

ARBUTHNOT LIMITED

Registered No. 4608227

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2003**



Arbuthnot Limited

Report of the Director

The director submits his report and the financial statements for the period from the date of incorporation (4 December 2002) to 31 December 2003.

1. Activities

The Company is an investment company but has not yet commenced trading.

2. Director and Director's Interests

The director who served on the Board throughout the year was:

H. Angest

The director does not hold any shares in the Company.

The interests of H. Angest in the shares of Secure Trust Banking Group PLC are disclosed in the directors' report of that company.

BY ORDER OF THE BOARD



J.R. KAYE
SECRETARY

29 JULY 2004

Arbuthnot Limited

Balance Sheet

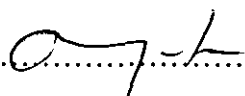
As at 31 December 2003

	Notes	2003 £
Current assets		
Due from Holding Company		1
Net current assets being also total assets less current liabilities		<u>1</u>
Capital and reserves		
Called up share capital	2	<u>1</u>
Equity shareholders' funds		<u>1</u>

- (a) For the period ended 31 December 2003 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
 - (i) ensuring the Company keeps accounting records which comply with section 221; and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period, and of its profit or loss for the financial period, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 2 and 3 were approved by the Board of Directors on
29 July 2004 and are signed on its behalf by:

DIRECTOR

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Arbuthnot Limited

Notes to the financial statements for the period ended 31 December 2003

1. Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Cashflow Statement

These financial statements do not include a cashflow statement as the Company is exempted from the provisions of FRS1 (revised) by virtue of being a wholly owned subsidiary of a parent undertaking which publishes consolidated financial statements.

2. Share capital	2003 £
Authorised:	
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>
Allotted, called up and fully paid:	
1 Ordinary share of £1 each	<u>1</u>

2. Ultimate parent company

The ultimate parent company and the company which heads both the smallest and largest group for which consolidated financial statements are prepared at 31 December, 2003 was Secure Trust Banking Group PLC, incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Secure Trust Banking Group PLC are available from One Arleston Way, Solihull, B90 4LH.