ANSBACHER UK GROUP LIMITED

Report and financial statements
31 December 2012



Company Registration Number 5120721

ANSBACHER UK GROUP LIMITED

Report and financial statements
31 December 2012

Contents | Page

Directors and officers	2
Directors' report	3
Statement of directors' responsibilities in respect of the directors' report and the financial statements	4
Independent auditor's report	5
Statement of comprehensive income	6
Statement of changes in equity	7
Statement of financial position	8
Statement of cash flows	9
Notes to the financial statements	10

Directors and officers

Directors

S G D Walker
G Fox

Registered office

c/o Reeves & Co LLP
Third Floor
24 Chiswell Street
London
United Kingdom
EC1Y 4YX

Company Registration Number 5120721

Directors' report

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2012

Principal activities
The Company's principal activity continues to be that of an investment holding company

Business review
The ultimate parent company decided in 2010 that it was in the best interest of the Ansbacher Group that the Group be put up for sale During this process the activities of the Company continued pending the resolution of the parent's plan

On 20 June 2011 the Company purchased five subsidiary companies of Ansbacher & Co Limited, such that their status changed from being indirect to direct subsidiaries of the Company These five subsidiaries purchased were as follows Ansbacher Trustees (UK) Limited, The Ansbacher Pension Trust Limited, Ansbacher Nominees Limited, Ansbacher Secretarial Services Limited, and, London Bridge Administration Limited Ansbacher Trustees (UK) Limited was placed into liquidation on 25 September 2012, the remaining four companies applied on the same date to be struck off from the Companies House register, and they were finally struck off on 5 February 2013

On 8 August 2012, the Ansbacher Group was restructured such that the Company acquired the remaining shares in Ansbacher & Co Ltd and also changed its shareholding from indirect to direct in Henry Ansbacher London Limited and Ansbacher Investments Limited On the same date those two former companies effected share capital reductions Ansbacher Investments Limited applied on 25 September 2012 to be struck off from the Companies House register, and it was finally struck off on 5 February 2013

Financial risk management
The financial risk management objectives and policies and exposures to credit risk, market risk and liquidity risk are covered in note 13 of the financial statements

Results and dividends
The results of the Company are set out on page 6 and the profit for the year amounted to £2,280,000 (2011 loss of £4,594,000) No dividends have been paid to the shareholder during the year (2011 £nil)

Directors
The current directors are listed on page 2 The following changes in directorship have occurred up to the date of the audit report

	Appointed	Resigned
M C Say		10 08 12
G Fox	10 08 12	
A P Trew		22 01 13
S G D Walker	22 01 13	

Auditors
On approval of these accounts, KPMG Audit Plc will resign as auditors of the company

Directors' statement as to disclosure of information to auditor
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 auditor is 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 auditor is aware of that information

On behalf of the Board of Directors
G Fox
Director



27 September 2013

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 Company financial statements in accordance with IFRSs as adopted by the EU 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 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 they have been prepared in accordance with IFRSs as adopted by the EU, 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 proper 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 a 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

Independent auditor's report

To the members of Ansbacher UK Group Limited

We have audited the financial statements of Ansbacher UK Group Limited for the year ended 31 December 2012 set out on pages 6 to 16 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 4, 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 Auditors

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 2012 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 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

SAMER HIJAZI

Samer Hijazi (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
27 September 2013

Statement of comprehensive income

For the year ended 31 December 2012

	Notes	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Interest receivable			
Interest receivable on subordinated debt		-	76
Other group interest receivable		17	3
Less interest payable			
Interest payable on subordinated debt		(238)	(376)
Other group interest payable		(73)	-
Net interest expense		(294)	(297)
Other operating income	3	2,452	392
Operating income from continuing operations		2,158	95
Operating expenses	4	(38)	-
Provision for impairment of investments in subsidiary undertakings	6	-	(4,825)
Profit / (loss) before income tax	4	2,120	(4,730)
Income tax credit	5	160	136
Profit / (loss) from continuing operations		2,280	(4,594)
Other comprehensive income, net of tax		-	-
Total comprehensive income / (loss) attributable to equity holders of the company		2,280	(4,594)

The notes from pages 10 to 16 form an integral part of these financial statements

Statement of changes in equity

For the year ended 31 December 2012

	Share capital £000	*Retained earnings £000*	*Total £000*
Balance at 1 January 2011	32,692	(22,244)	10,448
Net loss	-	(4,594)	(4,594)
At 31 December 2011 / 1 January 2012	32,692	(26,838)	5,854
Net profit	-	2,280	2,280
At 31 December 2012	32,692	(24,558)	8,134

The notes from pages 10 to 16 form an integral part of these financial statements

Statement of financial position

At 31 December 2012

	Notes	*31 December 2012 £000*	*31 December 2011 £000*
Non-current assets			
Investments in subsidiaries	6	3,598	42,760
Total non-current assets		3,598	42,760
Current assets			
Cash at bank			
Amounts owed by group undertakings	12	4,324	689
Other assets			
Amounts owed by group undertakings		208	3
Others		4	
Total current assets		4,536	692
Total assets		8,134	43,452
Equity			
Issued share capital	7	32,692	32,692
Retained earnings	8	(24,558)	(26,838)
Total equity		8,134	5,854
Non-current liabilities			
Subordinated loan payable	9	-	37,570
Current liabilities			
Accounts payable			
Amounts due to group undertakings		-	28
Total liabilities		-	37,598
Total equity and liabilities		8,134	43,452

The financial statements were approved by the board on 27 September 2013

G Fox
Director

The notes from pages 10 to 16 form an integral part of these financial statements

Statement of cash flows

For the year at 31 December 2012

	Notes	*Year ended 31 December 2012 £000*	*Year ended 31 December 2011 £000*
Cash flows from operating activities			
Profit / (loss) for the period		2,280	(4,594)
Adjustments for			
Interest income		(17)	(79)
Interest expense		311	376
In specie dividend income		75,553	
Non cash purchase of subsidiaries		(76,391)	
Impairment of investment in subsidiary		-	4,825
		1,736	528
Change in operating assets			
Other assets		(209)	(3)
Change in operating liabilities			
Accounts payable		(101)	28
Net cash flows from operating activities		1,426	553
Cash flow from investing activities			
Interest paid		(8,108)	-
Interest received		17	126
Repayment of subordinated debt		-	20,600
Repayment of subordinated debt		(29,700)	(21,000)
Dividend income		40,000	-
Net cash flows from/(used in) investing activities		2,209	(274)
Net increase in cash and cash equivalents		3,635	279
Cash and cash equivalents at 1 January		689	410
Cash and cash equivalents at 31 December	13	4,324	689

The notes from pages 10 to 16 form an integral part of the financial statements

Notes to the financial statements

1 Authorisation of financial statements and statement of compliance with IFRSs

The financial statements of Ansbacher UK Group Limited (the "Company") for the year ended 31 December 2012 were authorised for issue by the Board of Directors on 27 September 2013 and the statement of financial position was signed on the board's behalf by Mr G Fox Ansbacher UK Group Limited is a limited company incorporated and domiciled in England & Wales

The Company's principal activity continues to be that of an investment holding company

The ultimate holding company is Qatar National Bank SAQ (head office at P O Box 1000, Doha, State of Qatar), which is incorporated in Qatar and heads the largest and smallest group in which the financial statements of the Company are consolidated The immediate holding company is Ansbacher Group Holdings Limited Sarl, a company incorporated in Luxembourg The consolidated financial statements of Qatar National Bank SAQ may be obtained from 51 Grosvenor Street, London W1K 3HH

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs") The principal accounting policies adopted by the Company are set out in note 2

2 Accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost convention as modified by the inclusion of certain financial instruments at fair valuations and have been prepared on a going concern basis

The Company financial statements are presented in UK Pound Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated

The Company is exempt from the requirement to prepare group accounts under section 401 of the Companies Act 2006

Investments in subsidiaries
The Company recognises its investments in subsidiaries at cost less any provisions for impairment Income is recognised from these investments only in relation to distributions received from post-acquisition profits Distributions received in excess of post-acquisition profits are deducted from the cost of the investment

Impairment of non financial assets
The Company assesses at each reporting date whether there is an indication that an asset may be impaired If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount 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 Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset

Subordinated liabilities
Other borrowings are measured at amortised cost using the effective interest rate method Amortised cost is calculated by taking into account any costs that are an integral part of the effective interest rate

2 Accounting policies *(continued)*

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased If such indication exists, the recoverable amount is estimated A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised If that is the case the carrying amount of the asset is increased to its recoverable amount That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount less any residual value, on a systematic basis over its remaining useful life

Trade and other receivables
Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount Provision is made for any amount outstanding for more than six months Balances are written off when the probability of recovery is assessed as being remote

Cash and cash equivalents
Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less

Interest and similar income and expenses
For all financial instruments measured at amortised cost and interest bearing financial instruments classified as available-for-sale financial investments, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount

Income taxes
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity Otherwise income tax is recognised in the income statement

Future changes in accounting policies
There are no IFRSs endorsed by the European Union that have not yet been adopted by the Company that will have any material impact on the presentation of future financial statements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 31 December 2012, and have not been applied in preparing these financial statements None of these is expected to have a significant effect on the financial statements of the Company

Notes to the financial statements

3 Other operating income

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Aborted sale consideration	-	392
Dividends received	2,452	-
	2,452	392

During the prior year the Company received a non-refundable deposit from a prospective purchaser of Ansbacher & Co Limited The sale did not proceed and the monies were retained by the Company

As part of the Group reorganisation, further explained in note 6, the Company received dividends of £118,005,000 during the year £40,000,000 in cash and £78,005,000 in specie Of the latter, £2,452,000 was recognised in income and £75,553,000 as a reduction of investments in subsidiaries

4 Loss for the year from continuing operations

The remuneration of the auditors, £9,000, is borne by a subsidiary undertaking

5 Taxation

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Current taxation credit		
Current year (credit)/charge	(81)	25
- Adjustment in respect of prior year	(79)	(161)
	(160)	(136)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 24 5% (2011 26 5%) The actual tax charge for the current and previous year differs from the standard rate for the reasons set out in the following reconciliation

	31 December 2012 £000	31 December 2011 £000
Profit / (loss) from continuing activities before tax	2,120	(4,730)
Tax calculated at the UK corporation tax rate of 24 5% (2011 26 5%)	519	(1,254)
Factors affecting credit for the period		
Intergroup dividend income not taxable	(600)	-
Expenses not deductible for tax	-	1,279
Adjustment in respect of prior year	(79)	(161)
Total actual amount of current tax	(160)	(136)

The main rate of UK corporation tax fell from 26% to 24% with effect from 1 April 2012 A further reduction in the rate from 24% to 23%, to take effect from 1 April 2013, was substantively enacted on 3 July 2012 and it is this rate that has been applied in calculating the Group's unrecognised deferred tax assets as at 31 December 2012

In the 2013 Budget on 20 March 2013 it was announced that there would be further reductions taking effect from 1 April 2014 and 1 April 2015, such that the main rate of UK corporation tax from 1 April 2014 would be 21% and 20% from 1 April 2015 These additional reductions have not yet been substantively enacted

The deferred tax asset of £639,000 (2011 £723,000) relating to temporary differences has not been recognised as the directors are not certain that suitable profits will be available to offset it An expected decrease in the corporate tax rate to 22% will reduce the balance of this unrecognised deferred tax asset to £556,000

Notes to the financial statements

6 Investments in subsidiaries

	Cost £000	*Provisions £000*	*Carrying value £000*
Unlisted investments			
At 1 January 2011	63,052	(15,467)	47,585
Impairment	-	(4,825)	(4,825)
At 31 December 2011	63,052	(20,292)	42,760
At 1 January 2012	63,052	(20,292)	42,760
Additions	76,391	-	76,391
Provision released	-	20,292	20,292
Dividends received	(135,845)	-	(135,845)
At 31 December 2012	3,598		3,598

Listed below are the names of the principal operating subsidiary undertakings of the Company as at 31 December 2012, which are wholly owned, and have an accounting reference date of 31 December The shareholdings are of ordinary share capital in all cases

Name of company	*Holding*	*Proportion of voting rights & shares held*	*Nature of business*
Henry Ansbacher (UK) Limited*#	Ordinary shares	100%	Investment holding company
Henry Ansbacher London Limited*#	Ordinary shares	100%	Investment holding company
Ansbacher & Co Limited*	Ordinary shares	100%	Private and specialist banking
Ansbacher Trustees (UK) Limited*#	Ordinary shares	100%	Investment holding company

** Held directly by the Company, # In liquidation*

On 20 June 2011 the Company purchased five subsidiary companies of Ansbacher & Co Limited, such that their status changed from being indirect to direct subsidiaries of the Company These five subsidiaries purchased were as follows Ansbacher Trustees (UK) Limited, The Ansbacher Pension Trust Limited, Ansbacher Nominees Limited, Ansbacher Secretarial Services Limited, and, London Bridge Administration Limited Ansbacher Trustees (UK) Limited was placed into liquidation on 25 September 2012, the remaining four companies applied on the same date to be struck off from the Companies House register, and they were finally struck off on 5 February 2013

On 8 August 2012, the Ansbacher Group was restructured such that the Company acquired the remaining shares in Ansbacher & Co Ltd and also changed its shareholding from indirect to direct in Henry Ansbacher London Limited and Ansbacher Investments Limited On the same date those two former companies effected share capital reductions Ansbacher Investments Limited applied on 25 September 2012 to be struck off from the Companies House register, and it was finally struck off on 5 February 2013

7 Issued share capital

	31 December 2012 £000	*31 December 2011 £000*
Issued, allotted, called up and fully paid		
32,691,613 (2011 32,691,613) ordinary shares of £1 each	32,692	32,692

Notes to the financial statements

8 Retained earnings

	31 December 2012 £000	31 December 2011 £000
At 1 January	(26,838)	(22,244)
Retained profit / (loss) for the year	2,280	(4,594)
At 31 December	(24,558)	(26,838)

9 Subordinated loan payable

	31 December 2012 £000	31 December 2011 £000
Subordinated loan payable to an intermediate parent undertaking	-	29,700
Accrued interest payable	-	7,870
	-	37,570

The subordinated loan was repayable in 2013, carrying interest at LIBOR 3 month plus 0 25%, fixed at the day before rollover An amount of £21,000,000 was repaid early on 23 March 2011

On 13 August 2012 the Company repaid in full the £29,700,000 subordinated loan together with accrued subordinated loan interest of £8,108,000

10 Directors' emoluments

The directors were employed and remunerated as directors or executives of Qatar National Bank SAQ and its subsidiaries ("the QNB Group") in respect of their services to the QNB Group as a whole, and it is therefore considered that there is no appropriate basis on which they can apportion part of their remuneration for their services to the Company

11 Other related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties

The Company had a banking relationship with its subsidiary, Ansbacher & Co Limited, on normal market terms During the prior year, the Company moved its banking relationship to its ultimate parent company Qatar National Bank SAQ

The Company had received a subordinated loan from QNB International Holdings Limited Sarl, an intermediate parent company, this loan was repaid during the year as detailed in Note 9

During the year the Company received in specie dividends from Henry Ansbacher (UK) Limited and Henry Ansbacher London Limited of £38,980,000 and £39,025,000 and also a cash dividend from Ansbacher & Co Limited of £40,000,000

Notes to the financial statements

12 Additional cash flow information

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Cash and cash equivalents are comprised of the following		
Due from banks	4,324	689
Operational cash flows from interest		
Interest received	17	126

13 Financial risk management objectives and policies

The main risks arising from the Company's financial statements are interest rate risk, credit risk and liquidity risk There is no foreign currency risk as all currency is denominated in sterling The Board of Directors review and agrees policies for managing each of these risks which are summarised below

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates

The Company's exposure to the risk of changes in market interest rates relates to the subordinated loan with a floating interest rate payable to the parent company

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax (though the impact on floating rate borrowings)

	Increase/decrease in basis points	Effect on profit before tax and equity £000
2012		
GBP	+-10	+-4
GBP	+-25	+-11

	Increase/decrease in basis points	Effect on profit before tax and equity £000
2011		
GBP	+-10	+-30
GBP	+-25	+-75

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation All of the Company's dealings are with related parties, which materially reduces these risks

Notes to the financial statements

13 Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2012 based on contractual undiscounted payments

	On demand £000	*Less than 3 months £000*	*3 to 12 months £000*	*1 to 5 years £000*	*More than 5 years £000*	*Total £000*
Year ended 31 December 2012						
Subordinated loan payable	-	-	-		-	-
	-	-	-	-	-	-

	On demand £000	*Less than 3 months £000*	*3 to 12 months £000*	*1 to 5 years £000*	*More than 5 years £000*	*Total £000*
Year ended 31 December 2011						
Subordinated loan payable	7,870	102	297	30,095	-	38,364
	7,870	102	297	30,095	-	38,364

14 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt The Company includes within net debt accounts payable less cash at bank Capital includes equity attributable to the equity holder and subordinated loans

	2012 £000	*2011 £000*
Subordinated loan interest payable	-	7,870
Less cash at bank	(4,324)	(689)
Net debt	(4,324)	7,181
Equity	4,906	5,854
Subordinated loan	-	29,700
Total capital	4,906	35,554
Capital and net debt	582	42,735
Gearing ratio	n/a	16 8%

15 Events after the statement of financial position date

Mr A Trew resigned as a director on 22 January 2013 and Mr S Walker was appointed as a director on the same date There were no other events after the statement of financial position date