

Kleinwort Benson Group Limited

Annual Report and financial statements

31 December 2015

Company No: 07061507



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Directors' report

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

Results and dividends

During the year, the Company made a profit on ordinary activities, after taxation of GBP 30.7 million (2014: GBP 21.1 million loss), primarily comprised of GBP 2.1 million (2014: GBP 12.7 million) operating costs offset by the reversal of past impairments totaling GBP 23.0 million and dividends received totaling GBP 10.0 million (2014: GBP 7.5 million) from its subsidiary undertaking, Kleinwort Benson Channel Islands Holdings Limited. The operating costs incurred during the period relate to the continuing monitoring of the Company's regulated subsidiaries. The dividends received by the Company were reinvested in Kleinwort Benson Bank Limited.

The Company reversed past impairments to the carrying amounts of its investments in subsidiaries of GBP 23.0 million in the period following a review of the recoverable amount of the investments given the agreement between Oddo & Cie and Societe Generale that Societe Generale will, subject to regulatory approval, acquire 100% of Kleinwort Benson Bank Limited and Kleinwort Benson Channel Islands Holdings Limited, the Company's subsidiaries (2014: GBP 22.0 million impairment). See below and Note 6 for further detail.

The directors do not recommend the payment of a final dividend (2014: GBP nil).

Share capital

During the year, the Company's investment in its wholly owned subsidiary, Kleinwort Benson Bank Limited, was increased by GBP 10,000,000 as the subsidiary issued 10,000,000 ordinary shares of GBP 1 each for a consideration of GBP 10,000,000, settled in cash.

Post balance sheet events

On 22 November 2015, Oddo & Cie, a limited share company with a registered office at 2, boulevard de la Madeleine, Paris (75009), announced its intention to launch a voluntary and conditional public take-over bid (the "Counterbid") on all the shares of BHF Kleinwort Benson Group SA, the Company's parent, that it did not yet hold at a price of €5.75 per share. The Counterbid followed an earlier public take-over-bid by Fosun at €5.10 per share.

The Counterbid was subsequently recharacterised as a mandatory take-over bid. Oddo & Cie's prospectus was approved by the FSMA on 19 January 2016 and on 15 February 2016, Oddo & Cie, announced that it had obtained 97.22% of the outstanding shares of BHF Kleinwort Benson Group SA, and would proceed to acquire the remaining 2.78% it did not own through a squeeze-out in accordance with articles 42 and 43 juncto article 57 of the Royal Decree of 27 April 2007 on takeover bids and article 513 of the Company Code. At the close of the squeeze-out, Oddo & Cie owned 100% of BHF Kleinwort Benson Group SA's shares which were delisted from Euronext Brussels on 11 March 2016.

On 15 March 2016 Oddo & Cie and Societe Generale announced that the Company had signed a share purchase agreement which, subject to regulatory approval, would see Societe Generale acquire 100% of Kleinwort Benson Bank Limited and Kleinwort Benson Channel Islands Holdings Limited, the Company's subsidiaries.

Directors

The directors of the Company are currently:

Konstantin Nikolaus Graf von Schweinitz	<p>Konstantin Graf von Schweinitz was appointed as an independent non-executive director of the Company in July 2010. He is also an independent non-executive director of Kleinwort Benson Bank Limited and, having been a director since June 2011, was appointed Chairman of BHFKB in June 2014.</p> <p>Konstantin Graf von Schweinitz has over 25 years investment and commercial banking experience principally in capital markets and risk management and has acted as an independent advisor to hedge funds, banks and private equity companies.</p>
Leonhard Heinrich Fisher	<p>Leonhard Fischer was Chief Executive of the Company and joined the Board as an executive director in July 2010. He became a non-executive director on 1 January 2015. He is also Chairman of Kleinwort Benson Bank Limited and the Chief Executive Officer of BHFKB. Prior to this he held senior positions within the banking and financial services industry.</p>

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, BHFKB, 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.

Corporate governance

During 2015, the Board of Directors comprised two non-executive directors. The non-executive directors had access to all information they needed to perform their duties.

The roles of Chairman and Chief Executive were separated and clearly defined. The Chairman was 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 completion of the transformation of BHFKB into a financial services group and the resultant reduced role of the Company, prompted a restructuring of the Board at the end of 2014 and it now comprises one non-executive director and one independent non-executive director.

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.

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 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.

Following the acquisition of BHF-BANK in March 2014, the governance structure was updated. To ensure that the local regulatory and legislative requirements are satisfied and duplication reduced, the operating companies now each have their own governance committees, which focus on areas such as audit, risk and remuneration. These are aligned with similar committees at the BHFKB level.

Employees

It is the Company's policy to give full and fair consideration to employees, workers and potential employees

Kleinwort Benson Group Limited

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.

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

KPMG LLP has been appointed as auditors of the Company and pursuant to Section 487(2) of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU") ("Adopted IFRS"), and comply with the Companies Acts 2006.

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 International 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

Kleinwort Benson Group Limited
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

A handwritten signature in black ink, appearing to read 'R. Gray v. J. Bennett', written over a horizontal line.

Kleinwort Benson Group Limited

19 April 2016

Company No 07061507

14 St. George Street, London W1S 1FE

Independent auditor's report to the directors of Kleinwort Benson Group Limited

Opinions and conclusions arising from our audit

We have audited the financial statements of Kleinwort Benson Group Limited for the year ended 31 December 2015 set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 6, 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 Auditor.

Scope of the audit of the financial statements

A description of the scope of an 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 IFRSs as adopted by the EU; 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 and Strategic 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.

Mike Peck

Michael Peck (Senior Statutory Auditor)

19 April 2016

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, London, E14 5GL

Statement of Comprehensive Income

For the year ended 31 December 2015

	Note	2015 GBP'000	2014 GBP'000
Administrative expenses	3	(2,112)	(12,654)
Operating loss		(2,112)	(12,654)
Gain on sale of property, plant and equipment		-	1,780
Dividend income		10,000	12,000
Impairment of investment in subsidiaries	6	-	(22,000)
Reversal of impairment of investment in subsidiaries	6	23,000	-
Finance expense		(173)	(237)
Profit / (loss) before tax	4	30,715	(21,111)
Taxation	5	-	-
Profit / (loss) after tax for the year		30,715	(21,111)

The profit / (loss) is entirely attributable to owners of the Company and are in respect of continuing operations.

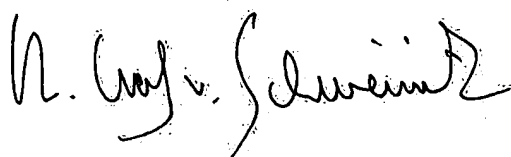
There was no other items of comprehensive income / expense in either the year ended 31 December 2015 or 2014.

The accounting policies and notes on pages 13 to 21 form part of these accounts.

Statement of Financial Position

As at 31 December 2015	Notes	2015 GBP '000	2014 GBP '000
Assets			
Investments in subsidiary undertakings	6	506,093	469,158
Cash at bank and in hand		383	162
Debtors falling due within one year	7	70	106
Total assets		506,546	469,426
Liabilities			
Creditors falling due within one year	8	5,771	1,183
Total liabilities		5,771	1,183
Called up share capital	9	9,400	7,740
Share premium		262,594	262,594
Profit and loss account		228,781	197,909
Equity attributable to owners of the Company		500,775	468,243
Total equity and liabilities		506,546	469,426

Approved and authorised for issue by the Board of Directors on 19 April 2016 and signed on its behalf by:



K N Graf von Schweinitz
Director

The accounting policies and notes on pages 13 to 21 form part of these accounts.

Statement of Changes in Equity

	Issued share capital GBP '000	Share premium GBP '000	Profit & loss account GBP '000	Total GBP '000
At 31 December 2013, and 1 January 2014	285,022	-	(64,734)	220,288
Total comprehensive income				
Loss for the year	-	-	(21,111)	(21,111)
Total comprehensive expense	-	-	(21,111)	(21,111)
Transactions with owners				
Shares issued	6,202	262,594	-	268,796
Share cancellation	(283,484)	-	283,484	-
Share based payments	-	-	270	270
Transactions with owners, recorded directly in equity	(277,282)	262,594	283,754	269,066
At 31 December 2014, and 1 January 2015	7,740	262,594	197,909	468,243
Total comprehensive income				
Profit for the year	-	-	30,715	30,715
Total comprehensive income	-	-	30,715	30,715
Transactions with owners				
Shares issued	1,660	-	-	1,660
Share based payments	-	-	157	157
	1,660	-	157	1,817
At 31 December 2015	9,400	262,594	228,781	500,775

Statement of Cash Flows

	2015 GBP'000	2014 GBP'000
Operating activities		
Profit (loss) for the year	30,715	(21,111)
Adjustments for non-cash items included in profit (loss):		
Impairment of investments in subsidiaries		22,000
Reversal of impairment of investments in subsidiaries	(23,000)	
Foreign exchange	173	237
Equity-settled share-based payment transactions	157	270
Income tax benefit/(expense)	-	-
Other	(172)	2,468
	7,873	3,864
Changes in operating assets and liabilities:		
Change in amounts due from debtors	36	25
Change in amounts due to creditors	652	(1,531)
Net cash used in operating activities	8,561	2,358
Investing activities		
Investments in subsidiaries	(10,000)	(271,040)
Net cash from investing activities	(10,000)	(271,040)
Financing activities		
Proceeds from share capital issued	1,660	268,796
Net cash from financing activities	1,660	268,796
Cash and cash equivalents at the beginning of the year	162	48
Net increase/(decrease) in cash and cash equivalents	221	114
Cash and cash equivalents at the end of the year	383	162

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 Company's registered address is 14 St George Street, London W1S 1FE. The principal activities of the Company are that of private banking and investment management services.

The immediate and ultimate parent is BHF Kleinwort Benson Group SA ("BHFKB"), incorporated under the laws of Belgium, having its registered office at Avenue Louise 326, 1050 Brussels, Belgium. It is also the smallest and largest group in which the publicly available results of the Company are consolidated. The financial statements of BHFKB are available to the public and may be obtained from BHFKB www.bhfk.com.

On 15 February 2016, Oddo & Cie, a limited share company with a registered office at 2, boulevard de la Madeleine, Paris (75009), announced that it had obtained 97.22% of the outstanding shares of BHF Kleinwort Benson Group SA, and would proceed to acquire the remaining 2.78% it did not own. On 15 March Oddo & Cie and Societe Generale announced that they had signed a share purchase agreement which, subject to regulatory approval, would see Societe Generale acquire 100% of Kleinwort Benson Bank Limited and Kleinwort Benson Channel Islands Holdings Limited, both of which are subsidiaries of the Company.

These are separate non-consolidated financial statements prepared on an exemption basis.

The Company's financial statements, which show a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU") ("Adopted IFRS"), and comply with the Companies Acts 2006. The financial statements have been authorised for issue by the Board of Directors on 19 April 2016.

These are the Company's first set of IFRS financial statements. There were no adjustments as a result of the transition from the previous GAAP to IFRSs that may have affected the reported financial position, financial performance and cash flow of the Company.

The Company has taken advantage of section 400 of the Companies Act 2006 to not prepare consolidated accounts as the Company's parent undertaking, BHF Kleinwort Benson Group S.A., prepares consolidated accounts that are publicly available (see note 15).

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) Property, plant and equipment and depreciation

Property, plant and equipment 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

1 Accounting policies (continued)

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(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 closing rates of exchange ruling at the balance sheet date. All foreign exchange translation differences are recognised in the profit and loss account within finance expenses.

(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

BHF Kleinwort Benson Group S.A., the ultimate parent company, extends a share-based payments scheme for selected employees of the Company.

Expense is recognised in accordance with the provisions of IFRS 2 (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.

1 Accounting policies (continued)

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) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Information about significant assumptions and estimation uncertainties that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 6 – Impairment of Investments in subsidiaries

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)

	2015 GBP '000	2014 GBP '000
Wages and salaries	956	2,166
Share based payments	157	270
Social security costs	65	311
Company pension contributions to money purchase scheme	37	89
	1,215	2,836

Average number of employees for the year

3 6

Directors' remuneration

	2015 GBP '000	2014 GBP '000
Aggregate emoluments	80	431

There are no retirement benefits accruing for the directors.

Highest paid director

	2015 GBP '000	2014 GBP '000
Aggregate emoluments	50	124

Other administrative expenses primarily relate to costs incurred as part of the continuing monitoring of the Company's regulated subsidiaries.

4 Kleinwort Benson Group Limited
Loss on ordinary activities before tax

Operating loss is stated after charging:

	2015 GBP '000	2014 GBP '000
Depreciation	-	17

Auditors' remuneration (excluding VAT) for the year ended 31 December 2015 is set out below:

	2015 GBP '000	2014 GBP '000
Audit of these financial statements	9	9
Audit related assurance services	-	105
Other tax and consultancy services	-	590
Total fees paid to auditors	9	704

Other tax and consultancy charges consisted of transaction and advisory services following the acquisition of BHF-BANK in 2014.

5 Taxation

Taxation is based on the results for the period and comprises:

	2015 GBP '000	2014 GBP '000
Total taxation	-	-

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	30,715	(21,111)
Tax on profit / loss on ordinary activities at standard rate of corporation tax in the UK of 20 % (2014: 21.5%)	6,143	(4,539)
Effects of:		
Expenses not deductible for tax purposes	-	1,893
Adjustment to prior year tax return for non-deductible expenses	-	286
Impairment on investments not deductible for tax purposes	-	4,731
Reversal of impairments not taxable	(4,600)	-
Current year losses for which no deferred tax asset has been recognised	457	209
Non-taxable dividend income	(2,000)	(2,580)
Current tax charge for the year	-	-

The tax benefit of losses carried forward of GBP 15,432,409 (2014: GBP 13,320,409) 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 Investments in subsidiary undertakings

	2015 GBP '000	2014 GBP '000
At 1 January	469,158	220,118
Additions	13,935	271,040
Impairment	-	(22,000)
Reversal of impairment	23,000	-
At 31 December	506,093	469,158

During 2014, the Company acquired a 91% stake in BHF for EUR 315,800,000 which equated to GBP 259,039,744. The other 9% was acquired by the Company's parent, BHFKB.

The Company, following a purchase price adjustment with regard to BHF-Bank together with an accrual for German real estate transfer tax increased the carrying value of the investment with £3,935,000 in 2015.

The Company also injected GBP 10,000,000 (GBP 12,000,000 in 2014) of capital into Kleinwort Benson Bank Limited to facilitate the continued investment in new revenue generating initiatives whilst maintaining a strong capital position in excess of regulatory requirements.

Following the agreement between Oddo & Cie and Societe Generale that Societe Generale will, subject to regulatory approval, acquire 100% of the Company's holdings in Kleinwort Benson Bank Limited and Kleinwort Benson Channel Islands Holdings Limited, the Company has decided to reverse past impairments of GBP 23,000,000 in view of the contractually agreed disposal price which has been used as a proxy for fair value of the investments. The final price will be subject to certain adjustments, but the Directors believe that the amounts recorded in the financial statements will be recoverable.

The Company has investments in the following subsidiaries.

	Country of incorporation	Percentage of equity shares held
Direct holdings		
Kleinwort Benson Bank Limited	UK	100
Kleinwort Benson Channel Islands Holdings Limited	Guernsey	100
Kleinwort Benson Investors Dublin Limited	Ireland	100
BHF-BANK AG	Germany	91
BHF Grundbesitz-Verwaltungsgesellschaft mbH	Germany	100
Indirect holdings – subsidiaries of Kleinwort Benson Bank Limited		
Kleinwort Benson Unit Trusts Limited	UK	100
Robert Benson Lonsdale & Co (Canada) Limited	UK	100
Kleinwort Benson Farmland Trust (Managers) Limited	UK	100
KBPB Nominees Limited	UK	100
KBIM Standby Nominees Limited	UK	100
Fenchurch Nominees Limited	UK	100
Frank Nominees Limited	UK	100
Kleinwort Benson Trustees Limited	UK	100
Gough Fabrications Limited	UK	100

Kleinwort Benson Group Limited		
Holmes Drolled Limited	UK	100
Magpie Rose Limited	UK	100
Pico Westwood Limited	UK	100
Saint Melrose Limited	UK	100
Langbourn Nominees Limited	UK	100
St. George St. Capital (KB) Limited	Jersey	100
Indirect holdings – subsidiaries of Kleinwort Benson Channel Islands Holdings Limited		
Kleinwort Benson (Channel Islands) Ltd	Guernsey	100
Grange Nominees Ltd	Guernsey	100
Mison Nominees Ltd	Guernsey	100
Guernsey Nominees Ltd	Guernsey	100
K.B. (C.I.) Nominees Ltd	Guernsey	100
Kleinwort Benson (Channel Islands) Trustees Ltd	Guernsey	100
Kleinwort Benson (UK) Trustees Ltd	UK	100
Kleinwort Benson (Guernsey) Trustees Ltd	Guernsey	100
Corporate Directors (No. 1) Ltd	Guernsey	100
Corporate Services (Guernsey) Ltd	Guernsey	100
Kleinwort Benson (Guernsey) Trustees (1997) Ltd	Guernsey	100
Langdale Nominees Ltd	Guernsey	100
Borrowdale Nominees Ltd	Guernsey	100
Victory Nominees Ltd	Guernsey	100
Trafalgar Nominees Ltd	Guernsey	100
Property Nominees (Channel Islands) Ltd	Jersey	100
Fenchurch Nominees (Singapore) PTE Ltd	Singapore	100
Kleinwort Benson (Jersey) Trustees Ltd	Jersey	100
West Directors Limited	Jersey	100
Kleinwort Benson (Jersey) Corporate Services Ltd	Jersey	100
Corporate Secretaries (Jersey) Ltd	Jersey	100
Kleinwort Benson (Jersey) Trustees (1997) Ltd	Jersey	100
Knowifa Ltd	Guernsey	100
Kleinwort Benson Nominees Ltd	Jersey	100
West Nominees Ltd	Jersey	100
Hilary Nominees Ltd	Jersey	100
Fenchurch Trust Ltd	Jersey	100
Kleinwort Benson (Guernsey) Ltd	Guernsey	100
Kleinwort Benson Custodian Services Ltd	Jersey	100
Kleinwort Benson (Jersey) Services Ltd	Jersey	100
Kleinwort Benson (Guernsey) Services Ltd	Guernsey	100
Kleinwort Benson (Channel Islands) Investment Management Ltd	Guernsey	100
Kleinwort Benson International Insurance PCC Ltd	Guernsey	100

Kleinwort Benson Group Limited		
Kleinwort Benson Private Investment Office Services Ltd	Ireland	100
Guernsey Financial Advisory Services Ltd	Guernsey	100
Kleinwort Benson Euklid Ltd	Guernsey	100
Indirect holdings – subsidiaries of Kleinwort Benson Investors Dublin Limited		
Kleinwort Benson Investors Inter-national Ltd	Ireland	76
Kleinwort Benson Fund Managers Ltd	Ireland	100
Indirect holdings – BHF-BANK AG		
Industrie-Beteiligungs-Gesellschaft mbH	Germany	100
Bfl-Beteiligungs-ges. für Industriewerte GmbH	Germany	100
BHF Grundbesitz-Verwaltungsges. mbH & Co. am Kaiserlei OHG	Germany	100
BHF Private Equity Management GmbHBHF	Germany	100
BHF Trust Man-agem. Gesellsch. f. Vermögensverw. mbH	Germany	100
Frankfurt Family Office GmbH	Germany	100
Office Grundstücks-verwaltungsges. mbH	Germany	100
GmbHUS Real Estate Beteiligungs GmbH	Germany	100
THG Beteiligungs-verwaltung GmbH	Germany	100
BHF Private Equity Treuhand- und Beratungsges. mbH	Germany	100
BHF-Betriebsservice GmbH	Germany	100
Frankfurter Beteiligungs-Treuhand GmbH	Germany	100
Nidda Verwaltungs GmbH	Germany	100
Nidda GmbH & Co. KG	Germany	100
Nidda LP GmbH	Germany	100
Frankfurter Vermögens-Treuhand GmbH	Germany	100
BHF Immobilien-GmbH	Germany	100
Aubrac MLP S.à.r.L.	Luxembourg	100
BHF-Bank International S.A.	Luxembourg	100
Luxembourg Family Office S.A.	Luxembourg	100
BHF LUX IMMO S.A.	Luxembourg	100
FRANKFURT-TRUST Investment Gesellschaft mbH	Germany	100
FRANKFURT-TRUST Invest Luxembourg AG	Luxembourg	100
BHF-BANK (Schweiz) AG	Switzerland	100
BHF Zurich Family Office AG	Switzerland	100

7 Debtors falling due within one year

	2015 GBP '000	2014 GBP '000
Amount owed by parent and group undertakings	4	69
Others	66	37
	70	106

8 Creditors falling due within one year

	2015 GBP '000	2014 GBP '000
Amount owed to parent and group undertakings	1,488	22
Amount owed to subsidiary undertakings	57	682
Accruals and other	4,226	479
	5,771	1,183

9 Called up share capital

	2015 GBP'000	2014 GBP'000
Authorised, allotted and fully paid: 940,027,606 ordinary shares of GBP 0.01 each	9,400	
Authorised, allotted and fully paid: 773,972,921 ordinary shares of GBP 0.01 each		7,740

On 24 March 2015, 166,054,685 ordinary shares of GBP 0.01 were issued for a total consideration of GBP 1,660,547 of which all was share capital.

10 Commitments and contingent liabilities

The Company has given an undertaking to the Prudential Regulation Authority (the "PRA") to contribute GBP 15,000,000 capital to Kleinwort Benson Bank Limited in the event that Kleinwort Benson Bank Limited's capital would be projected to fall below the Individual Capital Guidance set by the PRA.

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

11 Post balance sheet events

As at 31 December 2015 the ultimate parent company of the Company was BHF Kleinwort Benson Group SA, a limited liability company incorporated under the laws of Belgium, having its registered office at Avenue Louise 326, 1050 Brussels, Belgium.

On 15 February 2016, Oddo & Cie, a limited share company with a registered office at 2, boulevard de la Madeleine, Paris (75009), announced that it had obtained 97.22% of the outstanding shares of BHF Kleinwort Benson Group SA, and would proceed to acquire the remaining 2.78% it did not own.

On 15 March Oddo & Cie and Societe Generale announced that they had signed a share purchase agreement which, subject to regulatory approval, would see Societe Generale acquire 100% of the Company's holdings in Kleinwort Benson Bank Limited and Kleinwort Benson Channel Islands Holdings Limited.

12 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.

13 Related party disclosures

Other than the amounts detailed in notes 7 and 8 about amounts owed to the Company's parent and fellow subsidiaries and remuneration paid to directors in note 3 there were no other related party transactions in the period.

14 Name change of Parent Company

With effect from 24 March 2015, the parent of the Company, RHJ International S.A. changed its registered name to BHF Kleinwort Benson Group S.A.

15 Ultimate parent undertaking and controlling party

At 31 December 2015, the Company's ultimate parent undertaking and controlling party was BHF Kleinwort Benson Group S.A., 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, for the year ended 31 December 2015 are consolidated. The financial statements of BHF Kleinwort Benson Group S.A. are available to the public and may be obtained from BHF Kleinwort Benson Group, Investor Relations, Avenue Louise 326, 1050 Brussels, Belgium or via www.bhfkleinwortbenson.com.

As noted in note 11 Oddo & Cie have acquired 100% of the share capital of BHF Kleinwort Benson Group S.A. and is now the ultimate parent undertaking.