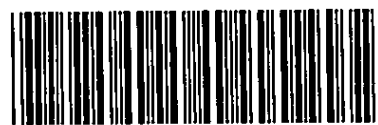


LAW DEBENTURE TRUSTEES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

REGISTERED NUMBER: 625705

SATURDAY



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04/09/2010
COMPANIES HOUSE

LAW DEBENTURE TRUSTEES LIMITED

DIRECTORS

D M Anderson
C J Banszky
J R Mason-Jebb
R D Rance

REGISTERED OFFICE

Fifth Floor
100 Wood Street
London EC2V 7EX

NOTICE OF MEETING

Notice is hereby given that the forty-sixth annual general meeting of the company will be held on 25 March 2010 at Fifth Floor, 100 Wood Street, London EC2V 7EX for the following purposes

- 1 To consider and approve the report of the directors and the financial statements for the year ended 31 December 2009
- 2 To re-appoint BDO LLP as the company's auditors and to authorise the directors to determine their remuneration

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member. Any instrument appointing a proxy must be received at the registered office before the time fixed for the meeting.

By order of the Board



Law Debenture Corporate Services Limited

Secretary

25 March 2010

LAW DEBENTURE TRUSTEES LIMITED

DIRECTORS' REPORT

The directors present to the members their report and financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company is engaged in providing trustee services

There have not been any significant changes to the principal activities during the year. The directors are not aware at the date of the report, of any likely changes in the company's activities in the next year.

Capital markets' transactions continue to provide the bulk of the business. The market for corporate trust services remains extremely competitive. Turnover decreased 13.3% (2008 decreased 64.0%) and profit before tax increased 4.1% (2008 decreased 70.74%). The reduction in overheads was the main reason for the change in the result for the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks of the business arise during the course of defaults, potential defaults and restructurings in the capital markets transactions where we have been appointed to provide trustee and related services. To mitigate these risks we work closely with our legal advisers, both in the set up phase to ensure that we have as many protections as practicable and at all other stages whether or not there is a danger of default.

RESULTS

The company's profit after taxation for the year was £192,006 (2008 £182,978) which is equal to the final dividend proposed by the directors and approved by the shareholder on 23 December 2009. There are no accumulated reserves carried forward.

FINANCIAL INSTRUMENTS

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

LAW DEBENTURE TRUSTEES LIMITED

DIRECTORS

The directors of the company from the start of the financial year to the date of this report were as follows

D M Anderson
C J Banzsky
J R Mason-Jebb
R D Rance

During the year, the company maintained liability insurance for the benefit of directors and other officers

DIRECTORS' INTERESTS

No director has a beneficial interest in the share capital of the company. The beneficial interests of C J Banzsky in the ordinary shares of The Law Debenture Corporation p l c, the company's ultimate holding company, are shown in the report and financial statements of that company. The beneficial interests of D M. Anderson and J R Mason-Jebb in the ordinary shares of The Law Debenture Corporation p l c are disclosed in the report and financial statements of L D C Trust Management Limited and those of R D Rance in the report and financial statements of The Law Debenture Trust Corporation p l c

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors has confirmed that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and that they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, BDO LLP, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006

By order of the Board



Law Debenture Corporate Services Limited

Secretary

25 March 2010

LAW DEBENTURE TRUSTEES LIMITED

STATEMENT OF 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 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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,
- 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.

LAW DEBENTURE TRUSTEES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAW DEBENTURE TRUSTEES LIMITED.

We have audited the financial statements of Law Debenture Trustees Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. 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 explained more fully in the statement of directors' responsibilities, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

LAW DEBENTURE TRUSTEES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAW DEBENTURE TRUSTEES LIMITED (CONTINUED).

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report for the financial year [period] 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

BDO LLP

Neil Fung-On (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
25 March 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

LAW DEBENTURE TRUSTEES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER

	Notes	2009 £	2008 £
TURNOVER	2	566,272	653,328
COST OF SALES		(169,559)	(254,995)
GROSS PROFIT		<u>396,713</u>	<u>398,333</u>
ADMINISTRATIVE EXPENSES	4 & 5	(204,120)	(213,383)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>192,593</u>	<u>184,950</u>
Interest receivable	3	3	103
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>192,596</u>	<u>185,053</u>
Taxation on profit on ordinary activities	6	(590)	(2,075)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>192,006</u>	<u>182,978</u>

There are no recognised gains or losses other than the result for the year

Income and result on ordinary activities before taxation relate exclusively to continuing operations

The annexed notes form part of these financial statements

LAW DEBENTURE TRUSTEES LIMITED

BALANCE SHEET AS AT 31 DECEMBER

	Notes	2009 £	2008 £
CURRENT ASSETS			
Debtors	8	1,093,598	1,007,860
Cash at bank and in hand		<u>23,224</u>	<u>6,442</u>
		1,116,822	1,014,302
CREDITORS: amounts falling due within one year			
	9	<u>(468,808)</u>	<u>(366,109)</u>
NET CURRENT ASSETS			
		648,014	648,193
CREDITORS: amounts falling due after more than one year			
Deferred income	10	(148,014)	(148,193)
NET ASSETS			
		<u>500,000</u>	<u>500,000</u>
CAPITAL AND RESERVES			
Called up share capital	11	500,000	500,000
Profit & Loss Account	12	-	-
SHAREHOLDERS' FUNDS (all equity interests)			
	13	<u>500,000</u>	<u>500,000</u>

Approved and authorised for issue by the Board on 25 March 2010
and signed on its behalf by

C J Banzky  Director

The annexed notes form part of these financial statements

LAW DEBENTURE TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

1. STATEMENT OF ACCOUNTING POLICIES

- (a) **Convention:** The financial statements have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards
- (b) **Recognition of income and expenses:** Bank deposit interest receivable, administrative expenses and interest payable are all accounted for on an accruals basis. Revenue comprises the fair value of the sales of services net of value added tax. Sales of services are recognised in the accounting period in which the services are rendered, provided that the outcome of the transaction can be estimated reliably. Where the outcome of a transaction can be estimated reliably, sales are assessed on the basis of the actual services provided as a proportion of the total services to be provided. Where expenses are recoverable from third parties, the recoveries and expenses are included as income and expense
- (c) **Deferred income** Trustee fees received in respect of periods subsequent to the balance sheet date are carried forward as deferred income
- (d) **Cash flow statement** The company is a wholly owned subsidiary of The Law Debenture Corporation p l c (a company incorporated in England and Wales) and is included in the consolidated financial statements of that company whose financial statements are publicly available. Consequently, the company has taken advantage of the exceptions from preparing a cash flow statement under the terms of FRS1 (revised 1996)
- (e) **Foreign currencies** Transactions recorded in foreign currencies during the year are translated into sterling at the exchange rate ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rate ruling at that date
- (f) **Dividend distribution:** Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders

2. TURNOVER

Turnover represents fees for services provided in the following geographical areas

	2009	2008
	£	£
United Kingdom	528,261	632,742
Rest of the World	38,011	20,586
	<u>566,272</u>	<u>653,328</u>

LAW DEBENTURE TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

3. INTEREST RECEIVABLE	2009	2008
	£	£
Bank interest receivable	<u>3</u>	<u>103</u>

4. ADMINISTRATIVE EXPENSES

The administration of the company is undertaken by the immediate holding company (L D C Trust Management Limited) for which it has been charged a management fee of £200,000 (2008 £200,000) Audit fees paid in the year amounted to £4,000 (2008 £4,000) Non-audit fees paid to the auditors during the year amounted to £Nil (2008 £Nil)

5. EMPLOYEE INFORMATION AND DIRECTORS' EMOLUMENTS

There were no employees during the year (2008 Nil)

The directors received no emoluments from the company in respect of their services to the company during the year (2008 £Nil), but they were remunerated for their services to the group as a whole by L D C Trust Management Limited which acts as the employing company for the group

6. (a) ANALYSIS OF TAXATION CHARGE	2009	2008
	£	£
Current tax		
UK Corporation tax	2,423	2,075
Prior year adjustment	<u>(1,833)</u>	<u>-</u>
Total current tax (Note (b))	<u>590</u>	<u>2,075</u>

LAW DEBENTURE TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

(b) FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2009 £	2008 £
Profit on ordinary activities before tax	192,596	185,053
Profit on ordinary activities multiplied by the standard rate of UK Corporation tax at 28% (2008 28.5%)	<u>53,927</u>	<u>52,740</u>
Effects of		
Small companies relief	(815)	(777)
Disallowed expenses	-	2,850
Prior year adjustment	(1,833)	-
Group relief	<u>(50,689)</u>	<u>(52,738)</u>
Current tax charge for year (Note (a))	<u>590</u>	<u>2,075</u>

(c) FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The company expects that it will continue to receive group relief. On this basis the tax charge will remain substantially below the standard rate of UK corporation tax

7. DIVIDEND	2009 £	2008 £
The dividend per ordinary share comprises the following		
Approved final dividend 2009 of 38.4012p per share (2008 36.5956p per share)	<u>192,006</u>	<u>182,978</u>
8. DEBTORS	2009 £	2008 £
Amounts due from group undertakings	761,827	840,882
Trustee expenses recoverable	302,772	139,908
Prepayments and accrued income	<u>28,999</u>	<u>27,070</u>
	<u>1,093,598</u>	<u>1,007,860</u>

LAW DEBENTURE TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

9. CREDITORS: amounts falling due within one year	2009	2008
	£	£
Corporation tax	2,423	78,908
Trustee expenses payable	169,045	19,573
Deferred income	105,335	84,650
Amounts due to group undertakings	192,005	182,978
	<u>468,808</u>	<u>366,109</u>
10. CREDITORS: Amounts falling due after more than one year	2009	2008
	£	£
DEFERRED INCOME		
Amounts falling due		
Between one and two years	12,679	11,803
Between two and five years	39,089	34,593
Over five years	96,246	101,797
	<u>148,014</u>	<u>148,193</u>
11. SHARE CAPITAL	2009	2008
	£	£
Authorised share capital		
500,000 ordinary shares of £1 each	500,000	500,000
Allotted and fully paid share capital		
500,000 ordinary shares of £1 each	500,000	500,000
12. PROFIT AND LOSS ACCOUNT	2009	2008
	£	£
Balance at 1 January	-	-
Profit on ordinary activities after taxation	192,006	182,978
Dividends (note 7)	(192,006)	(182,978)
Balance at 31 December	<u>-</u>	<u>-</u>

LAW DEBENTURE TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2009	2008
	£	£
Profit for the year available for distribution	192,006	182,978
Less Approved dividend	(192,006)	(182,978)
Net movement in shareholder's funds	-	-
Shareholders' funds at 1 January	500,000	500,000
Shareholders' funds at 31 December	<u>500,000</u>	<u>500,000</u>

14. ULTIMATE HOLDING COMPANY

All the issued share capital of the company is owned by L D C Trust Management Limited, a company registered in England and Wales, other than one share which is held by Law Debenture Corporate Services Limited as a nominee. The ultimate holding company is The Law Debenture Corporation plc, a company registered in England and Wales. Copies of the group financial statements of The Law Debenture Corporation plc can be obtained from The Secretary, The Law Debenture Corporation plc, Fifth Floor, 100 Wood Street, London, EC2V 7EX.

15. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of The Law Debenture Corporation plc, the company has taken advantage of the exemption contained within Financial Reporting Standard No 8 (Related Party Transactions) not to disclose related party transactions with other members of the group.

16. CONTINGENT LIABILITIES

The company from time to time is party to legal proceedings and or claims, which arise in the ordinary course of the trustee services business.