

F&C Treasury Limited

(Registered Number 4425921)

**Report & Financial
Statements
for the year ended
31 December 2011**

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F&C TREASURY LIMITED

DIRECTORS AND ADVISERS

REGISTERED NUMBER:

4425921

DIRECTORS:

D Logan
F&C Asset Management plc

SECRETARY:

F&C Asset Management plc
80 George Street
Edinburgh
EH2 3BU

REGISTERED OFFICE:

Exchange House
Primrose Street
London
EC2A 2NY

SOLICITORS:

Norton Rose LLP
3 More London Riverside
London
SE1 2AQ

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

AUDITOR:

KPMG Audit Plc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

F&C TREASURY LIMITED

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITY

The principal activity of the company is to act as a treasury management company to a number of UK companies in the F&C Asset Management plc Group (F&C Group). The company also acts as an investment holding company.

BUSINESS REVIEW

Results and Dividend

The financial statements for the year ended 31 December 2011 show a profit after tax of £9,000,000 (2010 loss after tax of £24,826,000). The directors do not recommend the payment of a final dividend (2010 £nil), no interim dividend (2010 £5,000,000) was approved and paid during the year.

Trading Performance and Development of the Business

The principal reason for the operating profit in 2011 is due to the reversal of £5,525,000, being part of a provision of £6,595,000 recognised in 2010 in relation to loans to fellow subsidiary undertakings. This partial reversal arises due to a re-assessment at 31 December 2011 of the likelihood of recovery of the loan. The principal reason for the losses in 2010 was the increased investment impairment charge of £29,445,000 due to a review of the carrying value of the investment in subsidiary.

The company is in a net liability position at 31 December 2011 and 31 December 2010 mainly as a result of the investment impairment charges incurred in 2010 and 2009 of £29,445,000 and £8,074,000 respectively. The company is dependent on continuing finance being made available by its immediate and ultimate parent undertaking, F&C Asset Management plc, to enable it to continue operating and to meet its liabilities as they fall due. F&C Asset Management plc has agreed to provide sufficient funds to the company for those purposes. F&C Asset Management plc has also advised that it will give written notice of more than one year for the repayment of £60,000,000 of the total debt owed by the company. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis and they believe that the future profitability of the company will be sufficient to return the company to a net asset position in due course.

Going Concern

The company has net liabilities of £25,188,000 at 31 December 2011 (31 December 2010 £34,188,000). However, the company has continuing financial support from F&C Asset Management plc to allow it to continue operating for the foreseeable future.

Future Developments

The company will continue to act as an investment holding company as well as continuing to perform a treasury function for non-regulated F&C Group companies.

Risks

The directors manage the risks as part of the overall risk management framework within the F&C Asset Management plc Group ('F&C Group'). Members of the F&C Group's executive management are responsible for identifying and evaluating key risks facing their areas of the business and procedures to control these risks, where possible, are reviewed and agreed. The key operational risks facing the company are

F&C TREASURY LIMITED

REPORT OF THE DIRECTORS (continued)

Risks (continued)

Financial risk

The company adopts a low risk approach to treasury management and financial risks in relation to shareholder equity, seeking to manage and preserve its capital. The company's treasury function ensures that sufficient cash is retained by the company in respect of short-term working capital requirements.

Credit risk

The majority of debtors at the balance sheet dates are in respect of loans and inter-company balances with other F&C Group undertakings. As the F&C Group's working capital is monitored on an F&C Group-wide basis, the risk of default is considered minimal.

The F&C Group's treasury policy limits the exposure to any one counterparty (in respect of cash and cash equivalents), recognising that each counterparty has been approved by the F&C Credit Committee.

Liquidity risk

The treasury policy set by the F&C Group only allows financial assets attributable to equity holders to be invested in low risk deposits or money market instruments where the risk of capital loss is low, with prior board approval required for any exception to this principle.

The overall cash position is monitored by the F&C Group as a whole and each individual company within the F&C Group draws on the available cash balance to meet its working capital requirements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 31 December 2011 were as follows:

A L Grisay
F&C Asset Management plc

In addition to the above, A L Grisay retired as director on 9 May 2012. D Logan was appointed as director on 9 May 2012.

No individual director has any beneficial interest in the share capital of the company.

DIRECTORS' AND OFFICERS' LIABILITY

The F&C Group maintains insurance cover in respect of directors' and officers' liability.

AUDITOR

The company has passed an elective resolution in accordance with section 487 of the Companies Act 2006 to dispense with the annual appointment of the auditor, consequently KPMG Audit Plc will remain in office.

F&C TREASURY LIMITED

REPORT OF THE DIRECTORS (continued)

ADEQUACY OF THE INFORMATION PROVIDED TO THE AUDITOR

The directors who held office at the date of approving this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

BY ORDER OF THE BOARD



For F&C Asset Management plc
Secretary
20 September 2012

F&C TREASURY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

F&C TREASURY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F&C TREASURY LIMITED

We have audited the financial statements of F&C Treasury Limited for the year ended 31 December 2011 set out on pages 7 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 auditor

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 2011 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

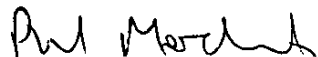
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial 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



Phil Merchant (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Saltire Court
Edinburgh
20 September 2012

F&C TREASURY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £000	2010 £000
Other income		-	4,000
Administrative expenses		5,692	(6,857)
OPERATING PROFIT/(LOSS)	2	5,692	(2,857)
Dividends received from subsidiary undertakings		4,000	9,000
Amounts written off investments	8	-	(29,445)
Interest receivable	4	648	579
Interest and similar charges payable	5	(1,529)	(1,242)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,811	(23,965)
Taxation on profit/(loss) on ordinary activities	6	189	(861)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	14	9,000	(24,826)

All amounts relate to continuing operations

The company has no recognised gains or losses in the current or preceding years other than those shown in the profit and loss account above

The notes on pages 9 to 17 form an integral part of these financial statements

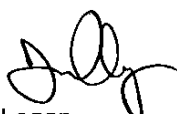
F&C TREASURY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

(Registered Number 4425921)

	Notes	31 December 2011 £000	31 December 2010 £000
FIXED ASSETS			
Investment in subsidiary	8	176,173	176,173
CURRENT ASSETS			
Debtors amounts falling due			
Within one year	9	72,802	75,450
Short term deposits		12,438	11,546
Cash at bank		554	149
		85,794	87,145
CREDITORS Amounts falling due within one year	10	(227,155)	(237,506)
NET CURRENT LIABILITIES		(141,361)	(150,361)
TOTAL ASSETS LESS CURRENT LIABILITIES		34,812	25,812
CREDITORS Amounts falling due after more than one year	10	(60,000)	(60,000)
NET LIABILITIES		(25,188)	(34,188)
CAPITAL AND RESERVES			
Called up share capital	13, 14	-	-
Profit and loss account	14	(25,188)	(34,188)
TOTAL SHAREHOLDER'S FUNDS	14	(25,188)	(34,188)

The financial statements were approved by the Board of Directors and authorised for issue on 20 September 2012. They were signed on its behalf by


D Logan
Director

The notes on pages 9 to 17 form an integral part of these financial statements

F&C TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The principal accounting policies set out below have been applied consistently throughout the years ended 31 December 2011 and 31 December 2010

Basis of accounting

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

Going concern

The company is dependent on continuing finance being made available by its immediate and ultimate parent undertaking to enable it to continue operating and to meet its liabilities as they fall due. F&C Asset Management plc has agreed to provide sufficient funds for these purposes. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Subsidiary undertakings

The company has taken exemption under section 401 of the Companies Act 2006 not to prepare group financial statements as it is a wholly-owned subsidiary of F&C Asset Management plc, a company incorporated in Scotland, which prepares consolidated financial statements.

Dividend Recognition

Dividend receivables and liabilities are only recognised when the dividends have been declared and approved.

Interest Receivable

Interest receivable comprises interest on intra-group loans, interest on bank accounts and other interest and is recognised in the profit and loss account on an accruals basis.

Interest payable

Interest payable comprises interest on intra-group loans and bank interest and charges, and is recognised in the profit and loss account on an accruals basis.

Investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value.

The carrying value of investments is reviewed at each reporting date. If an indication of impairment exists, the assets are written down to their recoverable amount and the impairment is charged to the profit and loss account in the year in which it arises.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax is measured on a non-discounted 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.

F&C TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

Deferred taxation (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 underlying timing differences can be deducted

Current tax

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

Related Party Disclosures

FRS 8, 'Related Party Disclosures' requires disclosure of the details of material transactions between the reporting entity and related parties. The company has taken advantage of the exemption in FRS 8 not to disclose transactions between F&C Group companies which eliminate on consolidation. As members of the F&C REIT Asset Management LLP Group and F&C Partners LLP do not meet the 100% ownership criteria all transactions between either the F&C REIT Asset Management LLP Group or F&C Partners LLP and entities in the F&C Group are considered to be disclosable related party transactions

Cash flow statement

The company has taken advantage of the exemptions of FRS 1 (revised) "Cash Flow Statements" and has elected not to prepare its own cash flow statement as it is included within the Consolidated Statement of Cash Flows in the financial statements of F&C Asset Management plc, its immediate and ultimate parent undertaking

2. OPERATING PROFIT/(LOSS)

This is stated after charging/(crediting)

	2011 £000	2010 £000
Other income	-	(4,000)
Provision for bad debt on loan (note 9)	(5,525)	6,595
Auditors' remuneration – audit of these financial statements	15	15

In 2010, other income of £4,000,000 related to a recharge to the employment services company as a result of final agreement and settlement of redundancy related costs by the company

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is disclosed on a consolidated basis in the financial statements of the company's immediate and ultimate parent undertaking, F&C Asset Management plc

The company had no employees during the year ended 31 December 2011 (2010 nil)

F&C TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments for their services to the company during the year ended 31 December 2011 (2010 £nil)

The emoluments of A L Grisay are disclosed within the financial statements of F&C Asset Management plc, the immediate and ultimate parent undertaking

4 INTEREST RECEIVABLE

	2011 £000	2010 £000
Interest on loans to group undertakings	530	453
Bank interest receivable	118	86
Other interest receivable	-	40
	648	579

5 INTEREST AND SIMILAR CHARGES PAYABLE

	2011 £000	2010 £000
Interest on loans from group undertakings	1,528	1,241
Bank interest and charges	1	1
	1,529	1,242

F&C TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2011 £000	2010 £000
UK Corporation Tax		
UK Corporation Tax credit on profit/(loss) for the year	(189)	(260)
Total current tax credit for the year	<u>(189)</u>	<u>(260)</u>
Deferred tax		
Originating and reversal of timing differences	-	1,121
Total deferred tax charge for the year (note 12)	<u>-</u>	<u>1,121</u>
Total tax (credit)/charge for the year	<u>(189)</u>	<u>861</u>
Factors affecting the tax credit for the year		
The tax credit assessed for the year is lower (2010 lower) than the standard rate of Corporation Tax in the UK of 26.5% (2010 28.0%)		
The differences are explained below		
Profit/(loss) on ordinary activities before taxation	<u>8,811</u>	<u>(23,965)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 26.5% (2010 28.0%)	2,335	(6,710)
Effect of		
Non-taxable income	(1,060)	(2,520)
Disallowed expenses	(1,464)	10,091
Other timing differences	-	(1,121)
Current tax credit for the year	<u>(189)</u>	<u>(260)</u>

Factors affecting future tax charges

Various announcements by the Chancellor of the Exchequer, since the Emergency Budget of 22 June 2010, mean that the UK rate of corporation tax is expected to reduce to 22% by 2015

A 1% reduction in the UK Corporation Tax rate was announced in the Chancellor's Budget of 23 March 2011. This was substantively enacted on 29 March 2011 and reduced the Corporation Tax rate to 26% with effect from 1 April 2011.

The current corporation tax rate is 24% which became effective from 1 April 2012, leading to a statutory UK corporation tax rate of 24.5% for 2012 for the Company.

Of the two remaining forecast corporation tax changes, the 1% reduction to 23% was substantively enacted on 3 July 2012.

7. ORDINARY DIVIDENDS

	2011 £000	2010 £000
Declared and paid during the year		
Interim dividend for 2011: nil pence per share (2010: 500,000,000.0 pence per share)	<u>-</u>	<u>5,000</u>

F&C TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT IN SUBSIDIARY

	2011 £000	2010 £000
Cost and valuation		
At 1 January	176,173	205,618
Impairment provided for during the year	-	(29,445)
At 31 December	176,173	176,173

In the opinion of the directors, the aggregate valuation of the company's investments is not less than the amount at which the investments are stated in the balance sheet

Details of subsidiary undertakings at 31 December 2011

Subsidiary undertaking	Holding	Percentage interest and voting rights	Country of registration or incorporation	Nature of business
WAM Holdings Limited	Ordinary shares	100	England	Holding company
F&C Property Investments Limited*	Ordinary shares	100	England	Property investment management
F&C Managers Limited*	Ordinary shares	100	England	Investment management
F&C Fund Management Limited*	Ordinary shares	100	England	OEIC investment management

* Subsidiary of WAM Holdings Limited

Impairment of fixed asset investments

The impairment charge in 2010 was determined based on a value in use calculation using cash flow projections of the subsidiary undertakings based on the latest annual financial budget approved by the directors

The discount rate applied to cash flow projections was 8.60%. This was based on weighted average cost of capital, calculated as at the year end, and took into account the relative risks associated with the revenue streams of the subsidiary undertakings of the company

Revenue projections for the first year equated to the director-approved budget for 2011. Beyond this, revenues were projected to grow at 5.30% per annum which was in line with the director's long-term view of market growth, and consistent with that experienced over the last 15 years across the markets in which assets are invested

Operating costs for the first year of the projection were driven by the budgeted profit margin for 2011. Thereafter, costs were grown at a minimum rate of 4.15% per annum, to accord with estimated future inflation and salary increases, with the margin capped at 45% as a measure of prudence, based on historical performance

A terminal value was calculated and added to the calculated net present value in order to ascertain an overall value in use of the business. The recoverable value was then compared to the carrying value of the investment in the subsidiary undertakings in order to ascertain whether any impairment existed. The directors considered the terminal value to reflect fairly the long-term nature of the business and the directors' current view is that there is no reason to believe that the business will not continue ad infinitum

F&C TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT IN SUBSIDIARY (continued)

Impairment was determined by comparing the results of the value in use calculations in respect of the revenue streams of the subsidiary undertakings to the carrying value of the investment at the year end and the deficit arising in 2010 of £29,445,000 constituted the impairment to be recognised for the year. No impairment has been recognised in 2011.

9. DEBTORS

	31 December 2011 £000	31 December 2010 £000
Amounts falling due within one year		
Loans to fellow subsidiary undertakings (i)	62,801	64,355
Loan to fellow subsidiary undertaking (ii)	10,000	10,000
Interest receivable	1	-
Amount due from immediate parent undertaking	-	1,095
	72,802	75,450

- (i) The loans to the fellow subsidiaries undertakings are unsecured, repayable on demand and subject to interest at 3-month LIBOR minus 0.25% margin.

Included in loans to fellow subsidiary undertakings is an amount of £1,070,000 (2010 £6,595,000) in respect of a provision made in relation to loans to fellow subsidiary undertakings where the directors consider recovery unlikely.

- (ii) This subordinated loan is to F&C Management Limited. It is repayable on 1 month's notice and subject to interest at 6-month Sterling LIBOR +1%.

10. CREDITORS

	31 December 2011 £000	31 December 2010 £000
Amounts falling due within one year		
Loan from immediate parent undertaking	94,379	89,377
Loans from fellow subsidiary undertakings	80,952	109,800
Loans from subsidiary undertakings	41,619	37,991
Corporation tax creditor	7,668	-
Amounts due to fellow subsidiary undertakings	1,051	-
Group relief payable	1,047	321
Other creditors	422	-
Amounts due to immediate parent undertaking	17	-
Accruals	-	17
	227,155	237,506
Amounts falling due after more than one year		
Loan from immediate parent undertaking	60,000	60,000
	287,155	297,506

The details of the loans are disclosed within note 11.

F&C TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 LOANS

The contractual terms of the company's interest bearing loans are as follows

	31 December 2011 £000	31 December 2010 £000
Loans with members of the F&C Asset Management plc Group at 3-month LIBOR minus 0.25% margin, repayable on demand	216,950	237,168
Loan with F&C Asset Management plc at 3-month LIBOR minus 0.25% margin, repayable on more than one year's notice from the lender	60,000	60,000
	<u>276,950</u>	<u>297,168</u>

Repayment periods

	31 December 2011 £000	31 December 2010 £000
Amounts repayable		
In one year or less, or on demand	216,950	237,168
In more than one year but not more than two years	60,000	60,000
	<u>276,950</u>	<u>297,168</u>

12. DEFERRED TAXATION

	2011 £000	2010 £000
Deferred tax asset at 1 January	-	1,121
Deferred tax charged to profit and loss account (note 6)	-	(1,121)
Deferred tax asset at 31 December	<u>-</u>	<u>-</u>

13. SHARE CAPITAL

	31 December 2011 £000	31 December 2010 £000
Allotted, called up and fully paid:		
1 ordinary share of £1	<u>-</u>	<u>-</u>

F&C TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT IN RESERVES

	Share capital £000	Profit and loss account £000	Total shareholder's funds £000
At 1 January 2010	-	(4,362)	(4,362)
Loss on ordinary activities after taxation	-	(24,826)	(24,826)
Interim dividend 2010	-	(5,000)	(5,000)
At 31 December 2010	-	(34,188)	(34,188)
Profit on ordinary activities after taxation	-	9,000	9,000
At 31 December 2011	-	(25,188)	(25,188)

15. RELATED PARTY TRANSACTIONS

The company has taken exemption from the requirement to disclose related party transactions with other members of the F&C Asset Management Group with the exceptions below on the basis that it is a wholly-owned subsidiary

F&C REIT Asset Management LLP Group

Following the acquisition of the REIT Asset Management LLP Group and its subsidiaries by FCAM on 3 September 2008, the company's directors, L Noé and I Smith, own 22.5% and 7.5% respectively of the A partnership units and Kendray Properties Limited owns 30.0% of the B partnership units of the F&C REIT Asset Management LLP, a fellow subsidiary undertaking. As F&C REIT Asset Management LLP is not wholly-owned, transactions between the F&C Group companies and the F&C REIT Asset Management LLP Group are considered to be related party transactions.

Loan to F&C REIT Property Asset Management plc

At 31 December 2011 the company was owed £32,156 (31 December 2010: £31,986) by F&C REIT Property Asset Management plc, a subsidiary of F&C REIT Asset Management LLP. Loan interest accrued during the year ended 31 December 2011 was £169 (31 December 2010: £137) of which £169 was outstanding at 31 December 2011 (31 December 2010: £137).

F&C Partners LLP

F&C Alternative Investments (Holdings) Limited owned 60% of F&C Partners LLP until the founder partners exercised their put options over their shares on 7 October 2011, whereupon F&C acquired the remaining 40% of the interest in the Partnership. The founder partners, both of whom held significant influence over the management of the Partnership and had the following economic interest in the Partnership until 7 October 2011, were:

F. Barthelemy	20% ownership interest
A. Culligan	20% ownership interest

These parties were considered to be related parties until the date of transfer of the membership interests. Consequently, transactions between the F&C Group companies and F&C Partners LLP are required to be disclosed as related party transactions until the date F&C Partners LLP became a wholly-owned subsidiary.

F&C TREASURY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. RELATED PARTY TRANSACTIONS (continued)

Loan from F&C Partners LLP

At 31 December 2010 the company owed £2,786 to F&C Partners LLP. Loan interest accrued during the period until 7 October 2011 when F&C Partners LLP became wholly-owned was £14 (2010: £9). £9 accrued loan interest was outstanding at 31 December 2010.

16. CONTINGENT LIABILITIES

In the normal course of its business, the company is subject to matters of litigation or dispute. While there can be no assurances, at this time the directors believe, based on the information currently available to them, that it is not probable that the ultimate outcome of any of these matters will have a material adverse effect on the financial condition of the company.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is F&C Asset Management plc. The smallest group of which the company is a member and for which Group Financial Statements are prepared is F&C Asset Management plc, the ultimate parent undertaking. Copies of the Annual Report and Financial Statements are available from its registered office at 80 George Street, Edinburgh, EH2 3BU.

In the directors' opinion, the company's ultimate parent undertaking is considered to be F&C Asset Management plc.