

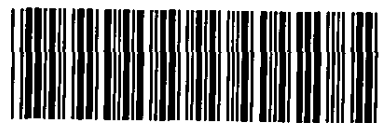
Philadelphia National Limited

**Directors' report and financial
statements**

Registered number 1900910

31 December 2009

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Directors' report and financial statements

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Officers and professional advisers

Directors

PJ Botterill
BE Owen
RL Brims

Secretary

R L Brims

Auditors

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Registered Office

1 Plantation Place
30 Fenchurch Street
London
EC3M 3BD

Directors' report

The directors present their Directors' Report and the audited financial statements for the year ended 31 December 2009

Principal activity

Philadelphia National Limited ("the Company") is established as an investment company. The Company's principal activity is earning income on interest bearing cash assets. However, as part of a group wide exercise to simplify the legal entity structure of the Wells Fargo & Company organisation, the decision was taken mid 2009 to liquidate the Company in the near term. As the directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis.

Review of the business

There are no business plans for the Company, as the directors expect to liquidate the Company in the near term.

Directors' Indemnities

None of the Directors of the Company benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Results, dividends and transfers to reserve

The profit before taxation for the year amounted to £604k (2008 £1,696k). The directors do not recommend the payment of a dividend (2008 £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

RL Brims
PJ Botterill
BE Owen

None of the directors had any interests, as defined by the Companies Act 2006, in the shares of the Company throughout the year.

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2008 Nil).

Disclosure of information to auditors

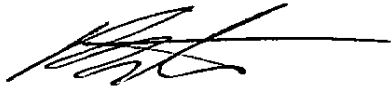
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the board



P.J. Botterill
Director

1 Plantation Place
30 Fenchurch Street
London EC2N 3AB

16 September 2010

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).

The financial statements are required by law to 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

As explained in note 1 to the financial statements, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

Independent auditors' report to the members of Philadelphia National Limited

We have audited the financial statements of Philadelphia National Limited for the year ended 31 December 2009 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements.

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 auditors' 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 auditors

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 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 web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of its profit for the year then ended 31 December 2009,
- 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.

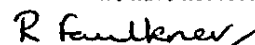
Opinion on other matter prescribed by the Companies Act 2006

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.



R Faulkner (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB

16 September 2010

Registered number 1900910 / 31 December 2009

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Interest Income	2	617	1706
Other operating expenses	3	(12)	(10)
Other income		-	-
		<hr/>	<hr/>
Profit on ordinary activities before tax		605	1,696
Tax on profit on ordinary activities	5	(127)	(806)
		<hr/>	<hr/>
Retained profit for the year		478	890
		<hr/>	<hr/>

The notes on pages 8 to 11 form an integral part of these financial statements

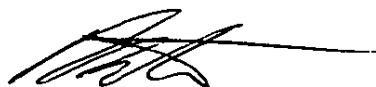
There are no recognised gains or losses other than those included in the profit and loss account for the year

Balance sheet
at 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Current assets			
Debtors	6	1	3
Cash		31,319	31,190
		<u>31,320</u>	<u>31,193</u>
Creditors: amounts falling due within one year	7	(140)	(491)
		<u>31,180</u>	<u>30,702</u>
Net current assets			
		<u>31,180</u>	<u>30,702</u>
Net assets		<u>31,180</u>	<u>30,702</u>
Capital and reserves			
Called up share capital	8	2,539	17,752
Share premium account		4,357	4,357
Capital redemption reserve		15,220	7
Profit and loss account	9	9,064	8,586
		<u>31,180</u>	<u>30,702</u>
Shareholders' funds	10	<u>31,180</u>	<u>30,702</u>

The notes on pages 8 to 11 form an integral part of these financial statements

These financial statements were approved by the board of directors on 16 September 2010 and was signed on its behalf by



P.J. Botterill
Director

Notes

(Forming part of the financial statements)

1 Principal accounting policies

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

a) *Basis of accounting*

In previous years, the financial statements have been prepared on a going concern basis. However, as part of a group wide exercise to simplify the legal entity structure of the Wells Fargo & Company organisation, the decision was taken mid 2009 to liquidate the Company in the near term. As the directors intend to liquidate the company following the settlement of the remaining net assets, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Turnover, cost of sales and gross profit (as prescribed in the Companies Act 2006) do not have any meaningful equivalents in a financial markets business and are therefore not included.

The Company has taken advantage of the exemptions allowed by FRS 8 Related Party Disclosures and has not disclosed any related party transactions with entities of the Wells Fargo & Company Group.

The Company has taken advantage of the exemption conferred by FRS 1 Cash Flow Statements (revised) from presenting a cash flow statement as it is a wholly owned subsidiary of a parent which produces publicly available consolidated accounts.

b) *Interest Income*

Interest income is recognised in the income statement using the effective interest rate method. The effective interest rate method is the rate that exactly discounts the estimated future cash payments and receipts throughout the expected life of the financial asset or liability to the carrying amount of the financial asset or liability.

c) *Foreign Exchange*

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the year end date. All exchange differences are dealt with in the profit and loss account.

d) *Taxation*

The Company provides for taxation using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all timing differences which occur where items are tax-effected in a period different from that in which they are recognised in the financial statements.

Deferred tax assets are only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the timing differences and tax losses can be deducted.

Notes (continued)

2 Interest Income

	2009 £000	2008 £000
Interest received from other group companies	617	1,706
Interest Income	<u>617</u>	<u>1,706</u>

3 Other operating expenses

	2009 £000	2008 £000
<i>Other operating expenses include</i>		
Auditors Remuneration:		
Audit of these financial statements	8	10

There were no staff employed by the Company during the year (2008 nil)

4 Directors Remuneration

Directors in respect of their services received no emoluments during the year (2008 nil)

5 Taxation

The charge for taxation comprises:

	2009 £000	2008 £000
UK Corporation tax - current year	127	486
– adjustment in respect of prior year	-	320
Total current tax	<u>127</u>	<u>806</u>

Notes (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the standard rate of corporation tax in the UK (28%) (2008 28.5%) The differences are explained below

	2009 £000	2008 £000
Profit on ordinary activities before tax	605	1,696
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	169	483
Effects of prior year adjustment	-	320
Management expenses (utilised)/not utilised	(42)	3
Total current tax	127	806

Factors that may affect future tax charges

Deferred Tax Asset is not recognised in view of the directors' intention to wind down the company

6 Debtors: amounts receivable within one year

	2009 £000	2008 £000
Intercompany accrued interest receivable	1	3
	1	3

7 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Other creditors	140	491
	140	491

Notes (continued)

8 Called up share capital

	2009 £000	2008 £000
Authorised		
50,000,000 Ordinary Shares of £1 each	50,000	50,000
Issued, and fully paid up		
2,539,000 fully paid up Ordinary Shares of £1 each	2,539	17,752

During the year, the company cancelled 15,212,832 of its ordinary shares of £1 each, representing 85.7% of its issued and paid up share capital

9 Profit and loss account

	2009 £000	2008 £000
Balance at 1 January	8,586	7,696
Retained profit for the year	478	890
Balance at 31 December	9,064	8,586

10 Reconciliation of movement in shareholders' funds

	2009 £000	2008 £000
Opening shareholders' funds	30,702	28,812
Retained profit for the year	478	890
Closing shareholders' funds	31,180	30,702

11 Ultimate parent company

The Company is a wholly owned subsidiary of Philadelphia International Equities Inc, a company incorporated in the United States of America. The ultimate parent company is Wells Fargo & Company, a company incorporated in the United States of America. Copies of the financial statements of this company are available from 1 Plantation Place, 30 Fenchurch Street, London, EC3M 3BD