Registered No 1859421

Company information

Chairman
T Watanabe (resigned on 31st March 2012)
S Shinohara (appointed on 1st April 2012)

Directors
T Watanabe (resigned on 31st March 2012)
T Matsunaga (resigned on 31st March 2012)
S Shinohara (appointed on 1st April 2012)
R Bisson
M Itatani
L Nunneley

Secretary
Hackwood Secretaries Limited
One Silk Street
London EC2Y 8HQ

Auditors
Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers
Sumitomo Mitsui Banking Corporation Europe Limited
99 Queen Victoria Street
London EC4V 4EH

Solicitors
Linklaters
One Silk Street
London EC2Y 8HQ

Registered Office
Nomura House
1 St Martins-le-Grand
London EC1A 4NT (until 01st July 2012)

1 Angel Lane
London EC4R 3AB (from 02nd July 2012)

THURSDAY
R1DZ5KDV
RM 26/07/2012 #183
COMPANIES HOUSE

Directors' report

The Directors present their report and financial statements of the Company and of the Group for the year ended 31 March 2012 These financial statements consolidate the financial statements of Nomura Asset Management U K Limited ("the Company") and Nomura Asset Management Ireland Limited (collectively "the Group")

Principal activities

The principal activity of the Group during the year was the provision of investment management and advisory services

The Company is authorised and regulated by the Financial Services Authority in London

The Directors are satisfied with the financial results achieved by both the Group and the Company in the year under review and intend to focus on developing the business to produce continued positive returns

Results and dividends

Results for the year under review are shown in the Profit and Loss Account on page 10 The Group made a profit before taxation of £1,952,027 (2011 £3,599,578) for the year, and a profit after taxation of £ 1,259,407 (2011 £2,549,513) The Balance Sheet on pages 11 and 12 shows a satisfactory year end position

During the year an interim dividend was paid for £3,000,000 (2011 £nil) The Directors do not propose the payment of a final dividend (2011 £nil)

Key performance indicators

The Group's key performance indicators are as follows

	2012 £'000	2011 £'000	Change
Group Turnover	38,067	35,905	6%
Operating profit before taxation	3,062	3,579	(15)%
Profit after taxation	1,259	2,550	(51)%
	£'billion	**£'billion**	**Change**
Assets under management (AuM)	11 23	10 39	8 1%
Assets under contract (AuC)	8 62	7 45	15 7%
	No.	**No**	**Change**
Staff headcount	111	111	0%

Directors' report

Business review

Group turnover increased by 6% during the year, and operating revenue for Nomura Asset Management U K Limited alone rose by a similar amount of 5 5% Revenues were positively affected by successful asset gathering from institutional clients, with almost £2bn of gross new assets A significant proportion of this came from existing relationships, but there was also continuing evidence of a widening of the product base with Japan Strategic Value (Japanese equities) and Global Fixed Income making important contributions The US High Yield strategy also attracted more attention

The level of assets from the Japanese retail market was favourably influenced by the transfer of the Global Equity Income strategy from Tokyo to London but, in general, flows for equity mutual funds followed a negative trend in the face of an uninspiring equity market environment The level of assets from Money Market Funds was stable through the year

The influence of market movements on the level of assets was not significant Overall, assets under management rose by 8 1% to £11 23bn and assets under contract rose by 15 7% to £8 62bn

Part of Group turnover relates to internal transfer pricing arrangements known as the Global Network Support Fee ("GNSF"), paid to Nomura Asset Management U K Limited by Nomura Asset Management Co , Ltd , Tokyo for investment research services and the Global Asset Management Fee ("GAMF"), received and paid for investment management services from and to other Nomura Asset Management offices

There was significant downward movement in the fees received through GNSF compared to the prior year, largely because of the transfer of the Global Equity Income Funds to London This revenue is now received directly, through an advisory agreement GAMF payments were higher than in the previous year as a result of the successful institutional asset gathering mentioned earlier, for assets managed from other Nomura Asset Management offices

Operating expenses rose by a little over 8%, largely due to two principal factors One was an increase in the number of expatriate staff in the investment department (partly to support the management of the newly transferred Global Equity Income funds, but also to support an extension of our emerging market activities) , the other relates to higher IT consultancy expenses incurred during the implementation of two significant new projects One is a new order management system for Money Market Funds, and the other is a Risk and Attribution Analysis platform for Fixed Income Funds These projects will significantly improve the front office IT environment and, in tandem with the staff movements mentioned above, are expected to strengthen our competitive position going forward

Overall headcount has remained at the same level as in the previous year, with increases in investment and marketing counterbalanced by reductions on the operational side

These movements in revenue and expenses resulted in a decline in operating profit of 15% to £3 06m

The Group recently decided to relocate from its previous registered office of Nomura House to 1 Angel Lane, EC4R 3AB, the principal home of Nomura's other activities in London The move took place on 2 July 2012

In connection with this move the Group incurred non-operating expenses of almost £1 2m, consisting largely of provisions for dilapidations and the write off of tangible fixed assets no longer required

The high level of non-operating expenses reduced profits before tax to £1 95m compared with £3 60m in the previous year Profits after tax were £1 26m (2011 £2 53m)

Directors' report

Principal risks and uncertainties

The Group is committed to reviewing risks to its business on an ongoing basis and the potential effects of market and industry changes The Group has an established risk committee that meets quarterly and which evaluates the Group risk appetite and market risk exposure

In common with other investment management businesses the main risks to the Group's financial performance are the change in the level of assets under management and the control of expenses These are particularly impacted by the competitive, regulatory and operational environment

Market conditions

Although the Group does not maintain proprietary positions in securities, and hence does not have direct exposure to market risk, market conditions affect the value of assets managed on behalf of clients from which the Group earns its revenue Demand patterns are quickly changing and failing to recognise the changes is a significant risk The Group also operates in a competitive environment and it is important for the Group to maintain its competitive position The Group needs to minimise these risks by providing an innovative and well diversified product range, taking advantage of the strength of Nomura Asset Management's worldwide network and branding

Regulatory Risk

The Group considers that failing to comply with regulations would cause serious damage to its business operation and would potentially cause significant reputational risks The board delegates the operational and tactical level of compliance duties to the Group's Compliance Department and takes the necessary measures to ensure that a strong compliance culture is present throughout the Group

The Group monitors liquidity risk and regularly reviews a one year rolling cash flow forecast to ensure that the liquidity ratio has been maintained within the agreed ranges set by the Board The cash flow forecast consistently indicated that the Group will be able to maintain its capital structure without capital injections from the Group's immediate Parent Company and thus permit the business to continue as a going concern

Operational Risk

Management of operational risk, defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, is a key measure used by regulators to assess regulatory capital and risk monitoring programmes for regulated firms

For the recent year, the Group has been investing to reduce such risks by the development of IT systems and infrastructure Robust project management has been in place to assist with the smooth implementation of these changes

The Group has an Operational Risk committee which holds quarterly meetings to consider every aspect of its operations

Directors' report

Directors

The Directors during the year were

T Watanabe (resigned 31 March 2012)

T Matsunaga (resigned 31 March 2012)

S Shinohara (appointed 01 April 2012)

R Bisson

M Itatani

L Nunneley

Director indemnity

Nomura Asset Management U K Limited provides a deed of indemnity to the Directors to the extent permitted by United Kingdom law whereby Nomura Asset Management U K Limited holds insurance to indemnify a Director against any liability incurred in proceedings in which the Director is successful, and against the cost of successfully applying to court to be excused for breach of duty where the Director acted honestly and reasonably

Provision of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditors are unaware Having made enquiries of fellow Directors and the Group's auditor, each Director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Going Concern

The Directors' Report describes the Group's business activities, business developments and financial and liquidity position and outlines the principal financial and business risks the Group faces The Group and wider Nomura Group have considerable financial resources together with long standing relationships with customers across different geographic areas and client types As a consequence, the Directors believe the Group is well placed to manage its business risks successfully

After review of its business position the Directors have a reasonable expectation that the Group and wider Nomura Group have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Directors' report

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

This report was approved by the Board of Directors on 11 July 2012 and signed on its behalf by



Shigeru Shinohara
Director

Directors' responsibilities statement

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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 Group and the Company and of the profit or loss of the Group 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 accounting 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 Group and Company will continue in business

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditor's report

to the member of Nomura Asset Management U K Limited

We have audited the financial statements of Nomura Asset Management U K Limited for the year ended 31 March 2012 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Statement of Total Recognised Gains and Losses, and the related notes 1 to 20 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's member, 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 member 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 member 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 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 to 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the Company's affairs as at 31 March 2012 and of the Group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report

to the member of Nomura Asset Management U K Limited

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 by the parent Company, 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

Ernst & Young LLP

Michael-John Albert (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

16 July 2012

Group profit and loss account

for the year ended 31 March 2012

	Notes	2012 £	2011 £
Turnover	2	38,066,870	35,905,410
Cost of sales		(10,178,622)	(9,444,575)
Gross profit		27,888,248	26,460,835
Administration expenses		(24,285,234)	(22,449,552)
Other income		68,748	124,042
Other expenses		(610,036)	(556,745)
Operating profit	3	3,061,726	3,578,580
Non-Operating Exceptional Costs related to Office move	7	(1,184,882)	-
Loss on disposal / write off of fixed asset	8	-	(41,677)
Interest receivable		75,183	62,675
Profit on ordinary activities before taxation		1,952,027	3,599,578
Taxation	5	(692,620)	(1,050,065)
Retained profit attributable to the member of the parent Company		1,259,407	2,549,513

Group statement of total recognised gains and losses

for the year ended 31 March 2012

	2012 £	2011 £
Profit attributable to member of the parent Company	1,259,407	2,549,513
Exchange difference on retranslation of net assets of subsidiary undertaking and foreign currency bank accounts	195	(15,429)
Total recognised gain relating to the year	1,259,602	2,534,084

The accompanying notes 1 - 20 form an integral part of these financial statements

Group balance sheet

at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	8	1,595,533	1,580,110
		1,595,533	1,580,110
Current assets			
Debtors	10	13,015,446	11,673,189
Cash at bank and in hand		15,929,130	17,728,092
		28,944,576	29,401,281
Creditors: amounts falling due within one year	11	(13,651,262)	(12,380,698)
Net current assets		15,293,314	17,020,583
Total assets less current liabilities		16,888,847	18,600,693
Creditors: amounts falling due after more than one year	12	(2,655,117)	(2,626,565)
		14,223,730	15,974,128
Capital and reserves			
Called up share capital	13, 14	4,744,391	4,744,391
Other reserves	14	52,805	52,610
Profit and loss account	14	9,436,534	11,177,127
Equity shareholder's funds		14,223,730	15,974,128

These financial statements were approved and authorised for issue by the Board of Directors on 11 July 2012

Signed on behalf of the Board of Directors

Shigeru Shinohara

Director

The accompanying notes 1 - 20 form an integral part of these financial statements

Company balance sheet

at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible fixed assets	8	1,595,533	1,580,110
Investments in subsidiaries	9	85,616	85,616
		1,681,149	1,665,726
Current assets			
Debtors	10	13,015,446	11,673,189
Cash at bank and in hand		15,616,080	17,430,472
		28,631,526	29,103,661
Creditors: amounts falling due within one year	11	(13,652,606)	(12,399,061)
Net current assets		14,978,920	16,704,600
Total assets less current liabilities		16,660,069	18,370,326
Creditors: amounts falling due after more than one year	12	(2,655,117)	(2,626,565)
		14,004,952	15,743,761
Capital and reserves			
Called up share capital	13,14	4,744,391	4,744,391
Other reserves	14	-	842
Profit and loss account	14	9,260,561	10,998,528
Equity shareholder's funds		14,004,952	15,743,761

These financial statements were approved and authorised for issue by the Board of Directors on 11 July 2012

Signed on behalf of the Board of Directors

Shigeru Shinohara

Director

The accompanying notes 1 - 20 form an integral part of these financial statements

Notes to the accounts

at 31 March 2012

1. Accounting policies

Basis of preparation of financial statements

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

Basis of consolidation

The Group accounts consolidate the accounts of Nomura Asset Management U K Limited and its subsidiary undertakings drawn up as at 31 March 2012 No profit and loss account is presented for Nomura Asset Management U K Limited ("the Company") as permitted by section 408(3) of the Companies Act 2006

Revenue recognition

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for the performance of its services Revenue is measured at the fair value of the consideration received, excluding VAT, discounts or rebates, and is primarily derived from the provision of investment management and advisory services

In terms of deferred performance fees received, they are treated as the advance receipt of event yet to happen which cannot be predicted Therefore they are first recognised as liability, if the performance period is more than one year then such fee received is categorised under long term liability then when it become less than one year they will be transferred to current liability Revenue associated this is not recognised till the time that the performance period matures and is measured by actual performance figures For example, in case of chain linked three year performance fees, after three year performance period, three year performance will be calculated and annualise it to one year performance equivalent to recognise it as revenue This is when other Nomura Asset management Group companies are informed in order to share such performance fee under Global Asset Management arrangement

Cost of sales

Cost of sales comprises the amounts payable to fellow Group and other companies for investment advice on certain portfolios and marketing services provided to Nomura Asset Management U K Limited

Tangible Fixed assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation Such costs include costs directly attributable to making the asset capable of operating as intended Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less any estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows

Leasehold improvements	–	10% per annum
Furniture and fittings	–	20% or 33% per annum
Software	–	33% per annum

Taxation

Current tax is provided on the Company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events which have occurred at that date will result in an obligation to pay more, or a right to pay less tax, with the following exception

Notes to the accounts

at 31 March 2012

1. Accounting policies (continued)

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate ruling at the balance sheet date

The assets, liabilities and results of the foreign subsidiary are translated at the rate of exchange ruling at the balance sheet date Differences on exchange arising from the re-translation of the opening net investment in the subsidiary undertakings are taken to reserves

Pensions

Contributions to defined contribution arrangements are recognised in the profit and loss account in the period in which they become payable

Operating leases

Operating lease charges are expensed to the Profit and Loss Account as incurred over the period of the lease

Interest receivable

Interest receivable is recognised on an accruals basis

Related party transactions

The Group and Company have taken advantage of the exemption given by Financial Reporting Standard 8 ("FRS 8") to subsidiary undertakings 100% of whose voting rights are controlled within the Group by not disclosing information on related party transactions with entities that are part of the Group, or investees of the Group qualifying as related parties

Cash flow statement

The Group and Company have taken advantage of FRS 1 "Cash Flow Statements" from the requirement to prepare a cash flow statement, on the basis that they are a subsidiary undertaking where 90% or more of the voting rights are controlled within the Nomura Group, which prepares publicly available financial statements

Investments in subsidiaries

Investments in subsidiaries are stated at cost unless the Directors consider there to have been a permanent diminution in value, in which case a provision is made Where investments in subsidiaries are acquired at less than fair value, an immediate transfer of the difference between cost and the fair value at acquisition is made to other reserves

Notes to the accounts

at 31 March 2012

1. Accounting policies (continued)

Client bank balances

Amounts held for clients are held in separately designated client bank accounts, which do not form part of the Group's and Company's cash balances

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance Separate disclosure is provided on the face of the Profit and Loss Account after operating profit and in the notes to the financial statements

2. Turnover

Turnover comprises investment management and investment advisory fees received and receivable and is derived wholly from continuing activities

The Company participates in a global asset management profit sharing scheme with other companies within the Nomura Asset Management Group The network support fee contributed £5,649,262 (2011 £7,885,975) of turnover for the year ended 31 March 2012

3. Profit on ordinary activities

(a) This is stated after charging

	2012	*2011*
	£	*£*
Depreciation	542,026	652,079
Auditors' remuneration	64,711	59,711
Remuneration paid to the auditors for		
- Taxation services	33,557	(25,089)
Operating lease rentals		
- Hire of equipment	750,229	554,957
- Land and buildings	967,903	939,714

(b) Staff costs

	2012	*2011*
	£	*£*
Wages and salaries	11,280,190	11,001,677
Social security costs	922,194	777,892
Pension costs	783,869	582,319
	12,986,253	12,361,888

Included in wages and salaries is a total expense accrual relating to deferred bonus payments of £160,109 (2011 £162,640) which are linked to movements in the share price of Nomura Holding Inc

The Company issues equity-settled and cash-settled share based payments to certain employees in the shares of the ultimate parent undertaking

Notes to the accounts

at 31 March 2012

3. Profit on ordinary activities (continued)

Equity-settled share based payments are measured at the fair value of the equity instruments at the grant date The awards are expensed on either a straight-line basis or a graded basis (depending on vesting conditions) over the vesting period, depending on the Company's estimate of shares that will eventually vest The expected life of the awards used in the determination of fair value is adjusted for, based on management's best estimate, the effects of non-transferability, exercise restrictions, market performance, and behavioural considerations

The cost of cash-settled transactions is measured initially at fair value at grant date The fair value is expensed over the period until vesting The liability is re-measured at each reporting date up to and including the settlement date

The cost of these schemes is recorded in the Profit and Loss Account of the Company with corresponding balance sheet entries, as applicable, in accordance with FRS 20, Share Based Payments

The average number of persons employed by the Group during the year was 111 (2011 - 111), as follows

	2012	*2011*
	No	*No*
Marketing	20	17
Investment	39	37
Trading	5	5
Fund Administration	25	27
Compliance	4	4
Finance & IT	13	16
Corporate – HQ	5	5
	111	111

(c) Chairman and Director's emoluments

	2012	*2011*
	£	*£*
Emoluments	1,522,400	1,465,406
Company contributions paid to money purchase pension schemes	15,450	15,450
	No	*No*
Members of money purchase schemes	1	1
The emoluments in respect of the highest paid director are as follows		
	£	*£*
Emoluments	734,215	671,662

Notes to the accounts

at 31 March 2012

4. Pensions

Effective from 1 November 2005, Nomura International introduced a defined contribution pension plan for all UK employees

Until its introduction, the Company had been a participating employer in a Defined Benefits Scheme operated by Nomura International Plc The Directors had been advised by the independent qualified actuaries of the Group scheme that the underlying assets and liabilities of the Group scheme cannot be separated by legal entity on a consistent and reasonable basis Both the Final Salary Section and the Defined Contribution Section of the Nomura London Retirement Benefits Plan (the Old Plan) closed their schemes as of 31 October 2005

Contributions to the new scheme are charged in the profit and loss account as they become payable in accordance with the rules of the scheme During the year ended 31 March 2012, the Company made contributions in the amount of £783,869 (2011 £582,319) Amounts outstanding at year end were £412,631 (2011 £310,252)

Any additional contributions to the Defined Benefit Scheme are charged to the profit and loss account on notification from the ultimate parent

5. Taxation

	2012 Group £	*2011 Group* £
The tax charge is made up as follows		
Current Tax		
UK corporation tax	601,476	1,128,573
Overseas corporation tax	(347)	4,396
Adjustment in respect of previous years	33,598	(8,701)
Current tax for the year	634,727	1,124,268
Deferred tax		
Originating and reversal of timing differences	75,231	(84,327)
Effect of change in tax rate	5,949	9,945
Adjustment in respect of previous period	(23,287)	179
Deferred Tax	57,893	(74,203)
Tax on profit on ordinary activities	692,620	1,050,065

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is more than the standard rate of corporation tax in the UK of 26% (2011 – 28%)

Notes to the accounts

at 31 March 2012

5. Taxation (continued)

The differences are explained below

	2012 Group £	*2011 Group* £
Profit on ordinary activities before taxation	1,952,027	3,599,578
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 – 28%)	507,527	1,007,882
Effects of		
Expenses not deductible for tax purposes	169,544	45,873
Qualifying asset depreciation in excess of capital allowances	112	(13,638)
Lower tax rate on overseas earnings	426	(5,113)
Pension cost	(29,462)	86,870
Bonus timing difference	(45,881)	11,095
Adjustment in respect of previous years	33,598	(8,701)
Other adjustments	(1,137)	-
Current tax for the year	634,727	1,124,268

6. Provision for deferred tax

Deferred tax is provided at 26% (2011 - 28%) in the accounts as follows	2012 *Group* £	2011 *Group* £
Provision at start of period	(129,279)	(55,076)
Deferred tax charge in profit and loss account for period	75,231	(84,327)
Prior period adjustment	(23,287)	179
Effect of change in tax rate	5,949	9,945
Provision at end of period	(71,386)	(129,279)
The deferred tax asset consists of		
Accelerated capital allowances	4,699	7,821
Short term timing differences	(76,085)	(137,100)
Provision for deferred tax (note 10)	(71,386)	(129,279)

The main rate of corporation tax reduced to 26% from 1 April 2011 On 21 March 2012 as part of the 2012 Budget, the UK government announced its intention to legislate to reduce the main rate of corporation tax from 26% to 24% with effect from 1 April 2012 and to 23% from 1 April 2013 (an additional 1% to the 1% reduction proposed in the March 2011 budget)

Notes to the accounts

at 31 March 2012

6. Provision for deferred tax (continued)

The main rate of corporation tax will reduce by 1% per year until 2014, which would take the rate to 22% from 1 April 2014 Legislation will be introduced in Finance Bill 2013 to reduce the main rate of corporation tax to 22% for the financial year commencing 1 April 2014

The reduction to 24% from 1 April 2012 was subsequently enacted prior to 31 March 2012 under the provisions of the Provisional Collection of Taxes Act 1968 and the effect of this reduction is therefore reflected in the above calculation of the deferred tax asset

7. Non-operating exceptional costs

The Group and Company's shareholder meeting held in March 2012 resolved that the termination of the current operating lease for the Nomura House office, with a move to a new office location, to be 1 Angel Lane, London EC4R 3AB, scheduled for 2 July 2012 As such, due to the termination of lease, exceptional one-off costs have been incurred to restore the offices to their original condition and the write off of tangible fixed assets and leasehold improvements, which will not be taken to the new office location As the decision to terminate the lease agreement was taken before the year end, the Group and Company has applied Financial Reporting Standard 10 ("FRS 10") and set up provisions for dilapidation expenses under an exceptional cost in the Profit and Loss Account, a breakdown of which is below

	2012 £
Dilapidation expenses	705,075
Furniture and fittings – write off	5,552
Leasehold improvements – write off	474,255
Non-operating exceptional costs for the period	1,184,882

8. Tangible fixed assets

Group and Company

	Leasehold improvements £	*Furniture and fittings* £	*Software* £	*Total* £
Cost				
At 1 April 2011	1,293,487	1,049,350	2,144,603	4,487,440
Additions	-	9,984	1,027,273	1,037,257
Disposals	-	(9,009)	(1,177)	(10,186)
Write offs	(1,293,487)	(360,680)	-	(1,654,167)
At 31 March 2012	-	689,645	3,170,699	3,860,344
Accumulated depreciation				
At 1 April 2011	689,883	788,003	1,429,446	2,907,332
Charge for year	129,349	93,756	318,921	542,026
Disposals	-	(9,009)	(1,177)	(10,186)
Write offs	(819,232)	(355,129)	-	(1,174,361)
At 31 March 2012	-	517,621	1,747,190	2,264,811

Notes to the accounts

at 31 March 2012

8. Tangible fixed assets (continued)

Net book value at 31 March 2012	-	172,024	1,423,509	1,595,533
Net book value at 31 March 2011	603,604	261,348	715,158	1,580,110

9. Investments in subsidiaries

The Company's investments in subsidiary undertakings are as follows

	Country of incorporation	*% of share capital owned*	*Activities*
Evergreen Nominees Limited	England and Wales	100	Dormant
Nomura Asset Management Ireland Limited	Republic of Ireland	100	Provision of investment advisory services

10. Debtors

	2012		*2011*	
	Group £	*Company* £	*Group* £	*Company* £
Trade debtors				
- parent and fellow subsidiary undertakings	622,034	622,034	787,579	787,579
- third parties	10,023,956	10,023,956	9,191,416	9,191,416
Other debtors	1,397,816	1,397,816	1,063,132	1,063,132
Prepayments	900,254	900,254	501,783	501,783
Deferred tax	71,386	71,386	129,279	129,279
	13,015,446	13,015,446	11,673,189	11,673,189

11. Creditors: amounts falling due within one year

	2012		*2011*	
	Group £	*Company* £	*Group* £	*Company* £
Amount owed to other group companies	7,587,613	7,614,626	9,411,847	9,448,361
Other taxes and social security costs	821,586	821,586	1,103,394	1,103,394
Other creditors	683,778	653,196	254,433	240,213
Accruals	1,888,647	1,888,647	994,739	994,739
Deferred bonus	98,723	98,723	32,978	32,978
Deferred performance fee	2,496,903	2,496,903	-	-
Corporation tax payable	74,012	78,925	583,307	579,376
	13,651,262	13,652,606	12,380,698	12,399,061

Notes to the accounts

at 31 March 2012

12. Creditors. amounts falling due after more than one year

	2012		2011	
	Group £	*Company* £	*Group* £	*Company* £
Deferred bonus	61,385	61,385	129,662	129,662
Deferred performance fee	2,593,732	2,593,732	2,496,903	2,496,903
	2,655,117	2,655,117	2,626,565	2,626,565

13. Share capital

	2012 £	*2011* £
Ordinary shares of £1		
Authorised	50,000,000	50,000,000
Allotted and called-up and fully paid ordinary shares of £1 each	4,744,391	4,744,391

14. Reconciliation of shareholder's funds and movement on reserves

Group	*Called up share capital* £	*Other reserves* £	*Profit and Loss Account* £	*Total* £
At 1 April 2010	4,744,391	68,039	8,627,614	13,440,044
Recognised gain for the year	-	(15,429)	2,549,513	2,534,084
At 31 March 2011	4,744,391	52,610	11,177,127	15,974,128
Recognised gain for the year	-	195	1,259,407	1,259,602
Dividend Paid	-	-	(3,000,000)	(3,000,000)
At 31 March 2012	4,744,391	52,805	9,436,534	14,233,730

Notes to the accounts

at 31 March 2012

14 Reconciliation of shareholder's funds and movement on reserves (continued)

Company	*Called up share capital* £	*Other reserves* £	*Profit and Loss Account* £	*Total* £
At 1 April 2010	4,744,391	726	8,478,578	13,223,695
Recognised gain for the year	-	116	2,519,950	2,520,066
At 31 March 2011	4,744,391	842	10,998,528	15,743,761
Recognised gain for the year	-	(842)	1,262,033	1,261,191
Dividend Paid	-	-	(3,000,000)	(3,000,000)
At 31 March 2012	4,744,391	-	9,260,561	14,004,952

15. Operating lease commitments

At the year end, the Group and Company had annual commitments under non-cancellable operating leases in respect of office premises as set out below

	2012 £	*2011* £
Leases which expire within one year	967,903	-
Leases which expire in more than five years	-	939,714

Following a decision taken by the Group and Company's shareholder in March 2012, where it was resolved that Nomura Asset Management U K Limited moved from its current registered office to 1 Angel Lane, EC4R 3AB, the lease on the current office was terminated A new lease is being prepared for the new office with the same landlord with a move date anticipated to be 2 July 2012 As such, the landlord has waived any demands of a termination fee, however costs have been dilapidation costs have been incurred (note 7)

At the year end, the Group and Company had annual commitments under non-cancellable operating leases in respect of a car as set out below

	2012 £	*2011* £
Leases which expire in two to five years	26,259	24,106

At the year end, the Group and Company had annual commitments under non-cancellable operating leases in respect of software licences as set out below

	2012 £	*2011* £
Leases which expire within one year	723,970	530,851

Notes to the accounts

at 31 March 2012

16. Profit attributable to the member of the parent company

The Profit attributable to the member of the parent company for the financial year ended 31 March 2012 is £1,259,407 (2011 £2,549,513)

17. Dividends

The Directors paid an interim dividend of £3,000,000 during the year ended 31 March 2012 (2011 £nil)
The Directors do not recommend the payment of a final dividend (2011 £nil)

18. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Nomura Asset Management Co , Ltd incorporated in Japan It has included the Company in its Group financial statements, copies of which are available from 1-12-1 Nihonbashi, Chuo-Ku, Tokyo 103-8260 Japan

The Company's ultimate parent undertaking is Nomura Holdings, Inc A copy the Group financial statements for the year ended 31 March 2012 can be obtained from its registered office at 1-9-1 Nihonbashi, Chuo-Ku, Tokyo 103-8011 Japan

19. Capital Requirement Directive

Under Pillar 3 of the Capital Requirements Directive prescribed in the United Kingdom by the Financial Services Authority, the Company is required to disclose information relating to its risks and its capital and risk management objectives and policies The Group's Pillar 3 disclosures are given on the Nomura Asset Management website

20. Post balance sheet events

The Group and Company's shareholder meeting held in March 2012 resolved that the Company terminates the current operating lease for the office and that its office location to be 1 Angel Lane, London EC4R 3AB This move is planned to take place on 2 July 2012

A part from the above, the Board of Directors has not received as at 11 July 2012 being the date the financial statements were approved, any information concerning conditions in existence at the balance sheet date, which have not been reflected in the financial statements as presented