Company No. 1688454

Rathbone Trust Company Limited

Report and financial statements 31 December 2008

Rathbone Trust Company Limited

Contents

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2008 for Rathbone Trust Company Limited (the Company).

Business review

The Company is a wholly owned subsidiary of Rathbone Brothers Plc and operates as part of the Group's Trust division.

The Company's principal activities are the provision of Trust, company management and taxation services. There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

As shown in the Company's profit and loss account on page 5, the Company has generated a profit before tax of £73,082 (2007 profit before tax £52,380). Turnover decreased by 1.3% during the year and costs decreased by 1.7%. 2008 results include a prior year corporation tax adjustment of £795,828, which stems from revised 2006 and 2007 corporation tax computations. The revised computations include a number of transfer pricing adjustments on Group recharges from other subsidiary companies. No interim dividend was paid during the year (2007: nil). The directors do not recommend a final dividend (2007: nil).

The results for the year represent an improvement in performance against a backcloth of a challenging environment for trusts in the United Kingdom. Legislative changes in recent years have had an unwelcome impact on the use of certain types of trusts but the directors remain of the view that trusts can continue to form an important and integral part of succession planning and asset protection for clients. Recent and proposed changes to both the inheritance tax and capital gains tax regimes in the UK also provide both challenges and opportunities for the Company in advising its clients.

	2008	2007
Chargeable time recovery rate (%)[1]	100%	97%
Operating margin (%)[2]	1.48%	1.04%

1 Amounts billed as a percentage of the value of time charged
2 Profit before tax divided by turnover

The balance sheet on page 6 of the financial statements shows that the Company's financial position at the year end, in net asset terms, has increased from that in the prior year. Details of the amounts owed to its parent company are shown in note 10 to the financial statements.

Principal risks and uncertainties

Competition risk

The Company operates in a competitive market and therefore there is a risk of loss of existing clients or failure to gain new clients due to:

- poor performance or service;
- failure to respond to changes in the marketplace;
- inadequate investment in marketing or distribution; and
- loss of professional staff.

To mitigate this risk, we:

- continue to invest in the people and resources required to ensure the business remains robust, flexible and capable of meeting a variety of needs;
- continuously monitor developments in the marketplace in which we operate and invest in enhancing or broadening the services offered where we believe it will contribute to growth in earnings;
- invest in recruiting high quality staff and ensure that remuneration packages remain appropriate, and support their training and development needs; and
- regularly review, and update if necessary, contracts of employment for fee earning staff.

Reputational risk

The Company has a reputation as a high quality provider of trust and tax services. There is a risk that significant damage to reputation could lead to loss of existing clients and failure to gain new clients which would lead to financial loss.

Reputational risk arises principally from poor performance or service. This risk is mitigated by our continuing emphasis preserving and building on our established culture of seeking the highest possible professional and ethical standards.

Directors and their interests

The directors serving at the year end, all of whom have served throughout the year except as noted, were as follows:

I M Buckley (Chairman)
A M Bayliss (resigned 31 January 2008)
L J Cousins
K J Custis
I P Harvey
M L Ingall (resigned 11 November 2008)
R P Lanyon
D J McGilvray
B R Newbigging
A D Pomfret
G M Powell
A Richmond
T F Smith
O D Stanley
P I Taylor
A J Warren

Secretary: R E Loader

None of the directors had any interest in the shares of the Company at any time during the year.

The market price of Rathbone Brothers Plc's 5p Ordinary Shares at 31 December 2008 was 833.5p (2007: 1050p) and the range during the year was 696.5p to 1134p (2007: 1020p to 1420p).

Creditor payment policy

The Company does not follow a published code or standard on payment practise. The Company's policy is to fix terms of payment with suppliers in accordance with their requirements and the Company's financial procedures; and to ensure that suppliers and relevant Company departments are aware of those terms.

Auditors

The Company has passed an elective resolution dispensing with the requirement to appoint auditors annually. The Company's auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

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 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
- 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 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 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

In the case of persons who were directors of the Company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and
- each of the directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

Approved by the Board on 3 March 2009 and signed on its behalf by:

Richard Loader
Secretary
159 New Bond Street
London
W1S 2UD

Independent Auditors' Report to the members of Rathbone Trust Company Limited

We have audited the financial statements of Rathbone Trust Company Limited for the year ended 31 December 2008 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
3 March 2009

Profit and loss account the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	**4,939,208**	5,004,653
Operating Expenses			
Administrative expenses	3	**(4,866,126)**	(4,952,273)
Profit on ordinary activities before taxation	5	**73,082**	52,380
Tax credit on profit on ordinary activities	6	**810,484**	36,504
Profit for the year		**883,566**	88,884

Continuing operations

The results for the year reflect continuing operations.

Recognised gains and losses

There were no other recognised gains or losses in the current or preceding year.

The notes on pages 7 to 11 form part of these financial statements.

Balance sheet as at 31 December 2008

	Note	2008 £	2007 £
Fixed assets			
Intangible assets	7	1,353,071	1,473,343
Investments	8	200	200
		1,353,271	1,473,543
Current assets			
Work in progress		664,317	862,406
Trade debtors		812,397	1,244,208
Other debtors	9	3,123,334	3,630,600
Cash at bank and in hand		56,546	66,569
		4,656,594	5,803,783
Creditors: amounts falling due within one year	10	(4,408,211)	(6,559,238)
Net current assets/liabilities		248,383	(755,455)
Net assets		1,601,654	718,088
Capital and reserves			
Called up share capital	11	250,000	250,000
Profit and loss account	12	1,351,654	468,088
Equity shareholder's funds		1,601,654	718,088

Approved by the Board of Directors on 3 March 2009 and signed on its behalf by

I M Buckley, Director

A J Warren, Director

Notes to the financial statements

1. Principal accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards in the UK and under the historical cost convention.

The Company has taken advantage of the exemption allowed by Section 228 of the Companies Act 1985 and has not prepared consolidated financial statements as it is a wholly owned subsidiary undertaking of Rathbone Brothers Plc, a company registered in England. The financial statements present information about the Company as a single entity only.

Under Financial Reporting Standard 1 (Revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the Company in its own published consolidated financial statements, in which a consolidated cash flow statement is presented.

Headcount figures for 2007 have been restated for consistency with 2008. The restated comparative figures exclude the allocation of employees of other Group subsidiaries who provide shared services. The cost of such employees is recharged from other Group companies and is recognised within management recharges

Segmental information

In the opinion of the directors, the Company operates in one geographical and business segment, being the provision of trust, company management and taxation services carried out in the United Kingdom.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts and VAT. Turnover is calculated by reference to the estimated stage of completion of the service rendered and the estimated recoverability of work in progress and debtors in relation to this income.

Taxation

Current 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 tax is recognised, without discounting, 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the separable net assets acquired is capitalised and amortised to nil on a straight line basis over its useful economic life, which is 20 years.

Goodwill is subject to annual review for impairment. The carrying value of goodwill is written down by the amount of any permanent impairment and the loss is charged as an operating cost to the profit and loss account in the period in which this occurs. The carrying value of goodwill may be written up to a value no higher than the original depreciated cost, should an external event reverse the effects of a previous impairment.

On the subsequent disposal or termination of an acquired business, the unamortised amount of any related goodwill is taken into account in calculating the profit or loss on disposal or termination.

Shares in group undertakings

Shares in group undertakings are carried at cost except where provisions are made for permanent impairment in value.

Work in progress

Work in progress is valued at the expected recoverable amount, including an appropriate portion of profit, calculated by reference to the stage of completion of the services rendered. The corresponding income is recognised within trustee, taxation and company management fees.

Notes to the financial statements (continued)

Provisions for bad and doubtful debts
Specific provisions for bad and doubtful debts are made against debtors for which the recovery is considered doubtful. Debtors are written off where there is no realistic prospect of recovery.

1. Principal accounting policies (continued)

Assets and liabilities of trusts
In the financial statements, no account is taken of assets held or liabilities incurred by the Company in its capacity as trustee.

Clients' deposits
The Company holds money on behalf of clients in accordance with the Client Money Rules of the Financial Services Authority. Such monies and the corresponding liability to clients are not shown on the face of the balance sheet as the Company is not beneficially entitled thereto.

Foreign currencies
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Any gain or loss arising from a change in the exchange rates subsequent to the date of the transaction is reflected in the profit and loss account.

Employee Benefits
The parent company operates share based payment incentive schemes and defined benefit pension schemes for the benefit of its employees. The associated charges to profit and loss that relate to employees that provide services to the Company are recharged to the Company by its parent. Recharges relating to pension costs are disclosed within staff costs. Recharges relating to share based payments are included within administrative expenses.

2. Turnover

	2008 £	2007 £
Trustee, taxation and company management fees	**4,894,604**	4,885,704
Fees received from other Group companies	**39,742**	85,327
Sundry income	**4,862**	33,622
	4,939,208	5,004,653

3. Staff costs

The Company does not employ any staff. All Rathbone group staff are employed by Rathbone Brothers Plc, the Company's ultimate parent undertaking, and related costs for those employees that provide services to the Company are recharged to the Company. The total staff costs recharged to the Company were as follows.

	2008 £	2007 £
Wages and salaries	**2,518,365**	2,650,386
Social security costs	**290,906**	304,803
Pension costs	**219,700**	270,949
	3,028,971	3,226,138

The Company pays contributions on behalf of its parent company Rathbone Brothers Plc to a defined contribution personal pension scheme and contributes to various other personal pensions arrangements, for certain directors and employees of Rathbone Brothers Plc. The total contributions made during the year were £68,021 (2007: £53,381). Pension scheme costs for the Rathbone Plc defined benefit scheme.

The average number of employees employed by Rathbone Brothers Plc to serve the Company during the year was 43 (2007 restated : 47).

Notes to the financial statements (continued)

4. Directors' emoluments

Directors are employed by Rathbone Brothers Plc, the Company's ultimate parent undertaking. Directors' remuneration associated with their position as directors of the Company was as follows:

	2008 £	2007 £
Emoluments for qualifying services	1,086,746	1,149,456
Contributions to money purchase pension schemes	21,451	24,054
	1,108,197	1,173,510

Retirement benefits are accruing to the following number of directors under:

	2008	2007
Money purchase schemes	3	3
Defined benefit schemes	8	8

The aggregate emoluments and amounts receivable under long term incentive schemes of the highest paid director was £134,672 (2007: £127,621). He is a member of the parent company's defined benefit scheme under which his accrued pension at the year end was £30,771 (2007: £13,284).

The number of directors, in respect of whose services shares were received or receivable under long term incentive plans was:

	2008	2007
	4	4

5. Profit/(Loss) on ordinary activities before tax

Profit on ordinary activities after tax is stated after charging:

	2008 £	2007 £
Amortisation of goodwill	120,272	120,272

Auditor's remuneration is borne by a fellow subsidiary company. Audit fees for the year in relation to services provided to the Company totalled £26,900 (2007: £25,900).

6. Taxation

The tax charge comprises:

	2008 £	2007 £
Current tax		
UK corporation tax (credit) on profit for the year	(14,656)	(36,504)
Adjustments relating to prior years	(795,828)	-
Total current tax credit	(810,484)	(36,504)

The tax credit for the year is higher than the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before taxation	73,082	52,380
Tax on profit on ordinary activities at the UK standard rate of 28.5% (2007 30%)	20,826	15,714
Effects of:		
Expenses not deductible for tax purposes	33,608	42,792
Tax adjustment for transfer pricing	(69,090)	(95,010)
Adjustments to tax charge in respect of prior periods	(795,828)	
	(810,484)	(36,504)

The adjustments to the tax charge in respect of prior periods is largely in relation to transfer pricing between UK Group companies. The effect of this revision to the tax charge on a Group basis is neutral.

Notes to the financial statements (continued)

7. Intangible fixed assets

Intangible fixed assets comprise unamortised goodwill transferred from a fellow subsidiary on 1 January 2001 at a net book value of £2,315,247. The goodwill arose originally from the purchase of two Trust businesses that were acquired in December 1999 and June 2000. The transfer of goodwill was made following the transfer of the operations of these Trust businesses to the Company on 1 October 2000. The goodwill is being amortised in equal instalments over 20 years from the date the businesses were acquired by the Group.

	Goodwill £
Cost	
At 1 January 2008 and 31 December 2007	2,315,247
Amortisation	
At 1 January 2008	841,904
Charge for the year	120,272
At 31 December 2008	962,176
Net book value	
At 31 December 2008	**1,353,071**
At 31 December 2007	1,473,343

8. Fixed asset investments

	2008 £	2007 £
Investments in subsidiary undertakings	**200**	200
	200	200

At the balance sheet date, the Company's subsidiary undertakings were as follows:

	Nature of business	Interest	Country of registration/ incorporation
Rathbone Directors Limited	Corporate Directorship services (non trading)	100%	England
Rathbone Secretaries Limited	Company Secretarial services (non trading)	100%	England

The accounting reference date of all subsidiary undertakings is 31 December. The interests in the subsidiaries listed above relate to ordinary shares held directly by the Company.

9. Other debtors

	2008 £	2007 £
Amounts owed by group undertakings	**1,743,621**	2,298,540
Corporation tax receivable	**49,989**	29,356
Prepayments and accrued income	**1,329,724**	1,302,704
	3,123,334	3,630,600

10. Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	**4,358,979**	6,549,058
Accruals and deferred income	**49,232**	10,180
	4,408,211	6,559,238

Notes to the financial statements (continued)

11. Called up share capital

	2007 £	2006 £
Authorised		
	250,000	250,000
250,000 Ordinary Shares of £1 each	**250,000**	250,000
Allotted, called up and fully paid		
250,000 Ordinary Shares of £1 each	**250,000**	250,000
	250,000	250,000

12. Reserves and reconciliation of movements in shareholder's funds

	Share capital £	Profit and loss account £	Total 2008 £	Total 2007 £
At 1 January 2008	250,000	468,088	**718,088**	629,204
Profit for the year	-	883,566	**883,566**	88,884
At 31 December 2008	250,000	1,351,654	**1,601,654**	718,088

13. Indemnities

Indemnities are provided by the ultimate parent company to a number of directors and employees in the Company in connection with them acting as Directors on client structures in the normal course of business.

14. Controlling parties

The ultimate parent undertaking and controlling party of the Company is Rathbone Brothers Plc, a company registered in England, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Group accounts may be obtained from the Company Secretary, Rathbone Brothers Plc, 159 New Bond Street, London W1S 2UD.

15. Related party transactions

As the Company is a wholly owned subsidiary of Rathbone Brothers Plc, the Company has taken advantage of the exemption contained in paragraph 3 of Financial Reporting Standard No 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Rathbone Brothers Plc, within which this Company is included, can be obtained from the Company Secretary, Rathbone Brothers Plc, 159 New Bond Street, London, W1S 2UD.