

BNYM GIS (UK) Funding II LLC

Directors' report and financial statements

Registered number: FC030297

For the year ended 31 December 2011

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BNYM GIS (UK) Funding II LLC

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BNYM GIS (UK) Funding II LLC

Board of Directors and other information

Directors

J M Johnston
JW Jack
J C McEleney

Secretary

BNY Mellon Secretaries (UK) Limited
160 Queen Victoria Street
London
EC4V 4LA

UK Establishment

BNYM GIS (UK) Funding II LLC
160 Queen Victoria Street
London
EC4V 4LA

Registered Office

Corporate Trust Center
1209 Orange Street
Wilmington
New Castle County Delaware 19081
United States

Registered Number

FC030297

BNYM GIS (UK) Funding II LLC

Directors' report

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

Principal activities

BNYM GIS Funding II LLC ('the Company') is a funding company that holds an investment (via a single subsidiary that acts as an intermediary holding company) in two operating companies involved in the provision of trustee and administration services

Results and dividends

The profit for the year after taxation amounted to \$2,821,000 (2010 \$6,313,000)

No interim dividend was declared and paid during the year (2010 \$nil) The directors do not recommend a final dividend for the year ended 31 December 2011 (2010 \$nil)

Business review

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

	Year Ended 2011 \$000	Period Ended 2010 \$000
Dividend Income	51,904	31,328
Interest Payable	(49,088)	(25,015)
Net assets	359,134	356,313

The company began operating on 09 June 2010. As a result full year comparative figures are unavailable and the comparatives displayed reflect the period 09 June 2010 – 31 December 2010

During 2011 the Company earned \$51,904,000 (2010 \$31,328,000) dividend income from its equity investment in GIS LLC III Limited and paid interest of \$49,088,000 (2010 \$25,015,000) on a loan from GIS LLC I Limited

Future development

There are no plans to change the nature of the activities of this company

Directors

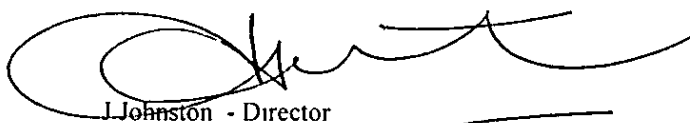
The directors who served during the period and up to the date this report was signed were as follows

Directors

J C McEleney

J M Johnston

J W Jack



J Johnston - Director

BNYM GIS (UK) Funding II LLC
160 Queen Victoria Street,
London EC4V 4LA
Registered Number FC030297
24 August 2012

BNYM GIS (UK) Funding II LLC

Profit and loss account for the year ended 31 December 2011

		Year Ended 2011 \$000	Period Ended 2010 \$000
	Notes		
Dividend Income		51,904	31 328
Interest Payable and similar charges		(49,083)	(25,015)
Profit on ordinary activities before taxation		2,821	6,313
Taxation on profit on ordinary activities	4	-	-
Profit for the financial year		2,821	6,313

Notes 1 to 10 are integral to these financial statements

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

The Company has not prepared a separate statement of total recognised gains and losses as all gains and losses are reflected in the profit and loss account above

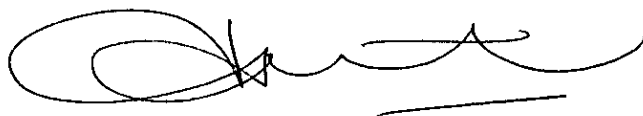
BNYM GIS (UK) Funding II LLC

Balance sheet at 31 December 2011

	Notes	2011 \$000	2010 \$000
Fixed assets			
Investments	5	1,390,000	1,390,000
Current assets			
Cash at bank and in hand	6	9,134	6,313
Creditors			
Amounts falling due more than one year	7	<u>(1,040,000)</u>	<u>(1,040,000)</u>
Net assets		<u>359,134</u>	<u>356,313</u>
Capital and reserves			
Called up share capital	8	350,000	350,000
Profit and loss account	9	<u>9,134</u>	<u>6,313</u>
Shareholder's funds	9	<u>359,134</u>	<u>356,313</u>

Notes 1 to 10 are integral to these financial statements

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



J Johnston
Director

24 August 2012

BNYM GIS (UK) Funding II LLC

Notes to the financial statements

At 31 December 2011

1. Accounting policies

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

The following amendments to standards have been adopted in these financial statements for the first time and have not had a material impact

- Improvements to FRSs (mandatory for periods starting on/after 1 January 2011) including amendment to FRS 8 Related Party Disclosures replacing the definition of a related party with that set out in UK law
- The amendment to FRS 25 Financial Instruments Presentation (mandatory for periods starting on/after 1 February 2010)

The following amendments to standards are not yet effective, and are not expected to have a material impact on these financial statements

- The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) (Amendment) Regulations 2011 is mandatory for periods starting on/after 1 October 2011

Basis of preparation

The company is incorporated in the United States. It is managed and controlled in the UK, where it is registered with Companies House as an overseas company carrying on business in the UK. In accordance with the Overseas Companies regulations 2009 the financial statements have been prepared on the going concern basis in accordance with applicable UK accounting standards and under historical cost accounting rules.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements as the Company and all its subsidiary undertakings are included in the consolidated financial statements for a larger group drawn up for the same date in a manner equivalent to that proscribed by the EU Seventh Directive (83/349/EEC). The group in which its results are consolidated is The Bank of New York Mellon Corporation group, incorporated in the United States of America. These financial statements present information about the Company as an individual undertaking and not about its group.

Prior Period

The financial statements reflect the year ended 31 December 2011 and the 2010 comparative figures reflect the period 09 June 2010 to 31 December 2011.

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 Directors' Report on page 3. The directors perform an annual going concern assessment that considers, under a stress test scenario, the Company's ability to meet its forecast financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. The Company has adequate liquidity and capital, and appropriate cash flow management. 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 there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern 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.

BNYM GIS (UK) Funding II LLC

Notes to the financial statements- continued At 31 December 2011

1. Accounting policies - continued

Interest, fees and commission

Interest, fees and commission, are recognised on an accruals basis

Taxation

Income tax comprises current tax and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in the statement of total recognised gains and losses. Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Company intends to settle on a net basis and the legal right to offset exists.

Deferred tax is recognised without discounting on timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax liabilities are generally recognised and deferred tax assets are recognised to the extent that it is probable that they will be recoverable. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the balance sheet date. Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and relate to income taxes levied by the same taxation authority, and when a legal right to offset exists in the entity.

2. Staff costs

The Company had no employees during the period ended 31 December 2011.

3. Directors emoluments

The directors did not receive any remuneration for their services in respect of the Company.

4. Taxation

The company has no tax liability for the current year. The current corporation tax rate for the year is lower than the standard rate for the reasons set out in following reconciliation.

	Year Ended 2011 \$000	Period Ended 2010 \$000
Profit on ordinary activities before tax	2,821	6,313
Tax charge on profit on ordinary activities at standard rate of 2011 26.5% (2010 28%)	748	1,768
Factors affecting tax charge		
- Non taxable income	(13,755)	(8,772)
- Losses surrendered to group companies	13,007	7,004
Current corporation tax credit for year	-	-

BNYM GIS (UK) Funding II LLC

Notes to the financial statements- continued

At 31 December 2011

4. Taxation - Continued

Factors that may affect future current and total tax charges

It was originally announced that the UK corporate income tax would reduce from 26% to 25% with effect from 1 April 2012 with further reductions of 1% in each year until the standard rate will be 23% in 2014. In the 2012 budget on 21 March 2012 the UK government announced that the rate of corporate income tax would drop from 26% to 24% with effect from 1 April 2012 with further reductions of one per cent in each year until the standard rate is 22% in 2014. Further changes in the rate have not been substantively enacted at the balance sheet date and therefore these have not been reflected in the financial statements.

5. Fixed asset investments

	Subsidiary undertaking £000
Cost	
At 01 January 2011	1,390,000
Additions	-
At 31 December 2011	<u>1,390,000</u>

The Company holds an investment in BNYM GIS Funding III LLC. Management have conducted an impairment review of the carrying value of the investments based on the net asset values of the underlying subsidiaries and have concluded that no impairment exists at the balance sheet date.

The principal companies in which the Company's interest at the year end is more than 20% are as follows:

	Country of incorporation or registration	Principal activities	Class and percentage of shares held
BNYM GIS III Funding LLC	United States of America	Investment management	Ordinary 84%

Management have conducted an impairment review of the carrying value of the investments based on the net asset values of the subsidiary and joint venture and have concluded that no impairment exists at the balance sheet date.

6. Cash at bank and in hand

	2011 \$000	2010 \$000
Cash at bank	<u>9,134</u>	<u>6,313</u>

This balance represents deposits held with a UK regulated banking entity within the BNY Mellon group.

7. Creditors: amounts falling due more than one year

	2011 \$000	2010 \$000
Loan from parent undertakings	<u>1,040,000</u>	<u>1,040,000</u>

BNYM GIS (UK) Funding II LLC

Notes to the financial statements- continued

At 31 December 2011

8. Called up share capital

	2011 \$000	2010 \$000
Called up, allotted and fully paid		
350,000,000 ordinary shares of \$1 each at par	350,000	350,000

9. Movement in reserves

	Called up share capital \$000	Profit and loss account \$000	Total \$000
2011			
At 01 January	350,000	6,313	356,313
Profit for the financial period	-	2,821	2,821
At 31 December	350,000	6,313	359,134
	Called up share capital \$000	Profit and loss account \$000	Total \$000
2010			
At 29 June	350,000	-	350,000
Profit for the financial period	-	6,313	6,313
At 31 December	350,000	6,313	356,313

10. Parent company

The immediate parent Company is BNYM GIS Funding I LLC , incorporated in the United States of America

The largest and smallest group in which the results of the Company are consolidated is headed by The Bank of New York Mellon Corporation, incorporated in the United States of America

The ultimate parent company as at 31 December 2010 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
One Wall Street,
New York, NY
10286
USA