20.0m (GBP 12.6m in 2011) of capital into Kleinwort Benson Bank Limited to facilitate the investment in new revenue generating initiatives whilst maintaining a strong capital position in excess of regulatory requirements.

The Company has investments in the following subsidiaries which principally affected the profits or net assets of the group. Details of investments in subsidiaries which are not significant or dormant have not been disclosed.

	Country of incorporation	Principal activities	Percentage of equity shares held
Direct holdings			
Kleinwort Benson Bank Limited	UK	Private Banking	100
Kleinwort Benson Channel Islands Holdings Limited	Guernsey	Holding Company	100
Kleinwort Benson Investors Dublin Limited	Ireland	Asset management	100
Indirect holdings			
Kleinwort Benson (Asia) PTE Limited	Singapore	Private Banking	100
Kleinwort Benson Trustees Limited	UK	Fiduciary Services	100
Kleinwort Benson (Channel Islands) Fund Services Limited	Guernsey	Fund Administration	100
Kleinwort Benson (Guernsey) Limited	Guernsey	Custodian Trustee	100
Kleinwort Benson (Channel Islands) Limited	Guernsey	Private Banking	100
Kleinwort Benson (Channel Islands) Investment Management Limited	Jersey	Investment Management	100
Kleinwort Benson (Channel Islands) Trustees Limited	Guernsey	Fiduciary Services	100
Kleinwort Benson Bank (Isle of Man) Limited	Isle of Man	Private Banking	100
Kleinwort Benson Trustees (Isle of Man) Limited	Isle of Man	Fiduciary Services	100

8 Debtors falling due within one year

	2012 GBP '000	2011 GBP '000
Amount owed by fellow subsidiary undertakings	2	25
Others	8	-
	10	25

9 Creditors falling due within one year

	2012 GBP '000	2011 GBP '000
Amount owed to parent undertaking	3,563	2,623
Amount owed to subsidiary undertakings	2,291	737
Accruals	1,580	1,202
	7,434	4,562

10 Called up share capital

	2012 GBP '000	2011 GBP '000
Authorised 271,511,065 ordinary shares of GBP 1 each	271,511	255,340
Allotted and fully paid 271,511,065 ordinary shares of GBP 1 each	271,511	255,340

During the year the Company authorised and issued 16,171,098 ordinary shares of GBP 1 each for a consideration of GBP 16,171,098 settled in cash during the year

11 Reconciliation of movements in shareholders' funds and statement of movements on reserves

	Issued share capital GBP '000	Profit & loss account GBP '000	Total GBP '000
At 31 December 2011	255,340	(6,715)	248,625
Shares issued	16,172	-	16,172
Profit for the year	-	728	728
Share based payments		194	194
At 31 December 2012	271,512	(5,793)	265,719

12 Commitments and contingent liabilities

There were no commitments or contingent liabilities during the year or prior period for the Company

13 Post balance sheet events

On 27 March 2013, the Company issued 4,247,230 shares to RHJ International SA for consideration of £4,247,230 to fund the operations of the Company

14 Directors' loans and other transactions

There were no loans or arrangements made to external parties on behalf of directors of the Company during the year or prior period

15 Related party disclosures

At 31 December 2012, the Company was a wholly owned subsidiary of RHJ International S A and the consolidated financial statements of RHJ International S A are publicly available (see Note 16). Accordingly, advantage is taken in these financial statements of the exemptions available in Financial Reporting Standard No. 8 on 'Related Party Disclosures' for the disclosure of transactions with entities that are part of the group or investees of group entities qualifying as related parties

16 Ultimate parent undertaking and controlling party

The Company's ultimate parent undertaking and controlling party is RHJ International S A (Euronext: RHJI), a company incorporated in Belgium under Belgium Law. It is also the smallest and largest group in which the publically available results of the Company are consolidated. The financial statements of RHJ International S A are available to the public and may be obtained from RHJ International, Investor Relations, Avenue Louise 326, 1050 Brussels, Belgium