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BNY BT NEWCO LIMITED

**Report and Financial Statements
For the year ended 31 December 2006**



**REGISTERED NUMBER IN ENGLAND AND WALES: FC025663
REGISTERED NUMBER (CAYMAN ISLANDS): MC139317**

BNY BT NEWCO LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2006

The directors present their report together with the financial statements for the year ended 31 December 2006

Review of business and future outlook

The principal activity of the Company is to act as an investment company. No significant change in this activity is envisaged in the foreseeable future and the directors expect the company's performance to be in line with the current period.

The directors have reviewed the Company's business and performance and consider it to be satisfactory for the period. The directors consider that the Company's position at the end of the period is consistent with the size and complexity of the business.

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

Going Concern

After reviewing the Company's performance and taking into account the likelihood of available bank facilities from its ultimate parent, the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors have adopted the going concern basis in preparing the financial statements.

Results and Dividends

During the year the Company made a loss after taxation of £6,948 (2005: £54,869 loss). The directors did not declare dividends during the year (2005: preferred dividends of £180,039). The directors consider that the performance of the Company has been satisfactory during the year.

Directors

The directors of the Company, who served during the year are as shown below:

B J Hurrell
A N Janisch
A J Moses

Directors' Interests in Shares

(as defined by Section 325 of the Companies Act 1985)

No disclosure is made as the directors have taken advantage of the modifications and exemptions from disclosure that are set out in the Overseas Companies (Accounts) (Modifications and Exemptions) Order 1990.

BNY BT NEWCO LIMITED

DIRECTORS' REPORT (continued) For the year ended 31 December 2006

Statement of Directors' Responsibilities

The directors are required by the Companies Act 1985 as applicable to overseas companies to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period

The directors consider that in preparing the accounts,

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates,
- that all the accounting standards which they consider to be applicable have been followed, and
- that the financial statements have been prepared on a going concern basis

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985 as applicable to overseas companies

The directors 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

BY ORDER OF THE BOARD



A Janisch
Director
For and on behalf of
BNY BT NEWCO LIMITED

23 October 2007

BNY BT NEWCO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Administrative expenses		(6,948)	(5,557)
Operating loss		<u>(6,948)</u>	<u>(5,557)</u>
Income from fixed asset investments		-	184,371
Interest payable and similar charges	4	-	(180,039)
Loss on ordinary activities before taxation	5	<u>(6,948)</u>	<u>(1,225)</u>
Tax on loss on ordinary activities	6	-	(53,644)
Loss on ordinary activities after taxation		<u>(6,948)</u>	<u>(54,869)</u>
Transfer from Share Premium		-	41,610
Retained loss		<u>(6,948)</u>	<u>(13,259)</u>

All recognised gains and losses are included in the profit and loss account. Operating loss is derived from continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis. The notes on pages 5 to 8 form an integral part of these financial statements.

BNY BT NEWCO LIMITED

BALANCE SHEET AS AT 31 December 2006

	Notes	2006 £	2005 £
CURRENT ASSETS			
DEBTORS Amounts falling due within one year	7	161,130	184,233
CREDITORS Amounts falling due within one year	8	(9,688)	(25,843)
NET CURRENT ASSETS		<u>151,422</u>	<u>158,390</u>
CREDITORS Amounts falling due after one year		-	-
NET ASSETS		<u>151,422</u>	<u>158,390</u>
CAPITAL AND RESERVES			
Called up share capital	9	2,000	2,000
Share premium	9	156,390	156,390
Profit and loss account	10	(6,948)	-
TOTAL SHAREHOLDERS' FUNDS	10	<u>151,422</u>	<u>158,390</u>

A reconciliation of movement in shareholders' funds is given in note 10

The notes on pages 5 to 8 form an integral part of these financial statements

The financial statements on pages 3 to 8 were approved by the Board of Directors on 23 October 2007



A Janisch
Director

BNY BT NEWCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards of the Accounting Standards Board and pronouncements of the Urgent Issues Task Force

Overseas company

The financial statements have been prepared in accordance with the Companies Act 1985 applicable to overseas companies. The Company has taken advantage of the modifications and exemptions from disclosure that are set out in the Overseas Companies (Accounts) (Modifications and Exemptions) Order 1990

Foreign Exchange

Assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date except where rates of exchange are fixed under contractual arrangements. Transactions denominated in foreign currencies are translated into sterling at average rates of exchange during the year unless a contracted rate applied. All other exchange profits and losses, which arise from normal trading activities, are included in the profit and loss account.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

BNY BT NEWCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. CASH FLOW STATEMENT

The Company's ultimate holding company has adopted the provisions of Financial Reporting Standard 1 ("FRS 1") revised 1996, Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary of The Bank of New York, has elected to utilise the exemption provided in FRS 1 not to produce a cash flow statement.

3. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the Company during the year.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Dividends on Class C Preference Shares	-	180,039
Total	-	180,039

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2006 £	2005 £
Loss on ordinary activities before taxation is stated after charging Auditors' remuneration	-	-

There were no employees employed by the Company during the year.

BNY BT NEWCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 TAX ON LOSS ON ORDINARY ACTIVITIES

	2006 £	2005 £
UK corporation tax	-	53,644
Tax (credit)/charge on loss on ordinary activities	-	53,644

The UK corporation tax charge is based on a standard UK corporation tax rate of 30%. The effective tax rate is different from the standard tax rate as a result of non-deductible expenses.

Loss on ordinary activities before taxation	(6,948)	(1,225)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(2,084)	(367)
Effects of		
Non-deductible preference share dividends	-	54,011
No credit recognised for current year tax loss	2,084	-
Current tax (credit)/charge	-	53,644

7. DEBTORS: Amounts falling due within one year

	2006 £	2005 £
Cash at bank	161,130	184,233
	161,130	184,233

BNY BT NEWCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Corporation tax	-	20,599
Accrued expenses	9,688	5,244
	<u>9,688</u>	<u>25,843</u>

9. CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised 200,000 Ordinary shares of £0.01 each	2,000	2,000
Allotted and fully paid 200,000 Ordinary shares of £0.01 each	<u>2,000</u>	<u>2,000</u>
Share premium 200,000 Ordinary shares of £0.99 each	<u>156,390</u>	<u>156,390</u>

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Loss for the period	(6,948)	(54,869)
Increase in shareholders' funds	<u>(6,948)</u>	<u>(54,869)</u>
Opening shareholders' funds	158,390	213,259
Closing Shareholders' Funds	<u>151,442</u>	<u>158,390</u>

11. PARENT UNDERTAKING AND ULTIMATE PARENT COMPANY

The Company is a subsidiary of BNY BT HoldCo Limited, a company incorporated in the Cayman Islands. The smallest group into which the Company is consolidated is that of BNY International Financing Corporation. BNY International Financing Corporation is incorporated in the United States of America. The ultimate parent company is The Bank of New York Company, Inc, a company incorporated in the United States of America. The largest group into which the results of the Company are consolidated is that headed by The Bank of New York Company, Inc. Copies of the group financial statements of The Bank of New York Company, Inc, are available from The Bank of New York, One Canada Square, London E14 5AL.