

WILMINGTON TRUST (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009
Registered No· 4330127

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WILMINGTON TRUST (UK) LIMITED

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DIRECTORS AND ADMINISTRATION

REGISTERED OFFICE

Fifth Floor
6 Broad Street Place
London EC2M 7JH

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
Fifth Floor
6 Broad Street Place
London EC2M 7JH

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for year ended 31 December 2009

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.

All three companies continue to prosper. Wilmington Trust SP Services (London) Limited, the largest of the company's three subsidiaries, reported post tax profits of almost double those of 2008. Wilmington Trust (London) Limited exceeded its 2008 pre tax profits almost four fold and Wilmington Trust SP Services (Frankfurt) GmbH exceeded its 2009 target almost six fold. Continued income growth is targeted for the group through 2010 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 is a sterling loan therefore minimising foreign exchange risk. 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 2009 amounted to £695,344 (2008 £397,637). The directors do not recommend payment of a dividend.

DIRECTORS

The directors who held office during the year and changes since 31 December 2009 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.

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
Fifth Floor
6 Broad Street Place
London
EC2M 7JH

9 July 2010

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 16. 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, 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

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/UKNP.

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 2009 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

15 July 2010

WILMINGTON TRUST (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

| | Notes | Year to 31.12.09 £ | Year to 31.12 08 £ |
|--|-------|--------------------------|--------------------------|
| Administrative expenses | | (13,053) | (15,134) |
| OPERATING LOSS | | (13,053) | (15,134) |
| Dividends from group undertaking | | 750,000 | 500,000 |
| Other interest receivable and similar income | 5 | 2,324 | 9,994 |
| Interest payable and similar charges | 6 | (64,939) | (241,801) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 2 | 674,332 | 253,059 |
| Tax on profit on ordinary activities | 7 | 21,012 | 144,578 |
| PROFIT FOR THE YEAR | 14 | 695,344 | 397,637 |

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 | 31.12.09 £ | 31 12 08 £ |
|--|-------|--------------------------|-------------------------|
| FIXED ASSETS | | | |
| Investments | 8 | <u>13,003,975</u> | <u>13,003,975</u> |
| CURRENT ASSETS | | | |
| Debtors | 9 | 40,780 | 259,252 |
| Cash at bank and in hand | | 53,925 | 441,006 |
| | | 94,705 | 700,258 |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | (13,259) | (313,005) |
| NET CURRENT ASSETS | | <u>81,446</u> | <u>387,253</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 13,085,421 | 13,391,228 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 11 | (3,000,000) | (4,001,151) |
| NET ASSETS | | <u>10,085,421</u> | <u>9,390,077</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 13 | 50 | 50 |
| Capital contribution | 14 | 5,049,546 | 5,049,546 |
| Share premium | 14 | 3,599,950 | 3,599,950 |
| Profit and loss account | 14 | 1,435,875 | 740,531 |
| SHAREHOLDERS' FUNDS | | <u>10,085,421</u> | <u>9,390,077</u> |

These financial statements were approved by the board of directors and authorised for issue on 9 July 2010 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 2009**

| | 31.12.09 | 31 12 08 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Profit for the financial year | 695,344 | 397,637 |
| TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE FINANCIAL YEAR | <u>695,344</u> | <u>397,637</u> |

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2009**

| | 31.12.09 | 31 12 08 |
|--|--------------------------|-------------------------|
| | £ | £ |
| Profit for the financial year | <u>695,344</u> | <u>397,637</u> |
| Net addition to shareholders' funds | 695,344 | 397,637 |
| Opening shareholders' funds | <u>9,390,077</u> | <u>8,992,440</u> |
| Closing shareholders' funds | <u>10,085,421</u> | <u>9,390,077</u> |

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) **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
- iii) **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
- iv) **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 substantially enacted at the balance sheet date
- v) **Investments:** Fixed asset investments are stated at cost less provision for diminution in value
- vi) **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 31.12.09 | Year to 31.12.08 |
|--------------------------------|---------------------|---------------------|
| | £ | £ |
| Auditor's remuneration | | |
| Audit | 6,744 | 7,335 |
| Other services relating to tax | 3,663 | 3,466 |

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 (2008 £Nil)

4 STAFF NUMBERS AND COSTS

The company had no employees apart from the directors

5 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

| | Year to 31.12.09 £ | Year to 31 12 08 £ |
|--|-----------------------------------|-----------------------------------|
| Interest receivable from group undertakings. | 2,324 | 9,994 |
| | 2,324 | 9,994 |

6 INTEREST PAYABLE AND SIMILAR CHARGES

| | Year to 31.12.09 £ | Year to 31 12 08 £ |
|--|-----------------------------------|-----------------------------------|
| Interest payable to parent undertaking | 64,939 | 241,801 |
| | 64,939 | 241,801 |

WILMINGTON TRUST (UK) LIMITED

NOTES (CONTINUED)

7 TAXATION

Analysis of credit for the year

| | Year to 31.12.09 £ | Year to 31 12 08 £ |
|---|-----------------------------------|-----------------------------------|
| <i>UK Corporation tax</i> | | |
| Group relief | 21,012 | 69,724 |
| Adjustments in respect of prior periods . | - | 74,854 |
| Total current tax credit . | 21,012 | 144,578 |

The current tax credit for the year is lower (2008 lower) than the standard corporation tax rate in the UK of 28% (2008 28.5%) The differences are explained below

| | | |
|---|------------------|-----------|
| <i>Current tax reconciliation</i> | £ | £ |
| Profit on ordinary activities before tax | 674,332 | 253,059 |
| Current tax at 28% (2008 28.5%) | 188,813 | 72,122 |
| Disallowed expenses | 294 | 856 |
| Adjustments in respect of prior periods . | - | (74,854) |
| Non taxable dividends received | (210,000) | (142,486) |
| Other | (119) | (216) |
| Total tax credit . | (21,012) | (144,578) |

WILMINGTON TRUST (UK) LIMITED

NOTES (CONTINUED)

| | | |
|----------|-----------------------------------|---|
| 8 | FIXED ASSET INVESTMENTS | Shares in group undertakings £ |
| | Cost | |
| | At 1 January and 31 December 2009 | <u><u>13,003,975</u></u> |

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 2009 and their aggregate capital and reserves as at 31 December 2009 were as follows

| Subsidiary undertaking | Profit for the year ended 31 December 2009 £ | Aggregate capital and reserves as at 31 December 2009 £ |
|---|---|--|
| Wilmington Trust SP Services (London) Limited | 1,204,151 | 3,133,817 |
| Wilmington Trust (London) Limited | 386,889 | 341,732 |
| Wilmington Trust SP Services (Frankfurt) GmbH | <u>515,471</u> | <u>260,307</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

| | | | |
|----------|--|-----------------------|-----------------------|
| 9 | DEBTORS | 31.12.09 £ | 31 12 08 £ |
| | Amounts due from subsidiary undertakings | 20,893 | 239,365 |
| | Other debtors | <u>19,887</u> | <u>19,887</u> |
| | | <u><u>40,780</u></u> | <u><u>259,252</u></u> |

Other debtors include deferred tax of £19,887 arising from losses carried forward

WILMINGTON TRUST (UK) LIMITED

NOTES (CONTINUED)

10 CREDITORS: amounts falling due within one year

| | 31.12.09 | 31 12 08 |
|--|----------------------|-----------------------|
| | £ | £ |
| Interest payable to parent undertaking | - | 241,801 |
| Taxation | - | 58,969 |
| Accruals | <u>13,259</u> | <u>12,235</u> |
| | <u>13,259</u> | <u>313,005</u> |

11 CREDITORS: amounts falling due after more than one year

| | 31.12.09 | 31 12 08 |
|------------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Amounts owed to parent undertaking | <u>3,000,000</u> | <u>4,001,151</u> |
| | <u>3,000,000</u> | <u>4,001,151</u> |
| The loan is repayable as follows | | |
| Between two and five years | <u>3,000,000</u> | <u>4,001,151</u> |
| | <u>3,000,000</u> | <u>4,001,151</u> |

The loan is unsecured and bears interest of 1% above base rate and is repayable on the maturity date of 1 May 2012

12 DEFERRED TAX

| | Deferred Tax £ |
|--|-------------------------------|
| Asset at beginning of year | 19,887 |
| Credit to profit and loss for the year | <u>-</u> |
| Asset at end of year | <u>19,887</u> |

All the deferred tax relates to losses carried forward

WILMINGTON TRUST (UK) LIMITED

NOTES (CONTINUED)

13 CALLED UP SHARE CAPITAL

| | 31.12.09 | 31 12 08 |
|-------------------------------|-----------|-----------|
| | £ | £ |
| 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> |

14 SHARE PREMIUM AND RESERVES

| | Capital contribution | Share premium account | Profit and Loss account |
|------------------------------|-------------------------|-----------------------------|-------------------------------|
| | £ | £ | £ |
| At beginning of year | 5,049,546 | 3,599,950 | 740,531 |
| Retained profit for the year | - | - | 695,344 |
| At end of year | <u>5,049,546</u> | <u>3,599,950</u> | <u>1,435,875</u> |

15 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

16 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of Wilmington Trust Corporation, a company incorporated in the USA. The largest group in which the results of the company are consolidated is that headed by Wilmington Trust Corporation. The consolidated financial statements of this company are available to the public and may be obtained from Rodney Square North, 1100 North Market Street, Wilmington, DE 19890-0001 USA