

Registered no 831409

**Peoples Trust and Savings PLC**  
**Annual report**  
**for the year ended 31 December 2006**



**Directors' report for the year ended 31 December 2006**

The directors submit their annual report and the audited financial statements for the year ended 31 December 2006

**Principal activities**

The company did not trade during the year and no profit and loss account has been prepared

**Directors**

The directors of the company during the year ended 31 December 2006 were as follows

J Shipley

J R Kaye

**Directors' interests**

The interests in the share capital of Arbuthnot Banking Group PLC of the directors in office at 31 December 2006 were as follows

	At 31 December 2006 Ordinary 1p shares	At 31 December 2005 Ordinary 1p shares
J Shipley	1,709	1,709
J R Kaye	3,420	3,258

**Statement of directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis

The directors are responsible for maintaining adequate accounting records and taking reasonable steps to safeguard the assets of the company and detect fraud or any other irregularities

So far as the directors' are aware, there is no relevant audit information of which the Company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting

By order of the board

  
J R Kaye  
Secretary  
27 April 2007

**Independent auditors' report to the members of  
Peoples Trust and Savings PLC**

We have audited the financial statements of Peoples Trust and Savings PLC for the year ended 31 December 2006 which comprise the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2006, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the Directors' Report is consistent with the financial statements



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Birmingham  
3 May 2007

**Peoples Trust and Savings PLC**  
**Balance sheet**  
**at 31 December 2006**

3

	Notes	2006 £'000	2005 £'000
<b>Assets</b>			
Loans and advances to banks	3	8	8
Other assets	4	50	50
		<hr/>	<hr/>
<b>Total assets</b>		<b>58</b>	<b>58</b>
		<hr/>	<hr/>
<b>Liabilities</b>			
Customer accounts	5	8	8
<b>Equity shareholders' funds</b>			
Called up share capital	6	50	50
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>58</b>	<b>58</b>
		<hr/>	<hr/>

The financial statements on pages 3 to 5 were approved by the board of directors on 27 April 2007 and are signed on its behalf by



J Shipley  
 Director

## Notes to the financial statements for the year ended 31 December 2006

### 1 Principal accounting policies

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

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 applied consistently, is set out below.

#### Basis of accounting

The financial statements have been prepared in accordance with the special provisions of Part VII of, section 226 of, and Schedule 4 to the Companies Act 1985 relating to Banking Groups.

#### Profit and Loss account

The company did not trade in the year and as such has not disclosed a profit and loss account.

### 2 Emoluments of directors

None of the directors received emoluments for the year (2005: £Nil).

### 3 Loans and advances to banks

	2006 £'000	2005 £'000
Remaining maturity 3 months or less	8	8

### 4 Other assets

	2006 £'000	2005 £'000
Due from group undertakings	50	50

### 5 Customer accounts

	2006 £'000	2005 £'000
Repayable on demand	8	8

**Notes to the financial statements  
for the year ended 31 December 2006 (continued)**

**6 Share capital**

	2006 £'000	2005 £'000
Authorised, Allotted, called up and fully paid Ordinary shares of £1 each	50	50

**7 Ultimate parent undertaking and controlling party**

The directors regard Arbutnot Banking Group PLC, a company registered in England and Wales, as the ultimate parent company. Henry Angest the Group Chairman and Chief Executive has a beneficial interest in 50.6% of the issued share capital of Arbutnot Banking Group PLC and is regarded by the directors as the ultimate controlling party.

Copies of the parent company's consolidated financial statements may be obtained from the Secretary, Arbutnot Banking Group PLC, One Arlestone Way, Solihull, B90 4LH.