

Northern Trust Fiduciary Services (UK) Limited

Annual Financial Statements
for the year ended 31st December 2005
together with Directors' and Independent Auditors' Reports



Registered in England No. 2362041

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)

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Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Company Information

Directors

Mr F. L. Nejdil
Mr N. Ring
Mr S. Briggs

Company Secretary

Mr J. Tomlinson

Registered Office

50 Bank Street
Canary Wharf
London
E14 5NT

Auditors

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Solicitors

Clifford Chance
Limited Liability Partnership
10 Upper Bank Street
Canary Wharf
London E14 5JJ

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Directors' Report
For the year ended 31st December 2005

The Directors have pleasure in presenting their annual report on the affairs of Northern Trust Fiduciary Services (UK) Limited, together with the Financial Statements and Auditors' Report, for the year ended 31st December 2005.

Principal activities

The principal activity of the Company is to provide trust administration services to clients, principally based within the UK.

Business Review

On 31st March 2005, the Company became a subsidiary of the Northern Trust Group, following the completion of the agreement to sell Financial Services Group Limited and its subsidiary undertakings which was entered into between ING Group NV and Northern Trust Corporation on the 22nd November 2004.

On the 31st August 2005 the Company changed its name from Baring Trust Co. Limited to Northern Trust Fiduciary Services (UK) Limited.

Future Outlook of the Business

It is the intention of the Directors to develop the current principal activity of the Company and its subsidiary.

Results and Dividend

The financial statements for the year ended 31st December 2005 are set out on pages 6 to 12. The loss for the year after taxation was GBP £ 85,958 (2004: Loss GBP £ 173,980).

The Directors do not recommend the payment of a dividend (2004: Nil).

Directors

The Directors who served during the year were as follows:-

| | | |
|------------------|----------|---------------------------------------|
| Mr F. L. Nejdí | American | <i>(Appointed 30th December 2005)</i> |
| Mr S. Briggs | British | |
| Mr N. Ring | British | <i>(Appointed 30th December 2005)</i> |
| Mr N.P de La Rue | British | <i>(Resigned 31st May 2005)</i> |

The Board appointed Mr J. Tomlinson as Company Secretary on the 14th September 2006 and thanked the outgoing Secretary, Miss S. Abeysekera for her service on behalf of the Company. Prior to the acquisition, Baring Investment Services Limited was the Company Secretary.

Directors' interests

None of the Directors who held office at the end of the financial year or any of their related parties held any disclosable interest in the shares of the Company during the year. The Directors' interests in other group companies are not disclosable in the financial statements of this Company.

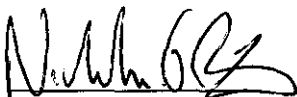
Charitable and political contributions

The Company made no charitable or political contributions during the year.

Auditors

Pursuant to an elective resolution passed by the sole shareholder of the Company, the Company has elected pursuant to Section 386(1) of the Companies Act 1985 to dispense with the annual obligation to appoint KPMG Audit Plc as auditors of the Company.

By Order of the Board,



Mr N. Ring
Director

50 Bank Street
Canary Wharf
London
E14 5NT

31st October 2006

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Statement of Directors' responsibilities
For the year ended 31st December 2005

Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of state of the affairs of the Company and of the profit or loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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
Northern Trust Fiduciary Services UK Limited
(Formerly known as Baring Trust Co. Limited)
For the year ended 31st December 2005**

We have audited the financial statements of Northern Trust Fiduciary Services (UK) Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The Directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Registered Auditors
8 Salisbury Square
London
EC4Y 8BB

31st October 2006

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Profit and Loss Account
For the year ended 31st December 2005

| | Notes | 2005 GBP £ | 2004 GBP £ |
|--|-----------|------------------------|-------------------------|
| Income | 1 | 973,048 | 1,296,181 |
| Administrative expenses | 2 | <u>(1,111,665)</u> | <u>(1,561,111)</u> |
| Loss on ordinary activities before interest | | (138,617) | (264,930) |
| Interest receivable from group undertakings | | 22,474 | 23,251 |
| Interest payable from group undertakings | | <u>(43)</u> | <u>(5,356)</u> |
| Loss on ordinary activities before taxation | | (116,186) | (247,035) |
| Taxation | 5 | <u>30,228</u> | <u>73,055</u> |
| Loss on ordinary activities after taxation | | <u>(85,958)</u> | <u>(173,980)</u> |
| Retained Loss for the year | 10 | <u>(85,958)</u> | <u>(173,980)</u> |

The notes on pages 10 to 13 form part of these financial statements.

All gains and losses have been recognised in the profit and loss account. In accordance with Financial Reporting Standard No. 3, a Statement of Total Recognised Gains and Losses is therefore not required.

All income and expenses arise from continuing activities.

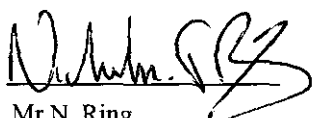
There are no material differences between the results as disclosed above and the results on an unmodified historic cost basis.

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Balance Sheet
As at 31st December 2005

| | Notes | 2005 GBP £ | 2004 GBP £ |
|---|-------|------------------|------------------|
| Current Assets | | | |
| Debtors | 6 | 627,849 | 430,739 |
| Cash at bank and in hand | | <u>734,226</u> | <u>626,419</u> |
| | | 1,362,075 | 1,057,158 |
| Creditors: amounts falling due within one year | 8 | <u>953,991</u> | <u>563,116</u> |
| Net Current Assets | | <u>408,084</u> | <u>494,042</u> |
| Capital and Reserves | | | |
| Called up share capital | 9 | 850,002 | 850,002 |
| Profit and loss account | 10 | <u>(441,918)</u> | <u>(355,960)</u> |
| Equity Shareholders' Funds | | <u>408,084</u> | <u>494,042</u> |

The notes on pages 9 to 12 form part of these financial statements.

These financial statements were approved on 31st October 2006 and signed on behalf of the Board of Directors by:



Mr N. Ring
Director

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Statement of Accounting Policies
For the year ended 31st December 2005

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

Basis of Preparation

The accounts have been prepared under the historical cost convention in accordance with the special provisions of Section 255 of Part VII of the Companies Act 1985 relating to banking groups and companies and with applicable accounting standards.

Income

Fee income represents amounts derived from the provision of trustee services to clients and is recognised in the profit and loss account as it

Taxation

Corporation tax is calculated based on the taxable profits for the year. Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

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.

Foreign Currency

The functional currency of the Company is Sterling. The Directors consider it appropriate, therefore, to prepare the Company's financial statements in this currency.

Transactions in currencies other than Sterling are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in currencies other than Sterling at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

Loans and advances

Loans and advances are valued at cost, net of specific and general provisions, if any. Interest of doubtful collectibility is excluded from the profit and loss account and credited to a suspense account.

Cash Flow Statement

The Company has taken advantage of the exemption available under Financial Reporting Standard 1 (Cash Flow statements - revised 1996) not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a company whose financial statements are publicly available.

Post Retirement Benefits

Until 31 March 2005, the Company was a participant in the ING Barings Pension Trust Fund. Following the transfer of ownership of Financial Services Group Ltd, the Company ceased to be a participant in the ING Barings Pension Trust Fund.

The legal employer of the Company's staff is Northern Trust Management Services Ltd, a fellow group undertaking. Northern Trust Management Services Limited operates both a defined benefit and defined contribution retirement scheme as well as a post retirement medical scheme. Full details of the pension arrangements to which that Company is a party are disclosed in the accounts of Northern Trust Management Services Ltd.

Long Term Incentive Plan

Until the 31 March 2005, the Company was making contributions to an independent Guernsey based employee benefit trust based on awards made under a Long Term Incentive Plan ("LTIP") arrangement. Contributions to the trust were invested by the trustees in listed equities and similar investments in order to provide a hedge against the liabilities of the LTIP. Following the acquisition of Financial Services Group Ltd, the Company ceased to make any further contributions into the LTIP. The LTIP was paid out by ING Barings.

Related Party Transactions

As a subsidiary undertaking of Northern Trust Corporation the Company has taken advantage of the exemption in FRS8 "related party disclosures" not to disclose transactions with other members of the group headed by Northern Trust Corporation.

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Notes to the Financial Statements
For the year ended 31st December 2005

1 Income

| | 2005 | 2004 |
|----------------------------|----------------|------------------|
| | GBP £ | GBP £ |
| Trust administration fees | 871,785 | 529,976 |
| Investment management fees | - | 665,317 |
| Other income | 101,263 | 100,888 |
| | <u>973,048</u> | <u>1,296,181</u> |

Trust administration fees are derived from trust administration services provided to UK clients.

2 Administrative Expenses

| | 2005 | 2004 |
|--|------------------|------------------|
| | GBP £ | GBP £ |
| Auditor's remuneration | 1,851 | 5,913 |
| Investment management fees paid to group companies | - | 665,317 |
| Other operating expenses | 1,109,814 | 889,881 |
| | <u>1,111,665</u> | <u>1,561,111</u> |

During 2004 investment management fees received from clients were paid to group companies of the ING Barings Company who acted as *investment Managers for the corresponding funds*. This inter-group remuneration structure ceased at the change in Company ownership.

3 Employees

The average number of staff employed in management and administration of the Company during the year ended 31 December 2005 was 6 (2004: 9). These employees are legally employed by Northern Trust Management Services Ltd, a fellow group undertaking, and their respective costs are recharged to the Company.

Aggregate remuneration of all employees was:

| | 2005 | 2004 |
|-----------------------|----------------|----------------|
| | GBP £ | GBP £ |
| Salaries | 476,128 | 451,061 |
| Social Security costs | 38,034 | 42,142 |
| Other pension costs | 44,637 | 57,754 |
| | <u>558,799</u> | <u>550,957</u> |

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Notes to the Financial Statements (continued)
For the year ended 31st December 2005

4 Director's Remuneration

| | 2005 GBP £ | 2004 GBP £ |
|--|-----------------------|-----------------------|
| Directors' emoluments excluding amounts relating to long term incentive plan | 123,324 | 103,019 |
| Remuneration under long term incentive plan | - | 16,480 |
| Company contribution to money purchase pension schemes | 7,881 | 10,032 |
| | <u>131,205</u> | <u>129,531</u> |
| Number of Directors' | | |
| Retirement benefits are accruing to the following number of directors under: | | |
| Money purchase pension schemes | <u>1</u> | <u>1</u> |

Until the 31 March 2005, the Company was making contributions to an independent Guernsey based employee benefit trust based on awards made under a Long Term Incentive Plan ("LTIP") arrangement. Contributions to the trust were invested by the trustees in listed equities and similar investments in order to provide a hedge against the liabilities of the LTIP. Following the acquisition of Financial Services Group Ltd, the Company ceased to make any further contributions into the LTIP. The LTIP was paid out by ING Barings.

5 Taxation

| | 2005 GBP £ | 2004 GBP £ |
|---|-----------------------|-----------------------|
| Analysis of charge in the year | | |
| Current tax | | |
| UK Corporation tax | (34,856) | (73,055) |
| Current tax credit on ordinary activities | <u>(34,856)</u> | <u>(73,055)</u> |
| Deferred Tax | | |
| Origination and reversal of timing differences | 4,628 | - |
| Total deferred tax (note 7) | <u>4,628</u> | <u>-</u> |
| Total tax credit on ordinary activities | <u>(30,228)</u> | <u>(73,055)</u> |
| | 2005 GBP £ | 2004 GBP £ |
| Current tax reconciliation | | |
| Loss on ordinary activities before tax | <u>(116,186)</u> | <u>(247,035)</u> |
| Current tax at 30% (2004 : 30%) | (34,856) | (74,111) |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 1,062 |
| Capital allowances for period in excess of depreciation | - | (6) |
| Total current tax credit for the year | <u>(34,856)</u> | <u>(73,055)</u> |

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Notes to the Financial Statements (continued)
For the year ended 31st December 2005

6 Debtors

| | 2005 | 2004 |
|------------------------------------|----------------|----------------|
| | GBP £ | GBP £ |
| Trade debtors | 296,081 | 3,817 |
| Amounts owed by group undertakings | 13,644 | 67,372 |
| Other debtors | 27,456 | 35,611 |
| Prepayments and Accrued income | 182,756 | 246,256 |
| Taxation provision | 107,911 | 73,055 |
| Deferred taxation (Note 7) | - | 4,628 |
| | <u>627,849</u> | <u>430,739</u> |

7 Deferred Taxation

| | 2005 | 2004 |
|--|--------------|----------------|
| | GBP £ | GBP £ |
| At 1st January | (4,628) | (4,628) |
| Credit to the profit and loss for the year | 4,628 | - |
| At 31st December | <u>-</u> | <u>(4,628)</u> |

The elements of deferred taxation are as follows:

| | | |
|--------------------|----------|----------------|
| Timing differences | - | (4,628) |
| Deferred Tax Asset | <u>-</u> | <u>(4,628)</u> |

8 Creditors (All amounts falling due within one year)

| | 2005 | 2004 |
|-----------------------------------|----------------|----------------|
| | GBP £ | GBP £ |
| Amounts due to group undertakings | 702,117 | 271,074 |
| Other creditors | 106,182 | 185,946 |
| Accruals and deferred income | 145,692 | 106,096 |
| | <u>953,991</u> | <u>563,116</u> |

9 Share Capital

| | 2005 | 2004 |
|--------------------------------------|------------------|------------------|
| | GBP £ | GBP £ |
| Authorised: | | |
| 1,000,000 Ordinary Shares of £1 each | <u>1,000,000</u> | <u>1,000,000</u> |
| Issued and fully paid: | | |
| 850,002 Ordinary Shares of £1 each | <u>850,002</u> | <u>850,002</u> |

Northern Trust Fiduciary Services (UK) Limited
(Formerly known as Baring Trust Co. Limited)
Notes to the Financial Statements (continued)
For the year ended 31st December 2005

10 Reconciliation of Shareholders' Funds

| | Share Capital GBP £ | Profit and Loss GBP £ | Total GBP £ |
|------------------------------|---------------------------|--------------------------|----------------|
| At the beginning of the year | 850,002 | (355,960) | 494,042 |
| Loss for the year | - | (85,958) | (85,958) |
| At the end of the year | 850,002 | (441,918) | 408,084 |

11 Contingent Liability

The Company is trustee of Abbotstone Agricultural Property Trust set up in 1976. By an Extraordinary Resolution passed on the 15th October 1997 the unit holders resolved to terminate the Trust and arrangements were subsequently made for an orderly disposal of the various assets which were held.

The assets which were held in the Trust were of a nature that could lead to potential future claims which cannot be quantified at this time. To mitigate the risk the Company in its capacity as Trustee secured trustee liability cover of £30 million for a period of 6 years expiring June 2007 and Environmental cover for £20 million for 12 years from October 2001.

£3 million cash is currently held in the Trust to meet claims not met by the insurance policies, future insurance premiums, administration costs, insurance policy expenses and trustee liability related claims should suitable trustee liability insurance not be available to provide cover for 12 years from December 2001.

All parts of this agreement have been approved by the Committee of Management and were presented to and approved by the unit holders in April 2002. No such claim existed at the time of sale of the assets and neither has such claim materialised to date.

The Company has received an undertaking from Parent that if amounts became payable in connection with this claim they will be reimbursed.

12 Pension Scheme

Until 31 March 2005, the company was a participant in the ING Barings Pension Trust Fund. Following the transfer of ownership of Financial Services Group Ltd, the Company ceased to be a participant in the ING Barings Pension Trust Fund.

The legal employer of the Company's staff is Northern Trust Management Services Ltd, a fellow group undertaking. Northern Trust Management Services Ltd operates both a defined benefit and defined contribution retirement scheme as well as a post retirement medical scheme. Full details of the pension arrangements to which that Company is party are disclosed in the accounts of Northern Trust Management Services Ltd.

13 Ultimate Parent Company

The Company is a subsidiary undertaking of The Northern Trust International Banking Corporation, incorporated in the United States of America. The only group in which the results of the company are consolidated is that headed by Northern Trust Corporation. The consolidated accounts of this group are available to the public and may be obtained from, 50 South LaSalle Street, Chicago, Illinois.