

BNY Trust Company Limited

Directors' report and financial statements

Registered number: 2661887

For the year ended 31 December 2009

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BNY Trust Company Limited

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BNY Trust Company Limited

Board of Directors and other information

Directors

Alan C Burton
Lloyd A Dyett
D E L England
Daron Pearce
Alan Powell
Nigel Taylorson
Hugh R Ward

Secretary

BNY Secretaries (UK) Limited
160 Queen Victoria Street
London
EC4V 4LA

Auditors

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Registered Office

One Canada Square
London
E14 5AL

Registered Number

2661887

BNY Trust Company Limited

Directors' report

The directors present their report and financial statements of BNY Trust Company Limited ("the Company") for the year ended 31 December 2009

Principal activities

The Company has been inactive since April 2009 when all clients were transferred to BNY Mellon Trust & Depositary (UK) Limited (another group company). Previously, the Company acted as Trustee to unit trusts and as Depositary to Open Ended Investment Companies.

The Company is authorised and regulated by the Financial Services Authority ("FSA") pursuant to the Financial Services & Markets Act 2000. All of the Company's activities during the year are regulated and conducted within the scope of permissions granted to the Company by the FSA.

Results and dividends

The profit for the year after taxation amounted to £21,991,000 (2008: £578,000).

The Directors paid an interim dividend in respect of the year ended 31 December 2009 of £31,000,000 (2008: £nil). The directors do not recommend a final dividend for the year ended 31 December 2009 (2008: £nil).

Business review

The Company's key financial and other performance indicators during the year were as follows:

	2009 £000	2008 £000	Change %
Turnover	17	287	(94)
Administrative expenses	42	84	(49)
Net assets	5,291	14,300	(63)

Turnover and administrative expenses have decreased year on year because the company no longer undertakes any business activity. Clients were transferred to BNY Mellon Trust & Depositary (UK) Limited (another group company) during 2009 as part of BNY Mellon's trust business integration plan to manage all trustee business through one entity.

Net assets decreased by 63% during the year, due to a £31,000,000 interim dividend payment.

Future developments

The Company is in the process of surrendering its FSA permissions and the directors will consider its future activities once that process is complete.

BNY Trust Company Limited

Directors' report – continued

Risk management

The Company is a non-BIPRU firm and is regulated by the FSA. Capital and other financial returns are prepared and submitted to the regulator on a quarterly basis. At 31 December 2009, surplus liquid capital amounted to £299,000 (2008: £8,675,000).

Governance and policies

Policies and procedures are in place to govern and manage the business, which are common to all BNY Mellon entities. Suitable policies and procedures have been adopted by the Company in order to ensure an appropriate level of risk management is directed at the relevant element of the business.

Governance of the Company is carried out through a regular meeting of the Board of Directors. The Board is responsible for the ongoing success and development of the Company's business as well as assisting the risk management framework.

Key Group committees are in place to oversee the risk management function and to ensure adequate risk management and controls are in place. Each committee has clearly stated terms of reference and reporting lines.

The key Group committees include:

- Asset Liability Management Committee
- Credit Portfolio Management Committee
- Market Risk Committee
- Operational & Technology Risk Committee

In addition, there are a number of regional key oversight committees in place to build on the U.S. Corporate Global Risk Management Framework:

- The BNYM EMEA (Europe, Middle East, and Africa) Risk Committee has an oversight responsibility covering the major risk sources (except Liquidity risk), including Compliance of the EMEA region.
- The EMEA Risk Committee has representation from the key risk sources as well as Business Heads. Reports are provided and reviewed covering the risk sources and any issues that need monitoring.
- The EMEA Asset & Liability Committee has oversight responsibility for the balance sheets of the U.S. branches in EMEA as well as local legal entities and its focus is primarily overseeing that Liquidity risk is managed effectively.

Risk management process

The lines of business are responsible for actively identifying their risks associated with key business processes, identifying and assessing the quality of controls in place to mitigate risk and assigning accountability for the effectiveness of those controls. The objective of this detailed self-assessment is to prevent or minimise:

- Errors or service delivery failures, especially those with visible impact on clients
- Financial losses
- Compliance breaches
- Reputational damage

Credit risk

Credit risk covers default risk from counterparties or clients for loans, commitments, securities, trade debtors and other assets where realisation of the value of the asset is dependent on counterparties' ability to perform. The level of residual operational risk is managed by rigorous operating policies, procedures and controls.

BNY Trust Company Limited

Directors' report – continued

Market risk

Market risk is the risk of loss due to adverse changes in the financial markets. Market risk arises from interest rate exposure on cash balances.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events including the potential for loss that arises from problems with operational processing, human error or omission breaches in internal controls, fraud, and unforeseen catastrophes.

Liquidity risk

Liquidity risk is the risk that a firm, although balance sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.

Business risk

Business risk includes risk to a firm arising from changes in its business, including the risk that the firm may not be able to carry out its business plan and its desired strategy.

Compliance risk

Compliance risk covers the risk relating to earnings or capital from violation, or non-conformance with laws, rules, regulations, prescribed practices or ethical standards which may, in turn, expose the firm and its executors to fines, payment of damages, the voiding of contracts and damaged reputation. This risk is mitigated through senior management culture, training, integration of compliance policies and controls into business processes and independent compliance monitoring and oversight.

Pillar 3 risk disclosures

Basel II Pillar 3 disclosures about the Company (capital and risk management) are covered by the BNY Holdings (UK) Limited group disclosures which can be found on the Group website (<http://www.bnymellon.com/investorrelations/filings/index.html>).

Directors

The directors who served during the year and up to the date of the report were as follows:

	Appointment	Resignation
A C Burton	-	-
L A Dyett	-	-
D E L England	-	-
D Gould	25 February 2009	11 August 2009
D Pearce	11 August 2009	-
A Powell	-	-
N Taylorson	17 August 2009	-
H R Ward	-	-

BNY Trust Company Limited

Directors' report – continued

Directors' indemnity provision

The Articles of Association of the Company provide that in certain circumstances the directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Indemnity provisions of this nature have been in place during the year but have not been utilised by the directors.

Post balance sheet events

There are no significant post balance sheet events.


Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the Board



Nigel Taylorson
Director

One Canada Square
London
E14 5AL

26 April 2010
Registered number 2661887

BNY Trust Company Limited

Statement of Directors' responsibilities in respect of the Directors' report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BNY Trust Company Limited

Independent auditors' report to the members of BNY Trust Company Limited

We have audited the financial statements of BNY Trust Company Limited for the year ended 31 December 2009 set out on pages 9 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on 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 UK 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.



Paul Furneaux (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, statutory auditor
Chartered Accountant

8 Salisbury Square
London
EC4Y 8BB

26 April 2010

BNY Trust Company Limited

Profit and loss account for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Turnover from discontinued operations	2	17	287
Administrative expenses from discontinued operations		(42)	(84)
Operating (loss) / profit from discontinued operations		<u>(25)</u>	<u>203</u>
Dividend income from investment in subsidiaries	7	22,000	-
Interest receivable and similar income	8	12	604
Profit on ordinary activities before taxation		<u>21,987</u>	<u>807</u>
Tax credit / (charge) on profit on ordinary activities	9	4	(229)
Profit for the financial year		<u>21,991</u>	<u>578</u>

Notes 1 to 18 are integral to these financial statements

The Company has not prepared a separate statement of total recognised gains and losses as all gains and losses are reflected in the profit and loss account above

BNY Trust Company Limited


Balance sheet at 31 December 2009

	Notes	2009 £000	2008* £000
Fixed assets			
Investment in subsidiaries	10	5,000	5,000
Current assets			
Cash at bank and in hand	11	658	9,630
Debtors	12	-	211
Creditors amounts falling due within one year	13	(367)	(541)
Total assets less current liabilities		291	9,300
Net assets		5,291	14,300
Capital and reserves			
Called up share capital	14	4,000	4,000
Profit and loss account	15	1,291	10,300
Shareholder's funds	15	5,291	14,300

* Certain prior year numbers have been reclassified to be consistent with current year presentation

Notes 1 to 18 are integral to these financial statements

The financial statements were approved by the Board of Directors and were signed on its behalf by


Nigel Taylorson
Director

26 April 2010

BNY Trust Company Limited

Notes to the financial statements At 31 December 2009

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

The following amendments to standards have been adopted in these financial statements for the first time

- The amendment to Financial Reporting Standard ("FRS") 8 Related Parties Disclosures (mandatory for periods beginning on/after 6 April 2008)
- The amendment to FRS 21 Events after the balance sheet date (mandatory for periods starting on/after 1 January 2009)
- The amendment to FRS 20 (IFRS 2) Vesting conditions and cancellations (mandatory for periods starting on/after 1 January 2009)

The following amendments to standards are not yet effective, and are not expected to have a material impact on these financial statements

- Amendment to FRS 25 Financial Instruments Presentation (mandatory for periods starting on/after 1 January 2010)
- Amendment to FRS 20 (IFRS 2) Group cash-settled share-based payments (mandatory for periods starting on/after 1 January 2010)

Reclassification

Certain prior year numbers have been reclassified to be consistent with current year presentation

Basis of preparation

The Company is exempt by virtue of [s400] of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Related party transactions

As the Company is an indirect wholly owned subsidiary of the ultimate parent company, The Bank of New York Mellon Corporation, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the Group.

Cash flow statement

The Company was a wholly owned indirect subsidiary of the ultimate parent company, The Bank of New York Mellon Corporation, for the year ended 31 December 2009, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996).

Going concern

The directors have prepared the accounts on a going concern basis as The Bank of New York Mellon (International) Limited (the immediate parent) has provided a Letter of Support confirming that all financial obligations of the Company will be met for the foreseeable future.

BNY Trust Company Limited

Notes to the financial statements - continued **At 31 December 2009**

1. Accounting policies- continued

Turnover

Turnover, which is stated net of value added tax, is attributable to acting as Trustee to authorised Unit Trusts and as Depositary to Open Ended Investment Companies. Fees are recognised on an accruals basis as services are provided.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any permanent diminution in value.

Interest, fees and commissions

Interest, fees and commissions, both income and expense, are recognised on an accruals basis.

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. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined.

Taxation

Income tax comprises current tax and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Group intends to settle on a net basis and the legal right to offset exists.

Deferred tax is recognised without discounting on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the balance sheet date.

Deferred tax assets and liabilities are offset when they arise in the same tax reporting Group and relate to income taxes levied by the same taxation authority, and when a legal right to offset exists in the entity.

Dividends

Dividends are recognised as a liability at the date that they are declared, to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Segmental reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Directors consider that the Company's services comprise one business segment and it operates in a market that is not geographically segmented.

BNY Trust Company Limited

Notes to the financial statements - continued At 31 December 2009

2. Analysis of turnover

By activity

	2009 £000	2008 £000
Trustee Fees from discontinued operations	17	287

The entire turnover arises within the United Kingdom

3. Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging

Auditors' remuneration

	2009 £000	2008 £000
Audit of these financial statements pursuant to legislation	4	4
Other services pursuant to such legislation	3	3
	<u>7</u>	<u>7</u>

4 Staff costs

The Company had no employees during the year ended 31 December 2009 (2008 nil)

5. Directors emoluments

The directors did not receive any remuneration for their services in respect of the Company (2008 £nil)

6. Pension costs

The Company does not have any employees hence no pension costs were incurred during the year (2008 £nil)

7. Dividend income from investment in subsidiaries

	2009 £000	2008 £000
Dividend received during the year	22,000	-

8. Interest receivable and similar income

	2009 £000	2008 £000
Interest receivable from Group undertakings	12	604

BNY Trust Company Limited

Notes to the financial statements - continued At 31 December 2009

9. Taxation

	2009 £000	2008 £000
Taxation is based on profit before tax for the year and comprises		
- Current corporation tax charge for the year at 28 0% (2008 28 5%)	(4)	230
- Adjustments in respect of prior period	-	(1)
	<u>(4)</u>	<u>229</u>

The current corporation tax rate for the year is lower than (2008 lower than) the standard rate of tax for the year for the reasons set out in following reconciliation

	2009 £000	2008 £000
Taxation is based on profit before tax for the year and comprises		
Profit on ordinary activities before tax	<u>21,987</u>	<u>807</u>
Tax charge on profit on ordinary activities at standard rate 28 0% (2008 28 5%)	6,156	230
Factors affecting tax charge		
- Adjustments in respect of prior period	-	(1)
-Dividend income not taxable	<u>(6,160)</u>	<u>-</u>
Current corporation tax credit for year	<u>(4)</u>	<u>229</u>

10. Investment in subsidiaries

There have been no additions or disposals of investments during the year There have been no impairments or write offs in the year

Name of principal subsidiary undertaking	Country of incorporation or registration	Principal activities	Description of shares held	Percentage of shares held
BNY Mellon Trust & Depositary (UK) Limited	England and Wales	Trustee to authorised and unauthorised unit trusts and Depositary to Opened Ended Investment Companies	5,000,000 ordinary shares of £1 each	100%

11. Cash at bank

	2009 £000	2008* £000
Cash at bank	<u>658</u>	<u>9,630</u>

This cash balance represents deposits with a UK regulated banking entity within the Group

*Certain prior year numbers have been reclassified to be consistent with current year presentation

BNY Trust Company Limited

Notes to the financial statements - continued At 31 December 2009

12. Debtors

	2009 £000	2008* £000
Corporation tax receivable	-	190
Accrued income	-	21
	<u>-</u>	<u>211</u>

*Certain prior year numbers have been reclassified to be consistent with current year presentation

13. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Due to fellow Group undertakings	12	490
Taxation payable	297	-
Accruals and other creditors	58	51
	<u>367</u>	<u>541</u>

14. Called up share capital

	2009 £000	2008 £000
Allotted and fully paid 4,000,000 ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

15. Movement in shareholder's funds

	Profit and loss account £000	Called up share capital £000	Total £000
2009			
At 1 January	10,300	4,000	14,300
Profit for the financial year	21,991	-	21,991
Interim dividend paid	(31,000)	-	(31,000)
At 31 December	<u>1,291</u>	<u>4000</u>	<u>5,291</u>
	Profit and loss account £000	Called up share capital £000	Total £000
2008			
At 1 January	9,722	4,000	13,722
Profit for the financial year	578	-	578
At 31 December	<u>10,300</u>	<u>4,000</u>	<u>14,300</u>

BNY Trust Company Limited

Notes to the financial statements - continued

At 31 December 2009

16. Transactions involving Directors, officers and others

At 31 December 2009 there were no loans and other transactions made to Directors and Officers of the Company (2008 £nil)

17. Indemnity

In the course of its ordinary business, an indemnity was provided by the Company on its retirement from the trusteeship of a client during 2008. This covered any liabilities suffered by the new trustee of the schemes arising out of or in connection with any acts of the retiring trustee in its capacity of trustee prior to its retirement. No claims under this indemnity have been received up to and including the date of signature of the financial statements.

18. Parent Company

The immediate parent of the Company is The Bank of New York Mellon (International) Limited, which is incorporated and registered in England and Wales. This represents the smallest Group in which the Company is consolidated. The consolidated accounts of the immediate parent company may be obtained from

The Secretary
1 Canada Square,
London
E14 5AL

The ultimate parent company as at 31 December 2009 was The Bank of New York Mellon Corporation, incorporated in the United States of America representing the largest Group in which the Company's results are consolidated. The consolidated accounts of the ultimate parent company may be obtained from

The Secretary
The Bank of New York Mellon Corporation
One Wall Street
New York, New York
NY 10286
USA