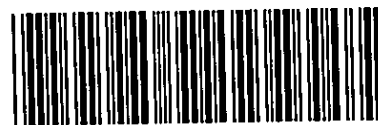


**Company Registration No. 3850593**

**FISHER INVESTMENTS EUROPE LIMITED**

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

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**FISHER INVESTMENTS EUROPE LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2011**

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# **FISHER INVESTMENTS EUROPE LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2011**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Kenneth L Fisher  
Sherrilyn A Fisher  
Carriane Coffey  
Miles A Standish  
Megan Whyte

#### **SECRETARY**

Eversecretary Limited  
Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

#### **REGISTERED OFFICE**

Second Floor, 6-10 Whitfield Street  
London  
W1T 2RE

#### **BANKERS**

The Royal Bank of Scotland plc  
London Drummonds Branch  
49 Charing Cross  
London  
SW1A 2DX

#### **SOLICITORS**

Eversheds  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4JL

#### **AUDITOR**

Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

## **FISHER INVESTMENTS EUROPE LIMITED**

### **DIRECTORS' REPORT**

The directors present their Annual Report and the audited financial statements for the year ended 31 December 2011

#### **PRINCIPAL ACTIVITIES**

Fisher Investments Europe Limited ("the Company") primarily markets the investment management services of its parent company Fisher Asset Management, LLC to members of the public in the UK

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

Fisher Investments Europe Limited commenced trading on 1 January 2000. It is regulated by the Financial Services Authority (FSA) to arrange and advise on investments that are managed by its parent company, advise on pensions, and carry on a regulated activity. The Company also has FSA authority to manage investments.

The directors are satisfied with the financial position of the company and expect the company to continue to develop in the coming year.

Due to the nature of the business of the Company, which is primarily to market the investment management services of its parent company to members of the public in the UK, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Company is discussed in the Annual Report of the parent company, which does not form part of this Report.

The balance sheet on page 8 of the financial statements shows that the Company's position at the year end is, in both net assets and cash terms, consistent with the prior year. Details of amounts owed by the parent company are shown in note 6 on page 12.

For the financial year, profit after tax was £193,038, (2010: £139,842 profit)

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company is dependent on financial support from its immediate parent, Fisher Asset Management, LLC. As such, the principal risk relating to Fisher Investment Europe Limited is the possible poor performance of the parent entity, which could affect the level of support the parent is willing to provide. The risk and uncertainties relating to the parent company are discussed in its Annual Report. The directors do not believe there are any other material risks or uncertainties particular to Fisher Investments Europe Limited.

#### **EMPLOYEES**

Details of the number of employees and related costs can be found in note 2 to the financial statements.

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend (2010: £nil).

#### **FSA PILLAR III DISCLOSURES**

Information detailing FSA Pillar III regulatory disclosures is available on application to the Company's registered address.

#### **DIRECTORS**

The directors who served throughout the year are as follows:

Kenneth L Fisher  
Sherrilyn A Fisher  
Carrienne Coffey  
Miles A Standish  
Megan Whyte

## FISHER INVESTMENTS EUROPE LIMITED

### DIRECTORS' REPORT

#### GOING CONCERN BASIS

The Company is profitable and has considerable assets available in the short term. However, the Company is reliant on its parent entities for financial support. As such, our assessment of the going concern basis for the Company must consider the position of the group, headed by Fisher Asset Management LLC.

The Board has acknowledged the latest guidance on going concern. The group has considerable financial resources and remains profitable. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The group is committed to support Fisher Investments Europe Limited for at least 12 months from the signing of this report. Therefore, the financial statements have been prepared on a going concern basis.

#### AUDITOR

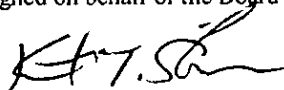
Each of the persons who is a director at the date of approval of this Report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Director

Name Kenneth L Fisher

Date 16, MARCH 2012

Registered Company Address Second Floor, 6-10 Whitfield Street, London W1T 2RE

## **FISHER INVESTMENTS EUROPE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual 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 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 judgements 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FISHER INVESTMENTS EUROPE LIMITED**

We have audited the financial statements of Fisher Investments Europe Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account and the Balance Sheet and the related notes 1 to 14. 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 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, 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**

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 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 annual 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 company's affairs as at 31 December 2011 and of its 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 MEMBERS OF FISHER INVESTMENTS EUROPE LIMITED, CONTINUED**

**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



Garrath Marshall

(Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London

United Kingdom

Date 16 March 2012



## FISHER INVESTMENTS EUROPE LIMITED

### PROFIT AND LOSS ACCOUNT For the year ended 31 December 2011

	Note	2011 £	2010 £
TURNOVER	1	5,402,152	3,904,616
Cost of sales		<u>(5,144,907)</u>	<u>(3,718,682)</u>
<b>GROSS AND OPERATING PROFIT</b>	3	257,245	185,934
Interest receivable and similar income		<u>4,543</u>	<u>4,042</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	261,788	189,976
Tax on profit on ordinary activities	4	<u>(68,750)</u>	<u>(50,134)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>		<u>193,038</u>	<u>139,842</u>

There are no recognised gains or losses for the respective financial years other than the profit of £193,038 (2010 £139,842 profit) shown above. Accordingly, no statement of total recognised gains and losses is required.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the current and prior years and their historical cost equivalents.

All transactions are derived from continuing operations.

The accompanying notes are an integral part of the financial statements.

# FISHER INVESTMENTS EUROPE LIMITED

Company Registration No. 3850593

## BALANCE SHEET 31 December 2011


	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	206,288	219,058
<b>CURRENT ASSETS</b>			
Debtors	6	368,444	224,317
Cash at bank and in hand		<u>1,442,719</u>	<u>1,120,784</u>
		1,811,163	1,345,101
<b>CREDITORS amounts falling due within one year</b>	8	<u>(726,512)</u>	<u>(466,258)</u>
<b>NET CURRENT ASSETS</b>		<u>1,084,651</u>	<u>878,843</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,290,939</u>	<u>1,097,901</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	10,000	10,000
Share premium account	11	140,000	140,000
Profit and loss account	11	<u>1,140,939</u>	<u>947,901</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>1,290,939</u>	<u>1,097,901</u>

The accompanying notes are an integral part of the financial statements

These financial statements were approved by the Board of Directors on

2012

Signed on behalf of the Board of Directors

  
Director

Name Kenneth L Fisher

Date 16, MARCH 2012

# FISHER INVESTMENTS EUROPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

### 1 STATEMENT OF ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

**Accounting convention** – The financial statements are prepared under the historical cost convention.

**Tangible fixed assets** - Tangible fixed assets are capitalised and are written down to their estimated residual value by equal monthly instalments over their useful economic lives, as follows:

Office & Computer Equipment	Three years
Network Equipment	Four years
Furniture & Fixture	Seven years
Leasehold Property	Period of lease

**Capitalized Software Development Costs** - The Company accounts for internally developed software costs on the basis of capitalising computer software costs of this nature as they are incurred. Capitalized costs are amortized over three years on a straight-line basis beginning when the software is completed and ready for use. As at 31 December 2011, the Company had capitalized £42,913 with accumulated amortization of £13,112 in internally developed software costs. The capitalized costs are included in the balances for office and computer equipment per note 5.

**Turnover** - The turnover and pre-tax profit, which arises in the United Kingdom, is attributable to one activity that of providing marketing services for its parent company.

**Current Taxation** - Current tax, including UK Corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred Taxation** - Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Operating Leases** – Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

**Cash Flow Statement** – The Company is exempt from producing a cash flow statement as it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group and that consolidated financial statements, in which the Company is included, will be available at the parent company's office.

**Basis of preparation** – The Financial Statements have been prepared on a going concern basis. The directors' assessment of the going concern basis is discussed in the Directors' Report under the heading "Going concern basis".

**Retirement Benefit Costs** – Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The total cost arising from the contributions earned by eligible employees in 2011 and 2010 is disclosed in note 2 to the financial statements.

**FISHER INVESTMENTS EUROPE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2011**

**2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The total emoluments of the directors of the Company were as follows

	2011 £	2010 £
<b>Director's aggregate emoluments</b>		
Of only Director receiving emoluments	424,600	323,880
	<u>424,600</u>	<u>323,880</u>
	2011 £	2010 £
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	3,219,949	2,396,195
Social security costs	399,977	285,050
Pension scheme contribution	124,148	108,735
	<u>3,744,074</u>	<u>2,789,980</u>

The Company contributes to a defined contribution pension scheme on behalf of its employees. The pension scheme is non-contributory and the company contributes a discretionary percentage of the eligible employee's monthly base salary pay as earned. Under the pension scheme, eligible plan members may also elect to make additional contributions. The Company's total pension expense was £124,148 for the year ended 31 December 2011. The accrued pension liability of £18,311 as of 31 December 2011 was paid in January 2012.

	2011 No	2010 No
<b>Average number of persons employed (including directors)</b>		
Administration	12	10
Sales	28	21
	<u>40</u>	<u>31</u>

**3 GROSS AND OPERATING PROFIT**

	2011 £	2010 £
<b>Gross and operating profit is stated after charging</b>		
Auditors' remuneration		
-For audit services	16,800	16,000
-For other services pursuant to legislation	3,200	2,300
-Taxation Services	10,133	19,900
Depreciation	51,198	38,657
Rentals under operating leases - land and buildings	283,294	262,213
	<u>364,625</u>	<u>338,070</u>

**FISHER INVESTMENTS EUROPE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2011**

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2011 £	2010 £
<b>i) Analysis of tax charge on ordinary activities</b>		
United Kingdom corporation tax @ 26.5% (2010 28%) based on the profit for the year	(66,825)	(41,908)
Deferred tax timing differences	(1,925)	(9,789)
Prior Year Adjustment	-	1,563
	<u>(68,750)</u>	<u>(50,134)</u>

**ii) Factors affecting tax charge for the current period**

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK 26.5% (2010 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	261,788	189,976
Tax at 26.5% (2010 28%) thereon	(69,374)	(53,193)
Effects of		
Relief for tax at the marginal rate	3,672	5,770
Expenses not deductible for tax purposes	(1,919)	(1,197)
Capital allowances in excess of depreciation	2,041	8,028
Depreciation on non-qualifying assets	(1,245)	(1,316)
Current tax charge for period	<u>(66,825)</u>	<u>(41,908)</u>

## FISHER INVESTMENTS EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2011

#### 5 FIXED ASSETS

Tangible Fixed Assets	Office & Computer Equipment £	Network Equipment £	Furniture and Fixture £	Leasehold Property £	Total £
<b>Cost</b>					
Cost at 1 January 2011	105,569	46,292	31,885	158,129	341,875
Additions	38,429	-	-	-	38,429
Assets transferred from parent	15,650	-	-	-	15,650
Retirement/Disposal	-	-	-	-	-
Cost at 31 December 2011	<u>159,647</u>	<u>46,292</u>	<u>31,885</u>	<u>158,129</u>	<u>395,953</u>
<b>Accumulated Depreciation</b>					
At 1 January 2011	61,689	22,182	8,730	30,216	122,817
Depreciation for the year	19,257	11,573	4,555	15,813	51,198
Assets transferred from parent	15,650	-	-	-	15,650
Retirement/Disposal	-	-	-	-	-
At 31 December 2011	<u>96,596</u>	<u>33,755</u>	<u>13,285</u>	<u>46,029</u>	<u>189,665</u>
<b>Net Book Value at 31 December 2011</b>	<u>63,051</u>	<u>12,537</u>	<u>18,600</u>	<u>112,100</u>	<u>206,288</u>
<b>Net Book Value at 31 December 2010</b>	<u>43,880</u>	<u>24,110</u>	<u>23,155</u>	<u>127,913</u>	<u>219,058</u>

#### 6 DEBTORS

	2011 £	2010 £
Amounts owed by parent undertaking	268,444	163,913
VAT	45,615	5,674
Prepayments	54,385	54,730
	<u>368,444</u>	<u>224,317</u>

#### 7 DEFERRED TAX

	2011 £	2010 £
Movement on deferred taxation balance in the year		
Opening balance	(25,548)	(15,759)
Debit to profit and loss account	(1,925)	(9,789)
Closing balance, deferred tax (liability)	<u>(27,473)</u>	<u>(25,548)</u>

The deferred tax balance arises due to capital allowances in excess of depreciation and others (£27,473) 2010 (£25,548), see note 4

**FISHER INVESTMENTS EUROPE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2011**

**8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Other creditors including taxation	268,857	159,032
Deferred tax liability (see note 7)	27,473	25,548
Accruals	430,182	281,678
	<u>726,512</u>	<u>466,258</u>

**9 OBLIGATIONS UNDER OPERATING LEASES**

	2011 £	2010 £
<b>Annual commitments under non-cancellable operating leases expiring as follows</b>		
<b>Expiry date.</b>		
After five years	307,500	307,500
Total	<u>307,500</u>	<u>307,500</u>

The term of the Company's lease of the premises is ten years from and including 3 October 2008. The review date of the lease is October 3, 2013 and the company has the option to terminate the lease on such date or extend the lease term for another five years. The current annual lease cost is £307,500.

**10 CALLED UP SHARE CAPITAL**

	2011 £	2010 £
<b>Authorised, called up, allotted and fully paid</b>		
10,000 Ordinary shares of £1 each	10,000	10,000

**11 STATEMENT OF MOVEMENT ON RESERVES**

	Share premium account £	Profit and loss account £	Total £
Balance at 1 January 2011	140,000	947,901	1,087,901
Movement for the year	-	193,038	193,038
Balance at 31 December 2011	<u>140,000</u>	<u>1,140,939</u>	<u>1,280,939</u>

## FISHER INVESTMENTS EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2011

#### 12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the year	193,038	139,842
Net addition to shareholders' funds	193,038	139,842
Opening shareholders' funds	1,097,901	958,059
Closing shareholders' funds	1,290,939	1,097,901

#### 13 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's ultimate parent company and the parent of the largest group for which group accounts are prepared is Fisher Investments, Inc, a company incorporated in the United States of America. The Company's immediate parent who owns 100% of the Company's share capital and the smallest group for which group accounts are prepared is Fisher Asset Management, LLC, a company formed in the United States of America.

Copies of the group financial statements are available from 13100 Skyline Boulevard, Woodside, CA 94062-4547.

The controlling party of the company is Fisher Investments Inc.

#### 14. RELATED PARTIES

Income received during the period from the ultimate parent company, Fisher Investments, Inc, was £nil (2010 £nil) and from the immediate parent company, Fisher Asset Management, LLC, was £5,402,152 (2010 £3,094,616). At the year end, £268,444 (2010 £163,913) was owed by the immediate parent company Fisher Asset Management, LLC.