

WILMINGTON TRUST (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

Registered No: 4330127

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WILMINGTON TRUST (UK) LIMITED

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WILMINGTON TRUST (UK) LIMITED

DIRECTORS AND ADMINISTRATION

REGISTERED OFFICE

Third Floor
1 King's Arms Yard
London EC2R 7AF

REGISTERED NUMBER

Registered in England number 4330127

DIRECTORS

W. J Farrell II
J M Beeson Jr
J C Schroeder

SECRETARY

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London EC2R 7AF

REGISTERED AUDITOR

Baker Tilly UK Audit LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1BP

BANKERS

HSBC Bank Plc
60 Queen Victoria Street
London EC4N 4TR

WILMINGTON TRUST (UK) LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY

The company is an investment holding company. It owns Wilmington Trust SP Services (London) Limited and Wilmington Trust SP Services (Frankfurt) GmbH, who are engaged in providing management and consultancy services, and Wilmington Trust (London) Limited, a company engaged in providing Trustee services, all primarily, though not exclusively, to special purpose companies involved in asset backed financing transactions.

BUSINESS REVIEW

The company is an investment holding company and therefore does not trade in its own right. Interest and dividends received from its subsidiaries are used to fund what little operating costs it has and to service and repay its debt to the ultimate parent company.

Ignoring its dividend receipts from its subsidiaries Wilmington Trust SP Services (London) Limited, the largest of the company's three subsidiaries, maintained the operating profit levels of 2010 (increased by 2.4%) despite difficult market conditions and moving to larger premises. Profits of Wilmington Trust SP Services (Frankfurt) GmbH increased on 2010 by 44%, a reflection of the increased activity in the German securitisation market and early results of offering the Loan Agent and Trustee services previously offered in the UK. Wilmington Trust (London) Limited produced lower profits than 2010 (down 29%), mostly due to increased overhead, however with the London operations having moved to bigger premises the company is now well placed to develop further. Continued income growth remains the target for the group through 2012 and there are no concerns that sufficient dividend income will be available for this period.

Given the straightforward nature of the business, the directors are of the opinion that further analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

FINANCIAL RISKS

The loan received from the US parent company was a sterling loan, minimising foreign exchange risk. The outstanding balance was repaid in full during the year. There is no credit risk as all debtors are effectively group companies and cash flow risk is managed with the inter-company balances.

RESULTS AND DIVIDENDS

The company's profit after taxation for the year ended 31 December 2011 amounted to £1,575,422 (2010 £1,460,478). The directors do not recommend payment of a dividend.

DIRECTORS

The directors who held office during the year and changes since 31 December 2011 were as follows:

Mr W J Farrell II
Mr J M Beeson Jr
Mr J C Schroeder

INSURANCE OF DIRECTORS

The company is covered by the group insurance of its parent company for itself and for its directors and officers.

WILMINGTON TRUST (UK) LIMITED

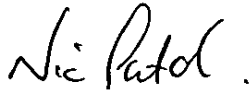
DIRECTORS' REPORT (CONTINUED)

AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

The auditor, Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By Order of the Board



Wilmington Trust SP Services (London) Limited
Company secretary
Third Floor
1 King's Arms Yard
London EC2R 7AF

15 May 2012

WILMINGTON TRUST (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent;
- c 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 WILMINGTON TRUST (UK) LIMITED

We have audited the financial statements on pages 8 to 15. 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 auditors

As more fully explained in the Directors' Responsibilities Statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the 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.

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.

Baker Tilly UK Audit LLP

Andrew Lawes (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

MK9 1BP

23 May 2012

WILMINGTON TRUST (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	Year to 31.12.11 £	Year to 31 12 10 £
Administrative expenses . . .		(11,482)	(11,585)
OPERATING LOSS ..		(11,482)	(11,585)
Dividends from group undertaking . .		1,600,000	1,500,000
Interest payable and similar charges . . .	5	(21,956)	(43,306)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION .	2	1,566,562	1,445,109
Tax on profit on ordinary activities	6	8,860	15,369
PROFIT FOR THE YEAR . . .	13	1,575,422	1,460,478

There were no gains or losses during the current or preceding year other than those passing through the profit and loss account

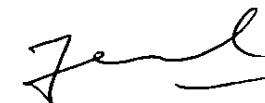
The results as stated above are all derived from continuing operations

WILMINGTON TRUST (UK) LIMITED

Registered No. 4330127

BALANCE SHEET AS AT	Notes	31.12.11 £	31.12.10 £
FIXED ASSETS			
Investments	7	<u>13,003,975</u>	<u>13,003,975</u>
CURRENT ASSETS			
Debtors	8	28,747	35,256
Cash at bank and in hand		100,098	18,066
		<u>128,845</u>	<u>53,322</u>
CREDITORS			
Amounts falling due within one year	9	<u>(11,499)</u>	<u>(11,398)</u>
NET CURRENT ASSETS		<u>117,346</u>	<u>41,924</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,121,321	13,045,899
CREDITORS			
Amounts falling due after more than one year	10	-	(1,500,000)
NET ASSETS		<u>13,121,321</u>	<u>11,545,899</u>
CAPITAL AND RESERVES			
Called up share capital	12	50	50
Capital contribution	13	5,049,546	5,049,546
Share premium	13	3,599,950	3,599,950
Profit and loss account	13	4,471,775	2,896,353
SHAREHOLDERS' FUNDS		<u>13,121,321</u>	<u>11,545,899</u>

These financial statements were approved by the board of directors and authorised for issue on 15 May 2012 and signed on its behalf by



J C Schroeder

)
) Director
)
)

WILMINGTON TRUST (UK) LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	31.12.11	31 12 10
	£	£
Profit for the financial year	1,575,422	1,460,478
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE FINANCIAL YEAR	<u>1,575,422</u>	<u>1,460,478</u>

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	31.12.11	31 12 10
	£	£
Profit for the financial year	<u>1,575,422</u>	<u>1,460,478</u>
Net addition to shareholders' funds	1,575,422	1,460,478
Opening shareholders' funds	<u>11,545,899</u>	<u>10,085,421</u>
Closing shareholders' funds	<u>13,121,321</u>	<u>11,545,899</u>

WILMINGTON TRUST (UK) LIMITED

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 company's financial statements

- i) **Basis of preparation:** The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules
- ii) **Going concern:** The Company's business activities, together with the business risks and uncertainties are set out in the Director's Report on pages 4 and 5. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements
- iii) **Consolidated financial statements:** The company is exempt from the requirement to prepare and deliver group financial statements by virtue of section 401 of the Companies Act 2006, and accordingly the financial statements present information about the company as an individual undertaking and not about its group
- iv) **Foreign currencies:** Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account
- v) **Taxation:** Taxation is based on the profit for the year and takes into account taxation deferred because of the differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Deferred tax is calculated 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. 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 differences can be deducted
- vi) **Investments:** Fixed asset investments are stated at cost less provision for diminution in value
- vii) **Interest bearing loans and borrowings:** All interest bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance costs in respect of the reporting period and reduced by payments made in respect of the debts in this period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

The profit on ordinary activities before taxation is stated after charging,

	Year to 31.12.11	Year to 31.12.10
Auditor's remuneration	£	£
Audit	6,900	7,363
Other services relating to tax	<u>4,536</u>	<u>3,704</u>

WILMINGTON TRUST (UK) LIMITED

NOTES (CONTINUED)

3 REMUNERATION OF DIRECTORS

None of the directors received remuneration for their services to the company during the year (2010 £Nil)

4 STAFF NUMBERS AND COSTS

The company had no employees apart from the directors

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31.12.11 £	Year to 31 12 10 £
Interest payable to parent undertaking	21,956	43,306
	<u>21,956</u>	<u>43,306</u>

6 TAXATION

Analysis of credit for the year

	Year to 31.12.11 £	Year to 31 12 10 £
<i>UK Corporation tax</i>		
Group relief	8,860	15,369
Adjustments in respect of prior periods	-	-
Total current tax credit	<u>8,860</u>	<u>15,369</u>

The current tax credit for the year is lower (2010 lower) than the standard corporation tax rate in the UK of 26.5% (2010 28%) The differences are explained below

<i>Current tax reconciliation</i>	£	£
Profit on ordinary activities before tax	1,566,562	1,445,109
Current tax at 26.5% (2010 28%)	415,139	404,631
Non taxable dividends received	(424,000)	(420,000)
Other	1	-
Total tax credit	<u>(8,860)</u>	<u>(15,369)</u>

WILMINGTON TRUST (UK) LIMITED

NOTES (CONTINUED)

7 FIXED ASSET INVESTMENTS

**Shares in
group
undertakings
£**

Cost

At 1 January and 31 December 2011

13,003,975

The principal undertakings in which the company's interest at the year end is more than 20% are as follows:

Subsidiary undertaking	Country of incorporation	Percentage of shares held
Wilmington Trust SP Services (London) Limited	United Kingdom	100%
Wilmington Trust (London) Limited	United Kingdom	100%
Wilmington Trust SP Services (Frankfurt) GmbH	Germany	100%

The profits of the subsidiary undertakings and participating interests for the year ended 31 December 2011 and their aggregate capital and reserves as at 31 December 2011 were as follows

<i>Profit for the year ended</i>	31.12.11	31 12.10
	£	£
Wilmington Trust SP Services (London) Ltd	2,447,981	1,136,111
Wilmington Trust (London) Ltd	802,042	1,108,752
Wilmington Trust SP Services (Frankfurt) GmbH	<u>364,703</u>	<u>271,531</u>
<i>Aggregate capital and reserves as at</i>	31.12.11	31 12 10
	£	£
Wilmington Trust SP Services (London) Ltd	4,717,909	3,269,928
Wilmington Trust (London) Ltd	1,152,526	950,484
Wilmington Trust SP Services (Frankfurt) GmbH	<u>862,334</u>	<u>538,976</u>

The principal activity of all of the companies was either the provision of management and consultancy services (SP Services companies) or Trustee services (Wilmington Trust (London) Limited), primarily, although not exclusively, to special purpose companies involved in asset backed financing transactions

8 DEBTORS

	31.12.11	31 12 10
	£	£
Amounts due from subsidiary undertakings	8,860	15,369
Other debtors	<u>19,887</u>	<u>19,887</u>
	<u>28,747</u>	<u>35,256</u>

Other debtors include deferred tax of £19,887 arising from losses carried forward (note 11)

WILMINGTON TRUST (UK) LIMITED

NOTES (CONTINUED)

9 CREDITORS: amounts falling due within one year

	31.12.11	31 12 10
	£	£
Accruals	<u>11,499</u>	<u>11,398</u>
	<u>11,499</u>	<u>11,398</u>

10 CREDITORS: amounts falling due after more than one year

	31.12.11	31.12 10
	£	£
Amounts owed to parent undertaking.	<u>-</u>	<u>1,500,000</u>
	<u>-</u>	<u>1,500,000</u>

The loan is unsecured and bears interest of 1% above base rate and was repaid during the current year.

11 DEFERRED TAX

	Year to	Year to
	31.12.11	31.12.10
	£	£
Asset at beginning of year	19,887	19,887
Credit to profit and loss for the year	<u>-</u>	<u>-</u>
Asset at end of year	<u>19,887</u>	<u>19,887</u>

All the deferred tax relates to losses carried forward

12 CALLED UP SHARE CAPITAL

	31.12.11	31 12 10
	£	£
Authorised		
50 ordinary shares of £1 each	<u>50</u>	<u>50</u>
	<u>50</u>	<u>50</u>
	£	£
Issued and fully paid		
50 ordinary shares of £1 each	<u>50</u>	<u>50</u>
	<u>50</u>	<u>50</u>

WILMINGTON TRUST (UK) LIMITED

NOTES (CONTINUED)

13 SHARE PREMIUM AND RESERVES

		Capital contribution	Share premium account	Profit and Loss account
		£	£	£
2010				
At beginning of year .	..	5,049,546	3,599,950	1,435,875
Retained profit for the year	..	-	-	1,460,478
At end of year .	..	<u>5,049,546</u>	<u>3,599,950</u>	<u>2,896,353</u>
2011				
At beginning of year .	. . . .	5,049,546	3,599,950	2,896,353
Retained profit for the year	. . . .	-	-	1,575,422
At end of year	. . . .	<u>5,049,546</u>	<u>3,599,950</u>	<u>4,471,775</u>

14 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 from the requirement to make disclosure concerning related parties on the basis that the ultimate parent company produces consolidated financial statements

15 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of M&T Bank Corporation, a company incorporated in the USA. At 31 December 2011 the largest group in which the results of the company are consolidated was that headed by M&T Bank Corporation. The consolidated financial statements of this company are available to the public and may be obtained from Shareholder Relations Department, One M&T Plaza, 13th Floor, Buffalo, NY 14203-2399.