

Bedell Group's 2007 annual report is part of a fast developing story,



a year in the life of Jersey's most progressive legal and fiduciary services firm.

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we provide. 2006 was a year of growth and consolidation, as Bedell Group

Group Overview

Each year is like a chapter. Another phase in the ongoing story of Bedell Group. Our past efforts have brought us to this point, and from here we can move on confidently into the future.

The 2006 chapter will be remembered as a time of change, consolidation and momentum. Bedell Group has expanded significantly in terms of numbers, locations and volume of business. But throughout all these developments, we've done our utmost to hold on to what really sets us apart... our independent status, collective spirit and the distinctive way we go about our business. We've never been an organisation that follows the herd. We go our own way, in our own way. And that's how we want it to stay.

Our business model, offering complementary legal and fiduciary services, may be well established in the industry, but following the recent programme of investment in our infrastructure, we feel fully equipped with the quality and resources necessary to keep us firmly inside the emerging 'magic circle' of offshore firms.

As ever, our strategy has been guided by two major influences – our clients and our people. We listen to the marketplace talking back to us, and take our cue from clients' needs. Our partners use their knowledge and expertise to weigh up the options available to us, and we act accordingly. We don't believe in growth for growth's sake, or reacting to the competition, but we're all in favour of carefully considered expansion if it means we can better service our clients.

This was the rationale behind the opening of our new office in Guernsey. There is considerable demand for pan-Channel Islands legal services. In fact, it constitutes one of the most significant offshore markets in Europe, and Guernsey is renowned as one of the most innovative jurisdictions.

But first, we had to make sure we had the right people in place. In Mark Helyar, a well-known and well-respected figure in the offshore world, we believe we've found the ideal fit. Highly motivated and entrepreneurial, he shares our vision and culture, and will help us build the reputation of Bedell Group in the Channel Islands and beyond.

Similarly, our new Geneva office, which opened in April 2006, was established to address a surge in international private wealth management business across Europe. Some 50% of Bedell Trust's portfolio comprises high-net worth individuals and Geneva, with 30% of the world's private offshore assets, is undeniably the centre of the private wealth management world. Quite simply, we'd be missing a great opportunity if we weren't represented there.

Along with an enhanced international footprint, we've worked hard over the past 12 months to see and be seen. To raise the profile of the Bedell brand and make sure the industry knows who we are and what we stand for. We've been more visible at major international conferences, both as speakers and attendees. We're contributing to industry journals and publications more regularly, sitting on legal sub-committees and organising know-how seminars for clients. This enhances our reputation and reinforces our brand message – and we're already reaping the benefit.

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“As ever, our strategy has been guided by two major influences – our clients and our people.”

This year, our showing right across the board in the prominent directories (Legal 500, Chambers and Fitzrovia) has been impressive, a ringing, independent endorsement of our achievements. We believe the Bedell name has that vital kudos and currency, which means we are able to attract serious talent to our ranks, even for our new ventures.

Jersey, our spiritual home, is buoyant. Long regarded as a “tier one” offshore centre, the European offshore jurisdiction of choice. There is more competition, particularly from the Cayman Islands and Dublin, but we are confident that our partner-led approach and carefully nurtured talent pool has what it takes to thrive in the marketplace. Our pan-Channel Island presence strengthens this still further.

At Bedell Group, we recognise that it’s the people who make the business, and we live that recognition through our culture. Ours is not a proprietorial culture – we believe everyone here should feel a real part of the place, their personal success contributing to our success as a whole. We foster a team ethic right across the group, valuing the efforts of support staff as much as fee earners, and that’s reflected in our very low turnover of staff. We take corporate and social responsibility seriously too – though we enjoy playing our part in the wider community, supporting charities and getting involved in local initiatives.

As we move forward into Bedell Group’s next chapter, some things won’t change. We’ll keep the momentum going, keep listening to our clients, and keep doing it *our* way. One thing is for certain – there is plenty more to come from Bedell Group.

Richard Gerwat
Managing Partner



Following a period of considerable change in the offshore world, the Channel

Jersey – Strength and Stability

Almost invariably, every year brings change and challenges, and for Jersey, 2006 was no exception. It marked the first full year of ministerial government, the most profound change to the manner in which Jersey is governed since the birth of the finance industry. A new director-general has taken the reins at the Jersey Financial Services Commission and a new chief executive has been appointed at Jersey Finance Limited. The Island's government have agreed in principle a number of initiatives to realign the Island's tax base for Jersey residents without affecting non-residents business. This will ensure that the Island's prosperity and reputation for stability are preserved.

This change, is testimony to the flexibility and resourcefulness of the finance industry so that 2006 was a year of positive achievement and significant growth across all sectors of the industry.

As Minister for Economic Development, I am charged with ensuring that the Island's economy achieves sustainable real growth of at least 2% per annum. Maintaining a strong and diverse financial services industry is crucial if this goal is to be achieved and 2006 has seen the completion of a number of initiatives aimed at supporting the industry.

In February 2006 the Companies (Amendment No.8) (Jersey) Law came into force. This amendment permitted protected cell companies to be incorporated in Jersey and introduced the innovative incorporated cell company, a world first. Shortly afterwards, the States approved the most significant amendment to the Trusts Law since it was introduced in 1984. The changes to both of these

laws were aimed at ensuring that the finance industry has legislation specifically tailored to attract high-value, low-footprint work: entities such as collective investment funds, private family offices and captive insurance vehicles.

In considering new legislation, I take great comfort from the high standard of regulation that applies to financial services businesses in Jersey. A strong regulator is an asset to the Island. Regulation raises the standards across the sector, and in turn, this allows additional responsibilities to be granted to registered entities. The repeal of Article 56 of the Trusts Law was an example of giving greater freedom to registered businesses. Some developments – such as the proposed introduction of a Foundations Law in 2007 – would simply not be possible were it not for the presence of a well-regulated and experienced trust company sector.

My officers work closely with finance industry professionals, officers of Jersey Finance Limited (JFL) and the Commission to ensure that legislation and regulation develop in a manner that meets commercial demands and international standards. It is striking this balance that is the key to ensuring sustainable growth across the industry.

JFL plays a key role in promoting Jersey on the international stage. As well as hosting numerous events worldwide, JFL plays a vital role in identifying both opportunities for and barriers to growth, and provides significant technical input into the development of new legislation, and I am happy to be providing increased funding that will permit JFL to further expand its activities.

Early in 2007 a draft law permitting the creation of Jersey Foundations will be presented to the States of Jersey Parliament. This is an important piece of legislation that will be highly innovative and open up an entire new sector of business for trust companies in the Island. There will also be changes to the Limited Partnerships Law, a new Incorporated Limited Partnerships Law and a review of the Limited Liability Partnerships Law during the year. The commission and JFL are currently working together to review the future of funds regulation in Jersey, in order to ensure that this vital industry is fully supported and subject to proportionate regulatory oversight. I expect to be proposing a number of significant legislative changes in this area during 2007.

Islands remain widely recognised as the European jurisdictions of choice.

“These developments have one theme in common: the desire to achieve sustainable growth in a responsible manner.”



These developments have one theme in common: the desire to achieve sustainable growth in a responsible manner. The role of government is to ensure that the legislative and regulatory framework allows the industry to compete on a level playing field with its competitors, and that the Island remains a “good neighbour” to the international community.

It is entirely consistent with this approach that I am delighted to see Bedell Group expanding both within the Island and outside the Island both offshore and onshore.

The major law firms have been a major source of innovation and stature in the continuing development of the finance industry, Government and business shares a mutual interest in a spirit of co-operation and good governance.

2007 promises to be another year of changes and challenges, but I am confident that the finance industry will seize the opportunities it will bring.

Senator Philip Ozouf

Minister for Economic Development – States of Jersey

For Bedell Trust, the main news was the opening of new offices in key strategic

Bedell Trust

Bedell Trust has enjoyed another year of strong growth. New offices in Geneva and Guernsey have been opened in 2006 and are fully operational, spreading our name internationally, offering new services to our clients, and helping us meet our growth targets.

We are now two years into a five-year strategy set at the end of August 2004, and well on track to meet all our objectives. Results are on budget and turnover continues to grow at a strong double digit rate year on year. This is just the kind of increase we want – significant, but sustainable. We are confident that organic growth in Jersey will allow us to keep meeting our targets, and that the contribution of our new international offices will help us beat them.

Much of the recent growth we have seen has come from transactions that have been advised on by the law firm, which demonstrates how the different parts of Bedell Group interact and complement each other. Having senior legal and regulatory expertise on hand is extremely useful and practical, helping us to provide clients with a seamless

service, and giving us a distinct edge. In fact, last year we took on a number of new Funds exactly because we could provide the administration services in tandem with legal services.

Various changes were made to Jersey laws during 2006, which should help generate more business for Bedell Trust in the near future. The Island's new Trust Laws came into effect in October, and we have already seen an increase in enquiries regarding Private/Managed Trust Companies. In addition, we are well placed to take advantage of new Protected Cell Companies (PCCs) legislation, thanks in part to our being able to tap into the expertise from our Guernsey office, where PCCs have been available for some time.

Away from the legal changes, private equity and real estate funds performed particularly strongly, earning us an impressive ranking in the highly contested Fitzrovia listings.

Of course, our pool of new and existing talent at the firm is key in attracting and retaining clients' business. Over the past year, the headcount at the trust company has increased by 15, including three senior external appointments. Trevor Dorman was brought in to head up the Client Reporting team; Rebecca Bates came into the Institutional Management team as Senior Manager with a focus on SPV's; and James Haithwaite joined us as a Manager in the Private Wealth Management team.

Also recognising the efforts and successes of our existing staff over the past 12 months, we have made four senior appointments from within the teams in Jersey. In our Private Wealth Management team, Claire Le Brocq became one of two Senior Managers, with Nick Cushion rising to Manager; while in the Institutional Management team, Jean Walsh and Miranda Landsdowne were both appointed Managers. In addition, we took on several more trust officers, whom we're certain will add flair and energy to their respective teams.

With effect from 1 February 2007 we expanded the board of our main operating company, Bedell Trust Company Limited, with the appointment, as directors, of Peter Hargreaves, Michael Robinson and Paul Butel. All three have already made significant contributions to the

jurisdictions – Guernsey, London and Geneva – increasing our international

management and growth of the business and we are looking forward to their continued participation at board level.

These promotions are testament to the high level of activity the Trust Company has experienced throughout the year. Even so, we still have to think ahead in terms of recruitment, ongoing support and training.

Generally, our strategy of targeting growing niche markets, appears to be paying dividends. We are setting our own agenda, rather than following others and avoiding

competition with our major sources of referrals. Next year, we will be looking to improve on the already strong progress we have made this year. It is hopefully a case of “same again please” but with several new initiatives to be launched in the year ahead.

Michael Richardson
Chairman

Nick Cawley
Managing Director

“Our strategy of targeting growing niche markets, appears to be paying dividends. We are setting our own agenda.”



reach. The Guernsey presence means we are now offering clients the wide range

Guernsey

Bedell Cristin's Guernsey office opened for business in April 2006. It means we can finally offer what our clients have been wanting for some time – namely, a comprehensive Channel Islands legal service.

Although there are many similarities between the Jersey and Guernsey markets, there are also important differences between the two jurisdictions. The new location enables Bedell Cristin to conduct cross-border finance business and advise financial services businesses across the Channel Islands, which is increasingly demanded and required. Already, we're finding that around 80% of our projects are cross-jurisdictional, either working closely with other offices, or with non-competitive firms outside it.

The offshore world is changing fast and the major players are becoming ever-more international in their scope. Bedell Group is right on the pace, staking its place in this rapidly developing landscape. Most importantly though, we are reacting to client demand, and only moving to grow wherever it is relevant and appropriate, increasing the strength and depth of our client services. The Guernsey office is a case in point.

The majority of the work we've taken on to date would not have come to Guernsey had we not been here, which is good for the Island as well as for the firm. In the past, of course, Guernsey law firms were in direct competition to Bedell Group, but now – and this is a significant cultural shift – we can objectively advise clients which jurisdiction is best for their particular case.

Appearances can be deceptive – Guernsey is actually a true pioneer, renowned for its progressive, innovative approach to corporate law. For example, protected cell legislation was born here, and is now used in over 30 jurisdictions worldwide. As we move forward, we will be looking to work together with clients to develop new, innovative products, to keep right on the forefront of the very latest developments, and to share our expertise with colleagues in other locations.

The focus of Bedell's work in Guernsey tends to be on financial services law business, ranging from banking, corporate finance and securitisation to private equity, investment funds and general trust work. We're also attracting a satisfying amount of captive insurance work, an entirely new area of business for the Group. Guernsey is one of Europe's leading insurance jurisdictions, so having a base on the Island has been instrumental in achieving a share of that market.

Because the Guernsey Bar requires specialist qualifications, including knowledge of French law, locally qualified advocates are rarer than hens' teeth. However, we've already doubled in size since we launched, and while some are struggling to engage suitable staff, we have managed to attract accomplished candidates with impeccable track records, which speaks volumes for the reputation of the Bedell brand. We can foresee this rate of expansion continuing as we look to broaden our remit to include other complementary legal services such as litigation.

of Channel Islands legal services which they demand and require. While the



Further down the line, we have plans to develop the Bedell Trust subsidiary in Guernsey too. This will give our existing and prospective clients access to the same partner-led, commercially orientated legal advice and fiduciary services we provide from our other locations. Ultimately we will provide a mirror service to Bedell's Jersey office.

Increasingly, Guernsey is seen as a pivotal jurisdiction for offshore finance business. It is a particularly well-regulated financial centre that has grown significantly over the past years. Bedell Cristin is determined to play its part in the Island's success as its standing and reputation grows. Our presence here not only broadens the firm's reach, but reflects our continued desire for growth and the provision of comprehensive integrated services.

Mark Helyar
Partner

“Appearances can be deceptive – Guernsey is a true pioneer, renowned for its progressive approach to corporate law.”

new London office, based in the heart of the City, puts us right on the spot

London

Since it launched in 2005, our London office has already proved its worth. By having a physical presence in one of the world's most vibrant financial centres, Bedell Group is not only making a bold statement, but opening the door to valuable new clients.

London represents easily our biggest potential market, allowing us to act as an independent intermediary for other financial institutions as well as targeting new business opportunities. We set up in the heart of the City, as a direct response to client demand. And they were right – you simply can't underestimate the advantage of being on the spot. It means we can react to situations far more quickly, put faces to names, and deal directly with London-based intermediaries as well as international clients passing through the capital.

There are two distinct, though complementary, areas of the London operation. Bedell Trust UK (BTUK) on the fiduciary side, and Bedell Cristin London, which handles Channel Islands legal services.

BTUK was set up to fill a perceived gap in the marketplace, and our instincts have already been proven correct. Headed by Managing Director Geoff Simms, this young, dynamic unit provides a comprehensive administration service to asset-backed commercial paper ('ABCP') conduits. BTUK has made a highly promising start, winning mandates – with more to follow – all inside its first full year of operation.

BTUK staff are experienced in all aspects of ABCP securitisation, including originating and structuring transactions, as well as funding and administering them. This expertise potentially enables BTUK to bring value to clients in areas such as hedging and other complex areas of structuring.

In general, early response from the City has been very positive – there's the promise of plenty more business to come, and all the potential clients we've seen to date have been impressed with our people, price and product. Helaba, our very first client, told us they were delighted to have discovered *"a very experienced and motivated team of people"*, and also revealed how satisfied they are in the way BTUK are managing the administration of their conduit.

For the moment at least, we've made a conscious decision to operate in a highly specialised area of the fiduciary market in London, but as the business grows organically – and we are convinced it will – we will start to offer other related services to our clients.

The law firm, Bedell Cristin London, has had a similarly encouraging first few months. Led by Bedell Group Partner John Ventress, who relocated from Jersey, it covers all principal financial services areas, including investment funds, capital markets and structured finance work. Clients have embraced the convenience of having access to Channel Islands legal services from London, and the team have relished the opportunity to broaden

in one of the world's most important financial centres, opening the door to

“With the investment we’ve made in our people and infrastructure, we can move forward with vitality and confidence.”

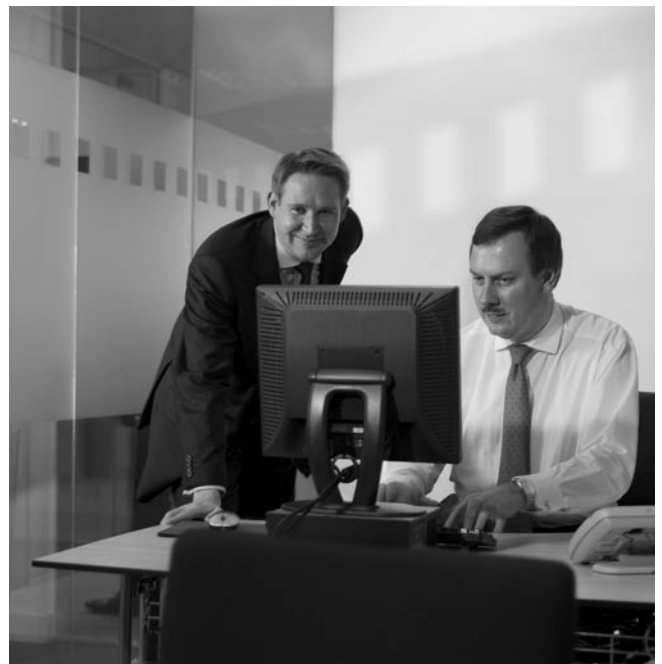
their portfolio and become increasingly integrated with other professionals in the investment funds, securitisation and capital markets arenas.

With a large contingent of existing international clients based in Germany, Switzerland and the US regularly passing through London, the new office has cemented existing relationships and created many new ones.

So far, everything is going according to plan. By establishing Bedell Group in London, we’ve managed to bring a similar skills set and distinctive partner-led corporate culture much closer to our clients. And we will continue to do things our way, because ultimately, that’s what makes us stand apart. The London office has undoubtedly made us more visible than we used to be, helping us to promote our brand to a wider audience in an effective, self-assured manner.

John Ventress
Partner – Bedell Group

Geoff Simms
Managing Director



new relationships. We've been operating in Dublin since 2003. Last year we

Dublin

An established, well-regarded presence in Dublin is proving to be a great asset to the firm. In 2006, Bedell Trust Ireland (BTI) experienced exponential growth, fully benefiting from the unique advantages this jurisdiction has to offer.

The Dublin operation was established in 2003 to draw upon the expertise and contacts of Bedell Trust and to enhance our multi-jurisdictional capabilities. We enjoyed steady growth during the first few years of operating, but last year the rate of growth was unprecedented, with turnover increasing by over 100%.

Led by Bedell Trust Company Director Michael Robinson, the BTI office is managed in conjunction with Custom House Administration and Corporate Services Limited, a leading Dublin based fund administrator with a highly experienced corporate services department. Custom House is the only fund administrator worldwide to hold a Moody's management quality rating.

Most of BTI's business is in the management, administration and governance of SPVs operating in the capital markets, many of which are referred from or handled on behalf of leading international banks. BTI's client portfolio is expanding rapidly, but already includes vehicles sponsored by blue chip names such as Merrill Lynch, Morgan Stanley, DZ Bank and AXA. CALYON, which is hugely active in this market, is another client which has recently come on board. It had not previously used our services in other jurisdictions but now, as well as BTI, is starting to use other Bedell Group offices for cross-border projects. Having a base here, in such an exciting, rapidly evolving market, gives us a valuable opportunity to cross-refer our expertise, as well as giving clients access to the broad range of carefully dovetailed fiduciary and legal services we provide.

Though once considered relatively expensive, banks and investors are increasingly attracted to the Irish financial market because it is part of the EU and because Ireland has a wide network of double tax treaties which provides significant structuring advantages for some transactions.

2006 has easily been our most successful year in Ireland to date, and we hope, will set a marker for the future.

Michael Robinson
Director

experienced unprecedented growth in activity. It's still early days for the new



“Having a base here, in such an exciting, rapidly evolving market, gives us a valuable opportunity to cross-sell.”

Geneva office, but signs are promising. Geneva is a world-renowned, private

Geneva

Geneva is one of the world's most dynamic private banking centres. By having a presence here, Bedell Group is confirming its position as an ambitious and truly international fiduciary player.

Bedell Group was already very deeply immersed in the private client world, so staking our place in Europe's premier centre for private wealth management was a logical step. Our Place du Molard offices, right in the heart of Geneva's buzzing commercial centre, opened for business in April 2006.

Bedell Trust Suisse, run by directors Fred Milner and Nicholas Meyer, specialises in the administration of trusts and company structures for private individuals. We launched specifically to provide strategies and assist in the development of plans to meet client-specific requirements.

Most importantly, we are a fully independent operation. We are offering purely objective advice and recommendations, based on what we feel are the best possible options for our clients.

Trust businesses in Switzerland are not regulated as such, but even so, our clients have the reassurance of knowing they are dealing with a firm that follows the standards and procedures set by the extremely well-regulated jurisdictions of the Channel Islands. Having said that, the Swiss parliament ratified the Hague convention on trusts in December 2006. The changes will become effective during 2007, which should make trusts more secure, and therefore more attractive to settlors. All in all, the prospects for trust business in Switzerland look highly promising, and Bedell Trust Suisse is perfectly positioned to take advantage of this.

Many of our projects are cross-jurisdictional, drawing on the expertise and contacts of our colleagues in Jersey, Guernsey, London and Dublin. As in those offices, we offer complementary fiduciary and legal services under one roof, led by highly experienced practitioners.

Fred and Nicholas offer contrasting, yet compatible styles. Fred is a non-practising English solicitor and Jersey advocate with high-level expertise in trust law; Nicholas is a native Genevois and non-practising Swiss lawyer, who has the sophistication to deal with ultra high-net worth individuals. We conduct discussions in French and in English, covering a very broad range of fiduciary services, from trust and company administration to tax, property and other related services. Assets administered include everything from investment portfolios and funds, to intellectual property, planes, yachts and even works of art.

The Bedell brand is rapidly gaining recognition and foothold in Switzerland. There's a strong, positive awareness of its capability, and it has been received enthusiastically by the marketplace. We've worked hard to meet as many relevant prospects as possible, and going forward, the challenge will be translating this goodwill into new business. We recognise that generating trust business takes time and patience, but we are confident that by the middle of 2007 we will have built a critical mass of work which we'll be able to develop and sustain over time.

The law side of the business is already exceeding our expectations. We're the first provider of Jersey law services in Geneva, and there's more demand for it than we anticipated, so much so that we may have to increase staffing levels to service this side of the business before long.

Looking ahead with realism, Bedell Trust Suisse has the ingredients to evolve into a very successful platform. It's our ambition now to be recognised as one of the best independent trust operations in the jurisdiction. 2006 was the start. And a good start at that.

Fred Milner
Director

Nicholas Meyer
Director

banking centre, and our presence there underscores our focused international



“The Bedell brand is rapidly gaining recognition and foothold in Switzerland and has been received enthusiastically.”

ambitions. The volume of business in banking and corporate finance increased

Banking and Corporate Finance

For the Banking and Corporate Finance groups, 2006 was packed full of positives. We managed to meet or better our targets, to attract significant new business, and brought several new faces into the team.

The Banking group experienced another strong year of growth and expansion, with turnover up 83%. We were encouraged not only by the volume of work that we handled, but by its complexity and quality. Existing and new clients clearly have confidence in our expertise and capability, and we are consolidating our reputation in the marketplace.

Like the previous few years, we have received a steady inflow of instructions relating to UK property acquisition financing transactions. These came in varied forms – some were Jersey property unit trusts (JPUTs), others were companies or limited partnerships, while others were structures involving combinations of all three.

As we entered the next phase of UK structured property financing transactions, we saw a number of sales of those properties. This involved sales of units in JPUTs, shares in Jersey companies or limited partnership interests in Jersey limited partnerships. In many of these deals, we were mandated to act for the outgoing lender, the incoming lender and the seller or purchaser, with all parties' consent and appropriate Chinese Walls in place. We also acted on a number of high-value refinancings of these structures.

Several of these instructions gave us a welcome opportunity to work closely with colleagues from other parts of the firm. One of the core strengths of Bedell Group is that we can offer clients a range of complementary, interlinked services, bringing speed, efficiency and continuity to diverse client projects. As well as valuable Channel Island business, we are building an increasingly international portfolio. While we continue to advise the major local banking groups in Jersey direct, we have also cemented our relationships with leading banking law firms in many important jurisdictions. In the past year, through contacts and ongoing relationships in London firms and others in Frankfurt, New York, Singapore and Hong Kong, we have acted for the majority of the leading UK and global lending banks.

Together with the major banks, came the major projects. In the course of 2006, we acted on a good number of high-profile and high-value financing transactions. This included advising on all Jersey law aspects of the financing of what has been billed as the largest ever cross-border acquisition by an Irish company (a \$5 billion transaction). In addition, we have seen a marked increase in instructions that need Jersey legal advice and formal legal opinions in relation to complex derivative instruments and structures.

Of course, the growing quantity of work we attracted meant we needed more staff to service it. So we were pleased to welcome a number of new lawyers with impressive credentials to the group including David Attrill, Bernard Woo, Alfred Bham and Tess Gandy.

The Corporate Finance group has also seen a significant amount of growth during 2006, with its turnover up by nearly 70%. Highlights in the year included advising on a number of high-profile local corporate finance transactions. Among them were the £25 million acquisition by HBOS plc of the Mourant Equity Compensation Solutions business; the acquisition by Minerva Holdings Limited of Professional Trust Company; and the acquisition by IFG Trust (Jersey) Limited of Langtry Trust Company (Channel Islands) Limited. These transactions required close co-operation and teamwork between our corporate finance lawyers and various other specialists in the firm – including employment law, property law, pensions law and trusts law specialists.

dramatically, marked by the quality and variety of high profile instructions we

“Existing and new clients clearly have confidence in our expertise and capability, and we are consolidating our reputation in the marketplace.”

Once again, this demonstrates the business advantages of having such a broad range of expertise under one roof.

We were pleased to be involved in a number of second-phase transactions during the year. These included acting for a UK fund which acquired 2e2 Limited (a deal we worked on in 2005), by way of a £130 million secondary management buy-out. In addition, we acted for a Cayman fund which acquired Specular Limited for £21.25 million (we had advised in relation to the financing of Specular’s acquisition of the head office building of a Jersey law firm/trust company group in 2005). We also advised various sellers in the sale of units in a number of JPUTs during the year, involving a total consideration in excess of £600 million.

The Corporate Finance group has continued to be mandated to act on numerous AIM listing transactions, using our extensive experience in this key area.

Peter Byrne
Partner



handled. In the structured debt and securitisation arena, some interesting new

Structured Finance and Securitisation

It has been a year of continued consolidation in the Structured Finance and Securitisation group. Workflow is on a healthy upward curve, boosted by the impact of opening our London office.

The volume of incoming projects has kept us fully occupied throughout the year, and performing well against our challenging budgets. Much of this comes from existing sources, which demonstrates that clients and intermediaries are more than happy to come back to us, and that we are meeting or exceeding their expectations. The Jersey market has become increasingly competitive with the arrival of several ambitious new entrants, but we are more than holding our own, and remain confident (but not complacent) for the future.

The bulk of the transactions on which we advise are well established and familiar in the marketplace. However, there are always new asset classes emerging and new types of structure, a couple of which are worthy of mention. For example, we are working on the first securitisation out of the United Arab Emirates. Our London office also helped establish a structured financing in relation to carbon credits which are designed to encourage emissions efficiencies in line with the Kyoto Protocol.

Elsewhere, we are currently involved in creating a Shari'a compliant Sukuk bond issue in the Middle East. This is intended to satisfy stringent Islamic law requirements which forbid the charging of interest. The Islamic world is regarded as a huge potential market and if Jersey can demonstrate a thorough understanding and capability in this specialist area early on, it could build valuable momentum for the future as the jurisdiction of choice for Shari'a compliant structures.

In Jersey, we have continued to build the credit card side of the practice, with the establishment of HSBC's credit card mastertrust structure. This is one of our key areas of specialism we hope to continue to grow and develop in the coming years.

We were pleased to strengthen our team in 2006 with the arrival of David Attrill from Clifford Chance. David is a senior lawyer, qualified for 18 years, and brings a wide experience of corporate and commercial law to the firm. We continue to feel the positive impact of having recruited Jens Pegel, our German securitisation lawyer, who joined us in 2005. He has managed not only to enhance our existing client relationships in Germany and elsewhere, but to introduce several important new clients to the group and, indeed, to the jurisdiction.

In another significant move, Group Partner John Ventress relocated to London to head up Bedell Cristin's legal operation in the City. For the Structured Finance and Securitisation group, the benefits of having someone on the spot in such an important financial hub are already apparent. Clients can benefit from the immediacy of having someone physically present in the City and readily available to attend meetings or give advice in person.

The firm remains at the forefront of legislative change with Managing Partner, Richard Gerwat, sitting on a sub-committee of the Jersey Law Society which recommends amendments to existing commercial law and is closely involved in the introduction of new commercial laws to ensure that Jersey keeps pace with client demand and market development. A key piece of forthcoming legislation is the overhaul of Jersey's security interest laws, which will introduce a modern, flexible means of creating security over Jersey situate intangible assets.

activity in the Middle Eastern marketplace brought added interest to yet another



We are continuing to monitor the progress of Basel II and the changes it will bring to securitisation structures as well as the impact of the adoption of international accounting standards.

In terms of maintaining our industry profile, we support the leading industry conferences and journals on an ongoing basis, a commitment which helps us keep on top of relevant developments and our technical knowledge up to date.

We are enjoying increasing recognition of our effort in this business sector and are looking forward to continued growth.

Shane Hollywood
Partner

“In spite of increasing external pressures and competition we continue to more than hold our own and remain very confident about the future.”

busy year. New legislation created a climate to attract growth in the Funds sector,

Investment Funds and Private Equity

The Investment Funds and Private Equity group has performed strongly over the past year, with increased volume and value in transactions, and a number of innovative new structures.

New legislation introduced in the Channel Islands during 2005 and 2006 has created a climate of accelerated growth in the Funds sector, with simpler, more efficient regulations aimed at setting Jersey and Guernsey apart from other offshore centres – making our home jurisdictions the first choice for European promoters in particular as a domicile for alternative investment funds. Further initiatives look set to build on this momentum, establishing Jersey and Guernsey as premier communities for fund management activity. In terms of the Investment Funds group's experience, these initiatives have very quickly led to an acceleration and proliferation of fund activity, both in traditional sectors and new.

Noteworthy projects include the formation of Protected Cell Companies (PCCs) and Incorporated Cell Companies (ICCs), and innovative limited partnership structures. Bedell Cristin advised on the establishment of Jersey's very first PCC on behalf of MARS Capital Management Limited after the amendment to the Companies (Jersey) Law 1991 in February 2006, which introduced PCCs and ICCs.

The opening of our Guernsey and London offices and the expansion of our Geneva office also provides us with plenty of fresh opportunities. John Ventress, who heads the legal operation in London, will help in servicing our client base there, while continuing to work closely with the Guernsey and Jersey offices in fund-related work.

Bedell Cristin Guernsey meanwhile, led by resident partner Mark Helyar, opens the door to more funds related work for which Guernsey, like Jersey, has a strong reputation. Our Geneva presence will help us greatly in servicing our Swiss-based investment management clients.

Keeping with the international theme, last year we saw promising new growth for Funds business in Eastern Europe, notably Russia, Poland, the Czech Republic and Bulgaria, and expect these to become important markets for us in the years ahead. Closer to home, the real estate side of the business has developed significantly, with the setting up of numerous Jersey Property Unit Trusts (JPUTs) and other joint ventures, syndicates and funds holding UK and European real estate. The Funds team in Jersey was expanded in the past year with the arrival of three new lawyers – Amedeo Delmedico, Alfred Bham and Bernard Woo. Their skill and enthusiasm will bring an added dimension to the team, and serve us well for the future. We've grown enormously in successive years, but have always been careful to recruit the right people: individuals capable of contributing to a strong, rounded and forward-thinking team. We continue to offer a premier service, which is reflected not only in growing demand from new clients, but also the all-important continued relationships with our long-standing clients.

We also continue to fare particularly well in the legal and Funds directory listings, being ranked among the top law firms in Jersey by Fitzrovia in its 2005/2006 Investment Funds Encyclopaedia, as well as securing impressive placings in Chambers and the Legal 500. In particular, we spoke on Property Funds at the Channel Island Stock Exchange Conference in London and 'The Rise of Protected Cell Companies' at a Keyhaven conference in Jersey. Our presence at leading industry events and conferences also builds the profile of Bedell Group, and helps us to keep abreast of the latest developments in the marketplace.

Martin Paul
Partner

setting Jersey and Guernsey apart from other offshore centres. Applauded by the

“We are always careful to recruit individuals capable of contributing to a strong forward-thinking team.”



influential legal directories, the Litigation group tackled an extremely broad

Litigation

The past year has seen the Litigation group gel into a formidable team capable of competing at the highest level. Financial performance has been strong and reputationally, we've achieved excellent rankings in the influential legal directories.

With three partners and 13 assistants (six of whom are qualified as Jersey advocates), Bedell Cristin's Litigation group has the capacity to tackle the heavy caseload which it continues to attract. We're certainly one of the largest litigation teams in the Channel Islands and, more importantly, we believe we have lawyers of the right calibre. With our increasing strength in corporate recovery work, we are also delighted to welcome leading insolvency practitioner Robert Gardner to the team.

The core group has been built up and developed over several years, so we have every confidence in each other. There's an excellent atmosphere and team spirit which is so important. Our policy of recruiting senior lawyers with City experience means that for each of the bigger, more complex cases, we can field a dedicated, small team tailored to meet the needs of both client

and intermediaries. We continue to adhere to a partner led culture which we know to be important to those instructing us.

The bulk of our work continues to consist of complex trust litigation. That said, our strategy is to provide a full litigation service with expertise in other key areas. In this we believe we differentiate ourselves from some of our competitors who appear to have narrowed their focus and from whom we have attracted new business. A pleasingly broad spectrum of new work has come through our doors during the past year. A major money laundering case, clinical negligence work, shareholder disputes and two high profile competition cases are examples. Variety, as they say, is the spice of life and a varied diet of cases keeps us fully engaged and motivated.

We have again received recognition this year in the leading legal directories. Both Chambers and the Legal 500 placed us in the premier tier for dispute resolution. Chambers singled out for comment our ability to react quickly and to field appropriate teams who "*work well together and can hold their own against anyone in Jersey*". The rankings and editorial comment are an objective assessment of the firm's standing in the industry, so we feel proud and delighted to have achieved this recognition.

Looking ahead, we are determined to be first choice for Channel Island litigation services. In addition to continuing our policy of recruiting the best people, we also recognise the importance of managing know-how efficiently and that is an area in which we are investing heavily at present. Our lawyers are engaged in internal and external training programmes, continued intranet development and profile raising through tailored seminars aimed at City firms. All of this work helps us to focus our thinking on key legal issues and it provides added value to both clients and intermediaries.

Amongst the many pieces of new legislation which have been introduced over the past year, the recent amendment to Jersey's Trust Law has attracted considerable interest from trust professionals both within the Island and

spectrum of work with a key focus on complex trust litigation. A steady flow



elsewhere. In conjunction with the firm's Trust and Private Capital group, we have been providing seminars and briefings on the subject. We are also currently involved in two high profile cases concerning the enforcement of English matrimonial awards against Jersey Trusts. Already, the Royal Court has been called upon to hand down a decision applying the new provisions. It is early days and it remains to be seen how the approach of the Jersey courts will evolve in applying the strict terms of the amendment to often difficult cases.

Summing up, 2006 was a hugely satisfying year for us and we look forward to the coming year with confidence and anticipation.

Anthony Robinson
Partner

“Variety, as they say, is the spice of life, and a varied diet of cases keeps us fully engaged and motivated.”

of high-value work came through the Trust and Private Capital group, reflecting

Trust and Private Capital

In the trust sector, confidence in Jersey is riding high, with its reputation as a safe, robust and well-regulated jurisdiction continuing throughout 2006. As a result, we've seen an increasingly steady flow of high-value work, which has kept the Trust and Private Capital group extremely active.

The group consists of 13 lawyers, including five partners since the appointment of Grant Barbour to partner in September 2006. This is the scale of operation we require to meet our clients' needs, expected turnaround times, and the growing demand for trust expertise in Jersey. Our size allows us to be proactive and provide a superior level of service.

As one of the largest dedicated Trust and Private Capital teams in the offshore world, we recognise that it's not only our numbers that count, but the quality of our team members.

Anthony Dessain is a member of the International Committee of the Society of Trust and Estate Practitioners (STEP). He is also the co-author with Michael Wilkins – Jersey's Viscount – of the recently published third edition of *'Jersey Insolvency and Asset Tracking'* published by Keyhaven Publications.

Alan Dart sits on the Trusts Amendment working party, which resulted in Amendment No.4 of the Trusts Law which took effect in October 2006 and is now working on topics for Amendment No.5. We believe that the Trusts Law amendments will create more business opportunities for the Island and already we have seen a significant increase in instructions concerning private trust companies, a topic on which Zillah Howard has frequently lectured. Alan and Anthony are also members of a Jersey Law Society group tasked with reviewing the draft Foundations Law which, when enacted will enable foundations to be established under Jersey law.

The past year also saw a sharp rise in the number of instructions concerning employee benefit trusts, an area headed by Grant Barbour, which include instructions from Royal Bank of Scotland, Standard Chartered and BT. Recruitment and exam success has continued in 2006. Fred Milner qualified as a Jersey Advocate in early 2006, and is now working from our Geneva office. Robert Gardner joined us in October. Robert has a City law firm background and was previously a senior associate with Walkers in the Cayman Islands. Robert brings significant insolvency experience to augment our pre-eminence in corporate recovery insolvency matters.

the confidence in Jersey's standing as a well-regulated jurisdiction. Another

“In the trust sector, confidence in Jersey is riding high.”

During the year, members of the team have attended and spoken at international conferences and we held a series of well-attended seminars on the changes to the Trusts Law, which we believe helps maintain not only the international profile and reputation of Bedell Group but also that of Jersey as a whole.

The range and calibre of work handled over the past year reflects the maturity and dynamism of the trust market in Jersey. Pensions, regulatory advice, trust reorganisations, contentious trust issues and trust related insolvency work have all featured during the course of the year. Following last year's trend, international and multi-jurisdictional instructions are on the increase, particularly from Europe and the Middle East.

The Trust and Private Capital group continues to strengthen its solid and wide-reaching capability, to meet the demands of its clients.

Edward Bennett
Partner



buoyant year in the Jersey property market proved to be the cornerstone of a

Private Client and Local Business

The effects of recently introduced employment laws in Jersey and a buoyant local property market has meant another full and lively year for Bedell Cristin's Private Client and Local Business group.

Over the past year, we've seen a wave of instructions and enquiries prompted by new Employment and Competition laws. Clearly, this area is still in its infancy, but the increasing demand for employment-related work on the Island has already led us to strengthen our existing resources.

We'll be looking to do so even further in the near future, as sex discrimination and age discrimination laws are brought in over the next few years. Jersey's long-awaited Human Rights legislation finally came into force on 10 December 2006, the 58th anniversary of the adoption by the United Nations of the Universal Declaration of Human Rights. This law is also likely to have an impact on the emphasis of our work and impending workload.

In the early part of the year, Bedell Cristin was involved in some of Jersey's first employment tribunals, as well as a raft of compromise work, the aim of which is to resolve disputes before they get to court. We also act on behalf of Jersey Telecom, who are immersed in an ongoing, high-profile competition case. Advisory work in helping employers make sure they are compliant with the new laws has been supported by a programme of workshops. These have been designed not only for employers who are up to speed, but to foster goodwill in the local business community and demonstrate our specialist expertise.

Elsewhere, in the conveyancing market, one of the most fundamental (and contentious) changes for some time has been the Law Society's decision to abandon the scale fee for property transactions, which went live at the start of 2006. Initially, there was a great deal of confusion and uncertainty surrounding the move, but it appears to have worked in Bedell Cristin's favour, with volume, turnover and profits all up on the previous year.

It should be stressed that these favourable figures were undoubtedly helped by the rude health of the Jersey property market, which saw an impressive 8% growth in the last quarter of 2006. But as a general trend, we've noticed more clients shopping around for their conveyancing needs, which has meant we've had to adapt by offering a service that's not only highly competitive, but streamlined and efficient. Judging by the level of referrals we're currently receiving, we seem to be meeting this challenge.

Around half the work of the Private Client and Local Business group consists of property transactions – a mix of residential and commercial projects. Our standing in the commercial sector is growing steadily as we undertake projects for large banks and trust companies, as well as private developers and institutional investors.

successful year in the firm's Private Client and Local Business group. There is

One of our major, long-standing clients is Jersey Homeloans, a subsidiary of Kent Reliance Building Society, a huge player in the residential property market which has enjoyed a bumper year in 2006. We work closely with our colleagues in the Banking and Corporate group to offer a full and integrated service to clients of this kind of size and complexity.

As Benjamin Franklin famously remarked, 'there's nothing certain except death and taxes'. The continued success of our probate unit arises from this inevitability, dealing with the administration of estates, collecting assets and making distributions. As well as helping private clients, we carry out a high volume of attorney executorships via referrals from HSBC and Barclays, a specialism we hope to grow in the future.

In all, it has been a testing but progressive year for the Private Client and Local Business group.

Guy Le Sueur
Partner

"Another full and lively year for Bedell Cristin's Private Client and Local Business group."



plenty to trumpet in terms of major transactions for 2006. Bedell Group advised

Transactions/Highlights in 2006

Bedell Trust Ireland

CALYON appointed to administer Confluent Senior Loan Opportunities plc, the Irish issuing vehicle, as well as five asset purchasing vehicles in a €2,035,000,000/US\$28,000,000 Cash CLO transaction arranged by CALYON for five different asset management companies.

The Royal Bank of Scotland plc appointed to administer three vehicles in synthetic CMBS transactions arranged by The Royal Bank of Scotland plc (£537,950,000 Notes issued by Epic (Ayton) plc; €759,264,000 Notes issued by Epic (Brodie) plc; €490,000,000 Notes issued by Epic (Industrious) plc).

Bank of Nova Scotia appointed to administer Bank of Nova Scotia's new US\$5,000,000,000 Multi-currency Asset Backed European Commercial Paper conduit, Stiga plc.

Lehman Brothers appointed to administer the Irish SPV, Adagio III CLO plc, involved in the €575,242,000 Cash CLO transaction arranged by Lehman Brothers for AXA Asset Managers Paris S.A.

Red Arrow International Leasing plc appointed to administer the Irish issuing vehicle of a Russian lease receivables securitisation transaction issuing RUR 12,570,000,000 Class A Notes listed on the Irish Stock Exchange and RUR 1030,000,000 Class B Notes and RUR 129,753,890 Class C Notes listed on the Luxembourg Stock Exchange.

Banking

Deutsche Bank AG, London Branch advised Deutsche Bank on the Jersey security arrangements relating to the acquisition financing of Anglian Water plc.

The Royal Bank of Scotland plc advised The Royal Bank of Scotland plc on all Jersey law aspects of the secured term facilities (exceeding £1 billion) made available to the NHP Group.

JP Morgan plc advised JP Morgan plc on the £100 million financing of a multiple JPUT transaction.

ING Bank (Jersey) Limited advised in relation to US\$21 million term loan and overdraft facilities secured on an international portfolio of assets held by a custodian, including drafting the primary financing and security documentation.

The Royal Bank of Scotland International Limited advised RBSI in the £17.35 million acquisition financing of an English company which acquired the residential and commercial units at Quennevais Precinct.

Corporate Finance

Minerva Group Holdings advised Minerva on all legal aspects of its acquisition of Professional Trust Company Limited in Jersey and the related acquisitions of Professional Trust's operations in London and Zurich.

HBOS plc advised HBOS plc on all Jersey law issues in relation to the purchase of the Mourant Equity Solutions business from Mourant & Co. Ltd. and Mourant Holdings limited for a consideration of £25 million.

IFG Trust (Jersey) Limited advised IFG Trust (Jersey) Limited on all Jersey law aspects of its purchase of Langtry Trust Company (Channel Islands) Limited for initial and deferred consideration, based on turnover in 2007 and 2008, capped at an aggregate consideration in excess of £10 million.

2e2 Limited advised a UK fund on the £130 million secondary management buy-out of 2e2 Limited.

Financial Payment Systems Limited advised Financial Payment Systems Limited on its listing on AIM.

many of the world's major financial institutions on prominent transactions.

Structured Finance and Securitisation

IKB Deutsche Industriebank A.G. acting in the continuing rapid development of IKB's US\$20,000,000,000 Rhineland commercial paper conduit programme.

DZ Bank A.G. advised DZ Bank as arranger of a €1,000,000,000 multi-issuer CDO programme issued through CeDeOs 1 Limited, CeDeOs 2 Limited and CeDeOs 3 Limited.

ABN AMRO acted for ABN AMRO in effecting significant restructuring to their €35,000,000,000 AMSTEL Funding/AMSTEL Euro Funding conduit programme incorporating the facility to issue floating rate CP callable notes and liquidity notes.

HSBC Bank plc acted for HSBC Bank plc in establishing its \$10,000,000,000 Turquoise credit card receivables master trust programme which saw its first funding launched in June 2006 closely followed by a second SEC listed funding.

KBC Bank N.V. acted for KBC in connection with the €380,000,000 Pembridge Square Finance synthetic CDO.

Commerzbank AG acted for Commerzbank in establishing its €200,000,000 CB Mezzcap structure for the securitisation of participation rights (mainly unsecured small and medium sized mezzanine capital loans issued by its customers) through a Jersey limited partnership structure.

Carbon Credit Project advising a specialist investment-banking group on the Jersey aspects of one of the largest private sector syndications of a Clean Development Mechanism project established under the Kyoto Protocol. The first transaction will achieve 29,500,000 tonnes of carbon dioxide equivalent certified emission reductions over 6 years.

Barclays Bank PLC acted for Barclays in establishing its £35,000,000,000 Gracechurch mortgage receivables master trust structure and in connection with the first funding through that structure.

Investment Funds and Private Equity

Ethos Private Equity Fund V acted for Ethos Private Equity Limited advised the largest South African private equity house, in connection with the establishment and structuring of this private equity fund which comprises a series of Jersey and South African limited partnerships. The seventh, and final, closing was held in the last quarter of 2006 and total commitments valued at approximately US\$460,000,000 were raised by the fund. The fund will invest in South African entities and the Jersey limited partnerships are administered by Bedell Trust Company Limited.

MARS Portfolio Management PCC advised MARS Capital Management Limited on the formation of Jersey's very first protected cell company and underlying protected cells formed as an expert fund. The Fund includes individual cells focussing on emerging markets debt and equity investments and also individual portfolio funds. The MARS PCC also allows cells to invest in other cells, which is a feature permitted under Jersey law but not generally available in PCC/segregated portfolio type structures available in other jurisdictions.

MUI Global Equity Fund, L.P. advised MU Investments Co Ltd and State Street Fund Services in Jersey on the structuring and set up of a new global equity fund formed through a Jersey limited partnership which facilitates investment by Japanese pension funds in a tax efficient manner.

RREEF Pan-European Infrastructure Fund L.P. advised the Jersey general partner of this fund, RREEF Infrastructure (G.P.) Limited in relation to two closings of the fund. The fund, which is established in England and Wales and qualifies as a Jersey expert fund, invests in established private companies and assets active in the European infrastructure sector, including transport infrastructure, utilities, social infrastructure and specialist sectors. The fund is seeking to raise €1,500,000,000 in commitments and as at the second closing has raised approximately \$1,000,000,000. It is anticipated that the final closing of the fund will be held in the first quarter of 2007.

Evans Randall Investment Management advised Evans Randall in relation to the establishment of several investment syndicates established for the purposes of

In the corporate finance sector, we handled a steady stream of complex, cross-

investing in UK and European commercial real estate, involving the establishment of corporate, unit trust and limited partnership vehicles, with a total value of the underlying real estate exceeding £1 billion.

Global Alpha Unit Trust advised the Stonehage Group in relation to the establishment of this open-ended unit trust which will issue six classes of units initially. Each class of units will have a minimum size of US\$20,000,000. The fund, which qualifies as a Jersey expert fund, will invest across a wide range of asset classes and use a variety of instruments, including derivatives, to generate targeted returns. TriAlpha Investment Advisors Limited in the UK acts as the investment adviser of the fund.

Talaris Fund, Talaris (U.S.) Fund, L.P. and Talaris Master Fund these funds have been established in the Cayman Islands as a master/feeder structure. We advised the Jersey general partner/manager of the funds and obtained the necessary Jersey regulatory approvals for the funds and the general partner/manager. Each fund is a hedge fund and qualifies as a Jersey expert fund. The master fund's investment objective is to deliver superior risk-adjusted returns with limited risk to capital and low correlation with asset classes and other investment vehicles through a fundamentals based equity long/short management approach by investing primarily in listed equities, derivatives and indices. Talaris Capital Partner LLP in the UK acts as the investment adviser to the master fund.

Listings

UK Energy Systems Limited acted as Jersey advisers and sponsors for UK Energy Systems Limited, a private UK-based energy company specialising in natural gas exploration, production and transportation as well as related power generation, in connection with the listing on the Channel Islands Stock Exchange (CISX) of a \$100 million unsecured note due 2013 under the streamlined listing process afforded by the CISX to private companies and special purpose vehicles.

Westbourne Grove Property Holdings Limited acted for Westbourne Grove Property Holdings Limited in relation to its establishment as a Jersey expert fund investing in UK commercial property and its subsequent listing on the Channel Islands Stock Exchange.

Financial Payment Systems Limited advised in relation to the listing of this company on AIM, a technology payment systems company operating in China.

Kedge Capital Select Funds Limited advised on the listing of additional share classes and funds on the CISX for this open-ended umbrella collective investment fund.

Litigation

Teighmore early 2006 saw the conclusion of this case where we acted in a shareholder dispute between the joint venture parties in the landmark development London Bridge Tower (known as "the Shard of Glass"). This strikingly designed building, to be constructed over London Bridge station, will stand at just over 1,000 feet in height and will dominate the London skyline. We were instructed by the lead developer to represent its interests in the dispute which was favourably settled after the commencement of trial.

The Internine and Intertraders Trusts this trust dispute is currently the biggest piece of ongoing litigation before the Royal Court and it will continue to occupy the court's attention through 2007. We represent the Plaintiffs who are the majority of the beneficiaries of two trusts, worth at one stage in the region of US\$150m, in claims against the Trustees, JP Morgan Trust Company and Russa Management, and the Protector.

Estate Jaiswal we act for one of the sons of a deceased Indian industrialist whose will is subject to challenge. The litigation is running both in India and Jersey and forum issues were recently argued before the Royal Court which ruled in favour of the case going forward in Jersey. The assets at stake have a value of £50m.

Elf Group we acted for the French multi-national in originally freezing some of the proceeds of a multi-million pound fraud which were paid to Jersey accounts. The funds were repatriated in 2006 following criminal convictions.

Insolvency we are currently acting for a major bank in relation to a high profile insolvency stemming from an alleged fraud running to many millions of pounds where the liquidators have taken action in several jurisdictions, including Jersey. The bank has been convened before a foreign court and we are advising it on its stance in

border financings for a variety of high-profile clients. However, we firmly believe

conjunction with a leading City firm. Application will in due course be made to the Jersey court for the provision of information by the bank to the foreign liquidators.

Working closely with the Trust & Private Capital group, we have been advising the trustees of a trust with underlying trading interests in the UK worth £350m. The case concerns a dispute between beneficiaries over the running of the business requiring careful handling by the trustees caught in the middle. A corporate re-structuring is in train and the trustees will likely apply for the court's directions later this year.

Regulatory/Competition we acted in close conjunction with a leading city private client firm to secure the release of approximately £100m of funds frozen without cause as a result of a bank filing a suspicious transaction report under the Proceeds of Crime Law. The process entailed very detailed analysis of financial records, presentation of which persuaded the Financial Crimes Unit to consent to the release of the funds without the cost and delay entailed in making application to court.

Jersey Telecom we advised JT concerning various decisions and directions of the Jersey Competition Regulatory Authority which affected its business. This high profile case was technically demanding involving mobile number portability. We worked with a leading expert in the field together with counsel in lodging objections to the initial enforcement notice issued by the JRCA. The matter currently rests with the Authority.

Trust and Private Capital

Advising trustees in relation to an extensive variation of trust provisions to provide for the future management of shares of a very significant family business and to meet US tax concerns.

Advising and providing the documentation to effect a major trust and corporate re-organisation involving eight trusts, 32 companies and nine jurisdictions holding valuable property and assets.

Advising a major Middle East Bank on the sale by its Jersey incorporated subsidiaries of UK real estate and the associated release of capital from those Jersey subsidiaries.

Advising HBOS plc on all Jersey law issues in connection with the purchase of the Maurant Equity Compensation Solutions business.

Advising the trustees (during a dispute amongst certain beneficiaries) on the ongoing administration of several trusts as the majority shareholder of an international leisure group valued in excess of US\$1,000,000.

Advising trustees of a family trust with assets in excess of US\$240,000,000 on the appointment of various assets to certain of the beneficiaries and the administration of the trust thereafter.

Advising trustees in relation to a re-organisation (to reflect changing family circumstances) of a trust structure holding assets in excess of £300 million.

Advising IFG Trust (Jersey) Limited on the purchase of Langtry Trust Company (Channel Islands) Limited.

Advising trustees and London advisers in relation to the establishment of Jersey law settlements incorporating US grantor and marital trust provisions for high-net worth clients.

Providing a suite of Jersey law fiduciary services documentation and trust instruments for use by a leading international financial institution.

it's our people and culture that makes us unique and distinctive. Our numbers

Human Resources

In sheer weight of numbers, Bedell Group has grown dramatically in the past year. We've welcomed almost 60 new members of staff to our various offices, which has meant an intense period of activity for the human resources team.

What's been truly gratifying is the calibre of candidate the Group is able to attract even in the face of remarkably stiff competition. People from leading firms, who've already carved a name for themselves in the industry, are coming to join us. And news travels fast. With their endorsement of the culture and working conditions we've carefully built here, we're confident more high-level talent will follow, giving us the strength in depth we need to support and develop the business.

Of course it's important that we appreciate and nurture our existing staff too. The fact that so few of them leave us would suggest we are keeping them motivated and stimulated throughout their time at Bedell Group. This longevity can be attributed to the quality and variety of work on offer, but also the opportunity to work alongside inspiring, influential partners and managers – people who not only keep you on your toes, but encourage you to put your best foot forward.

As we see it, the key to successful human resources is understanding the needs and personality not only of the Group, but of each individual. Knowing exactly where teams need strengthening, and recognising the kind of person who has the appropriate skills-set and character to fit in and make a genuine contribution. That's been the real test – identifying candidates who will not only excel at their job, but embrace and enhance our particular culture.

The work of the human resources team starts before people arrive, and continues throughout their career at Bedell Group. With so many new staff joining us in 2006, much of our focus recently has been in helping people settle into unfamiliar surroundings, encouraging them to integrate and become effective parts of their teams. This could include anything from finding suitable family accommodation, getting to grips with our IT systems, or taking them out to dinner with their colleagues. These small details can make a big difference.

Further down the line, there are regular appraisals (including an annual career review) which give staff the chance to discuss their progress and ambitions. On a less formal basis, partners and managers promote an 'open door' policy, so ideas can be shared and grievances can be aired. We also continue to develop the structure of our benefits package to ensure people feel valued and rewarded for their efforts.

expanded significantly, making it a challenging year for the Human Resources

“As more staff join us, it’s crucial everyone feels part of a collective drive for success.”

With new offices opening in different parts of the world, our remit has become wider and more demanding – as well as finding talented financial and legal specialists capable of thriving in different jurisdictions, we are recruiting support staff to service these centres. Assistants, IT administrators, secretarial, front of house, all these functions are essential to the day-to-day running of a productive business unit, and the people responsible for them need to be selected with due care and attention.

As more staff join us, it’s crucial everyone feels part of a collective drive for success. That they feel welcome, comfortable and included. That’s why, together with all the work-based initiatives, we organise regular social functions – from the annual summer ball, to more spontaneous gatherings and activities. Though there’s regular interaction between departments, these occasions give people a welcome chance to mix and get to know each other better.

Bedell Group’s friendly, open culture is one of our biggest assets. While our business expands, we must cherish and protect it. As we look forward, that’s the real challenge for us.

Joan Hodge
Head of Group Human Resources



team. We continued to play an active part in the community, supporting local

Corporate Responsibility

At Bedell Group, we appreciate the bigger picture. As part of the wider community in which we live and work, we do our best to contribute by bringing people together and creating worthwhile opportunities for enrichment and enjoyment.

Wherever possible, we try to support projects and initiatives that fit and reflect our corporate values. That develop teamwork, commitment and a sense of collective achievement. That help and inspire both the local community and communities further afield. We like to be hands-on too, to be there at openings and events, to cheer on the participants, or even to get stuck in ourselves.

Following the success of our association with the yacht 'Jack Rabbit', which Bedell Group Racing Team uses to introduce raw, and often unlikely, recruits to amateur sailing, this year we've extended our support to another larger boat, the 'Jackana'. As well as fostering a sense of teamwork and camaraderie, it gives an opportunity for people from different walks of life to experience the exhilaration of life on the ocean wave.

We're also delighted to have been able to contribute to the continuing development of grass-roots rugby on the Island by supporting the Jersey Junior Rugby Academy. The excitement around junior rugby on the Island is palpable, and the enthusiasm we've witnessed is really infectious. This opportunity ties in perfectly with our wider commitment to the local community and overall sponsorship programme with its focus on encouraging young local people and helping them to fulfil their potential.

In addition, the values and lessons provided by rugby dovetail perfectly with our own corporate philosophy. Though occasionally bruising, rugby is a highly positive game, fostering a sense of fair play and team spirit, as well as fitness levels and healthy competition. At Bedell Group, we believe strongly in nurturing our talent and supporting our colleagues as they strive to meet their ambitions.

And our ongoing backing of Jersey's squash league continued, including sponsorship of 'mini squash' courses for schoolchildren. The Channel Islands have a strong squash heritage, and we're doing our best to help keep the passion for the game alive, by bringing on the next generation of players.

Clearly, sports are a relevant, direct and effective way to benefit the local population, but on a more cerebral level, we've also been able to help Hautlieu School in Jersey stage an impressive art exhibition of its students' work, even featuring some of the pieces in our own reception area. Several of our partners and their families were present on the opening night to lend their support and encouragement.

Looking ahead, this year we will launch the Bedell Group Swimming Academy at Les Ormes Golf & Leisure Village. This is a scheme unique to the Island, offering free swimming lessons for pre-school children. Of course, being able to swim is a useful attribute for all children, but on an Island like Jersey, it's essential. The Bedell Group Swimming Academy is an initiative that will offer a real, tangible benefit to the community, not only for today and tomorrow, but well into the future.

sport and charities which fit perfectly with our values and corporate culture.

Once again, we're supporting Jersey Hospice – this year through the Bedell Group Vietnam Challenge 2007. Designed to raise £330,000 for specialist palliative nursing services, this is a testing cycle and trek through some of Vietnam's most spectacular countryside. One hundred and thirty people – including Bedell staff members – will cover a combined distance of 780km over two weeks in November.

The Group continued to support many charitable causes at home and abroad, making significant six-figure donations during the 2006 financial year. We have a particularly strong association with the Jersey-based Durrell Wildlife Conservation Trust, whose mission is saving rare species from extinction, and the Jersey branch of Men of the Trees, which encourages the protection, preservation and planting of trees throughout the Island, all important as we all strive to develop our 'carbon footprint'. As well as direct sponsorship, we administer charitable trusts for

other corporate and institutional clients, which last year amounted to very substantial donations being earmarked for charities in Jersey and elsewhere.

Lesley Piner

Head of Group Business Development/Marketing

“The values and lessons provided by rugby dovetails perfectly with our own corporate philosophy.”



Junior Rugby Academy

You will find us at the offices listed on this page. As we move forward, we'll



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report the ongoing success of Bedell Group. To be continued...