

Independent Trustee Services Limited

**Annual report and financial statements
for the year ended 31 December 2011**

Company Number. 02567540

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Independent Trustee Services Limited

(Company Number 02567540)

Directors' Report for the year ended 31 December 2011

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2011

Principal activities

The principal activity of the Company was to act as independent corporate trustee to pension funds

Business Review

Turnover of £4,767,768 was up 14% on 2010, producing an underlying trading margin of 39%, compared to 30% last year

Profit for the year before taxation amounts to £1,998,282 (2010 £1,285,693)

The results of the Company for the year ended 31 December 2011 are set out in the financial statements on pages 6 to 16

Principal risks and uncertainties and financial risks management

From the perspective of the Company, the principal risks and uncertainties and financial risks management of the Company are integrated with that of Jardine Lloyd Thompson Group plc (JLT Group) and are not managed separately. Accordingly the principal risks and uncertainties and financial risks management of JLT Group, which include those of the Company, are set out in the Finance Director's and Risk Management Reports on pages 23-29 of the 2011 annual report of JLT Group which does not form part of this report

Key performance indicators (KPIs)

The directors of JLT Group manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of JLT Group which includes the Company, is discussed on page 12 of the Group's annual report which does not form part of this report

Future Outlook

The directors continue to have confidence in the future of the business and its continued operation

Independent Trustee Services Limited

(Company Number 02567540)

Directors' Report for the year ended 31 December 2011

Suppliers

The Company agrees payment terms with suppliers when it enters into contracts for the purchase of goods or services and seeks to abide by those terms when it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions

Payment of suppliers has been centralised for all UK operating companies of Jardine Lloyd Thompson Group plc, and is carried out by JLT Management Services Limited and then recharged onto the Company by means of an inter-company recharge. The Group does not have a standard or code that deals specifically with the payment of suppliers

Donations

During the year the Company made charitable donations totalling £nil (2010 £nil)

No donations were made for political purposes

Directors

The directors set out below held office during the year ended 31 December 2011 and up to the date of signing these financial statements

P A Askins

R C Boniface

H Kotecha

C P V Martin

M W Miles

C A Perry

J Tinn

M Trouard-Rolle - (Appointed on 2 November 2011)

E C White - (Appointed on 18 January 2012)

R V Whitefoord

There being no provision in the Company's Articles of Association for the retirement of directors by rotation, the present directors will continue in office

Independent Trustee Services Limited

(Company Number 02567540)

Directors' Report for the year ended 31 December 2011

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 prepared 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.

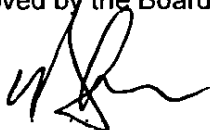
Disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and the directors 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 auditor is aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board on 27 April 2012 and signed on its behalf by



R C Boniface
Director

Independent Trustee Services Limited

Independent Auditors' report to the members of Independent Trustee Services Limited for the year ended 31 December 2011

We have audited the financial statements of Independent Trustee Services Limited for the year ended 31 December 2011 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 and express an opinion on 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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

Independent Trustee Services Limited

Independent Auditors' report to the members of Independent Trustee Services Limited for the year ended 31 December 2011

Opinion on other matters 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 Pannell (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
London
Chartered Accountants and Statutory Auditors

27 April 2012

Independent Trustee Services Limited

Profit and loss account for the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Turnover	3	4,767,768	4,196,177
Administrative expenses		<u>(2,914,281)</u>	<u>(2,935,935)</u>
Operating profit	4	<u>1,853,487</u>	<u>1,260,242</u>
Profit on ordinary activities before interest and taxation		1,853,487	1,260,242
Interest receivable and similar income	7	144,796	25,451
Interest payable and similar charges	8	<u>(1)</u>	<u>-</u>
Profit on ordinary activities before tax		1,998,282	1,285,693
Tax on profit or loss on ordinary activities	9	<u>(169,551)</u>	<u>60,132</u>
Profit for the financial year		<u><u>1,828,731</u></u>	<u><u>1,345,825</u></u>

The activities of the Company relate entirely to continuing operations

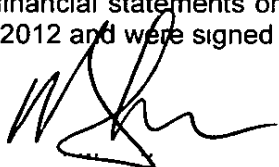
There is no difference between the profit on ordinary activities before taxation and the profit for the financial period stated above and their historical cost equivalents

The company has no recognised gains or losses for the years other than the results above and therefore no separate statement of total recognised gains and losses has been presented

Independent Trustee Services Limited
Balance sheet at 31 December 2011

	Note	31 December 2011 £	31 December 2010 £
Current assets			
Debtors	10	6,094,282	5,769,682
Cash at bank and in hand		<u>122,518</u>	<u>116,312</u>
		6,216,800	5,885,994
Creditors - amounts falling due within one year	11	<u>(1,703,226)</u>	<u>(3,201,151)</u>
Net current assets		<u>4,513,574</u>	<u>2,684,843</u>
Net assets		<u>4,513,574</u>	<u>2,684,843</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	<u>4,513,474</u>	<u>2,684,743</u>
Total shareholders' funds		<u>4,513,574</u>	<u>2,684,843</u>

The financial statements on pages 6 to 16 were approved by the board of directors on 27 April 2012 and were signed on its behalf by



R C Boniface
Director

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2011

1 Accounting policies

a Basis of preparation

The financial statements are prepared under the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom which have been consistently applied

A summary of the principal accounting policies is set out below

b Turnover

Turnover represents the invoiced value of services in the United Kingdom and is recognised at the invoice date or in the case of accrued income in the period to which it relates. All turnover is net of Value Added Tax.

c Deferred taxation

Deferred tax is recognised 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.

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

d Work in progress

Contract work in progress is disclosed as accrued revenue and is valued at cost less any provisions considered necessary to reduce carrying amounts to their net realisable value.

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2011

2 Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of Jardine Lloyd Thompson Group plc and is included in the consolidated financial statements of that group, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Jardine Lloyd Thompson Group or investees of the Jardine Lloyd Thompson Group. All related party transactions external to the group are disclosed in the consolidated financial statements of Jardine Lloyd Thompson Group plc.

3 Turnover

All turnover and profit before taxation is derived from within the United Kingdom and is attributable to the principal activity of the Company, which is to act as independent corporate trustee to pension funds.

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2011

4 Operating profit

Operating profit is stated after charging/(crediting)

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Other operating expenses		
Administration costs	-	228
Management charges from other group companies	2,922,249	2,919,656
Other	(7,968)	16,051
	<u>2,914,281</u>	<u>2,935,935</u>
Services provided by the Company's auditors		
Audit of the Company	<u>4,855</u>	<u>7,152</u>

The Auditors' remuneration is paid, on behalf of the Company, by a fellow subsidiary, JLT Benefit Solutions Limited which is part of Jardine Lloyd Thompson Group plc

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2011

5 Directors' emoluments

The directors' remuneration for the year was as follows

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Aggregate emoluments excluding pension scheme contributions	762,951	698,760
Company contributions for money purchase pension schemes	53,948	48,041
	<u>816,899</u>	<u>746,801</u>

There were 8 directors (2010 - 8) for whom retirement benefits were accruing under money purchase pension schemes

All the costs in relation to Directors have been borne by JLT Benefit Solutions Limited, a fellow group company

Highest paid director

The total amount of emoluments (excluding shares) for the highest paid director is as follows

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Aggregate emoluments excluding pension scheme contributions	145,948	125,350
Company contributions to the defined contribution section of the pension scheme	7,067	6,523
Defined benefit accrued lump sum at the end of the period	8,654	8,391
	<u>161,669</u>	<u>140,264</u>

The highest paid director during the year received shares under the executive long-term incentive scheme

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2011

6 Employee information

The Company did not employ any staff other than Directors during the year. The remuneration paid to Directors in the year was paid through fellow group subsidiary, JLT Benefit Solutions Limited.

7 Interest receivable and similar income

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Interest receivable – Group	<u>144,796</u>	<u>25,451</u>

8 Interest payable and similar charges

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Group interest and similar charges payable	<u>1</u>	<u>-</u>

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2011

9 Tax on profit on ordinary activities

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
UK Corporation Tax		
Current tax on income for the year	529,545	359,994
Current tax prior year	<u>(359,994)</u>	<u>(420,126)</u>
Tax on profit on ordinary activities	<u>169,551</u>	<u>(60,132)</u>

The tax charge for the period is lower than (2010 - lower than) the standard rate of Corporation Tax in the UK of 26.5% (2010 - 28%). The differences are explained below

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Profit on ordinary activities before tax	<u>1,998,282</u>	<u>1,285,693</u>
UK Corporation Tax on profit on ordinary activities at standard rate in the UK 26.5% (2010 - 28%)	529,545	359,994
Adjustments to current tax charge for prior periods	<u>(359,994)</u>	<u>(420,126)</u>
Current tax charge for the year	<u>169,551</u>	<u>(60,132)</u>

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2011

10 Debtors

	31 December 2011 £	31 December 2010 £
Amounts falling due within one year		
Trade debtors	920,934	941,345
Amounts due from fellow group undertakings	5,121,105	4,661,324
Other debtors	-	258
Prepayments and accrued income	<u>52,243</u>	<u>166,755</u>
	<u><u>6,094,282</u></u>	<u><u>5,769,682</u></u>

An effective interest rate of 2.15% (2010: 1.70%) has been charged on certain amounts due from group undertakings. The remaining amounts are unsecured, interest free and repayable on demand.

11 Creditors - amounts falling due within one year

	31 December 2011 £	31 December 2010 £
Amounts due to fellow group undertakings	1,173,681	2,841,122
Corporation tax	529,545	359,994
Other creditors	-	35
	<u><u>1,703,226</u></u>	<u><u>3,201,151</u></u>

An effective interest rate of 2.15% (2010: 1.70%) has been charged on certain amounts due to group undertakings. The remaining amounts are unsecured, interest free and repayable on demand.

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2011

12 Called up share capital

Allotted and fully paid

	2011		2010	
	Number of shares	Nominal value £	Number of shares	Nominal value £
100 ordinary shares of £1 00 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

New shares allotted

During the year - having an aggregate nominal value of £nil were allotted for an aggregate consideration of £nil

13 Reserves

	Profit and loss account £
At 1 January 2011	2,684,743
Profit for the financial year	<u>1,828,731</u>
At 31 December 2011	<u>4,513,474</u>

14 Reconciliation of movement in shareholders' funds

	31 December 2011 £	31 December 2010 £
Profit for the financial year	<u>1,828,731</u>	<u>1,345,825</u>
Net addition to shareholders' funds	1,828,731	1,345,825
Opening shareholders' funds	<u>2,684,843</u>	<u>1,339,018</u>
Closing shareholders' funds	<u>4,513,574</u>	<u>2,684,843</u>

Independent Trustee Services Limited
Notes to the Financial Statements
for the year ended 31 December 2011

15 Parent undertakings

The Company's immediate parent undertaking is JLT Benefit Solutions Limited, a company registered in England

Jardine Lloyd Thompson Group plc is the ultimate parent undertaking and controlling party for which consolidated group accounts are prepared and of which the Company is a member

Copies of the group accounts can be obtained from

Name	Jardine Lloyd Thompson Group plc
Country of incorporation or registration	England
Address from where copies of the group accounts can be obtained	6 Crutched Friars, London, EC3N 2PH