

Registered no: 831409

Peoples Trust and Savings PLC

Annual report

for the year ended 31 December 2001



**Directors' report
for the year ended 31 December 2001**

The directors submit their annual report and the audited financial statements for the year ended 31 December 2001.

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 2001 were as follows:

J Shipley
J R Kaye

Directors' interests in shares of the company

At 1 January 2001 and 31 December 2001 Mr J Shipley had a beneficial interest in 1,500 ordinary shares of 1p each in the share capital of Secure Trust Banking Group PLC, the company's ultimate parent company. At 1 January 2001 and at 31 December 2001, Mr JR Kaye had an interest in 2,857 ordinary shares of 1p in Secure Trust Banking Group PLC and an option over a further 10,000 shares exercisable, on or before October 2004, at 485p per share.

On 31 October 1995 Mr Shipley was granted options on 35,000 ordinary shares in Secure Trust Banking Group PLC at an option price of 533p, exercisable within three and seven years of the date of their grant.

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.

Statement of directors' responsibilities (continued)

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.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'J.R. Kaye', with a long horizontal stroke extending to the left.

J R Kaye
Secretary
27 March 2002

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

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5 .

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on pages 1 & 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 judgements 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 of the state of the company's affairs at 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Birmingham
27 March 2002

**Balance sheet
at 31 December 2001**

| | Notes | 2001 £'000 | 2000 £'000 |
|-----------------------------------|-------|---------------|---------------|
| Assets | | | |
| Loans and advances to banks | 3 | 8 | 8 |
| Other assets | 4 | 50 | 50 |
| | | <hr/> | <hr/> |
| Total assets | | 58 | 58 |
| | | <hr/> | <hr/> |
| Liabilities | | | |
| Customer accounts | 5 | 8 | 8 |
| Equity shareholders' funds | | | |
| Called up share capital | 6 | 50 | 50 |
| | | <hr/> | <hr/> |
| Total liabilities | | 58 | 58 |
| | | <hr/> | <hr/> |

The financial statements on pages 4 to 6 were approved by the board of directors on 27 March 2002 and are signed on its behalf by:



J. Shipley
Director

**Notes to the financial statements
for the year ended 31 December 2001****1 Principal 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 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.

2 Emoluments of directors

None of the directors received emoluments for the year (2000: £Nil).

3 Loans and advances to banks

| | 2001 £'000 | 2000 £'000 |
|---|---------------|---------------|
| Remaining maturity: 3 months or less | 8 | 8 |
| | <hr/> | <hr/> |

4 Other assets

| | 2001 £'000 | 2000 £'000 |
|-----------------------------|---------------|---------------|
| Due from group undertakings | 50 | 50 |
| | <hr/> | <hr/> |

5 Customer accounts

| | 2001 £'000 | 2000 £'000 |
|---------------------|---------------|---------------|
| Repayable on demand | 8 | 8 |
| | <hr/> | <hr/> |

6 Share capital

| | 2001 £'000 | 2000 £'000 |
|--|---------------|---------------|
| Authorised, Allotted, called up and fully paid: | | |
| Ordinary shares of £1 each | 50 | 50 |
| | <hr/> | <hr/> |

7 Ultimate parent company

The directors regard Secure Trust Banking Group PLC, a company registered in England and Wales as the ultimate parent company and ultimate controlling party.

A copy of the consolidated financial statements of Secure Trust Banking Group PLC may be obtained from The Secretary, Secure Trust Banking Group PLC, Paston House, Arlestone Way, Solihull, B90 4LH.