

Secure Trust Financial Services Limited
Annual report and financial statements
for the year ended 31 December 2007

Registered number 941616

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Secure Trust Financial Services Limited

Annual report and financial statements for the year ended 31 December 2007

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Secure Trust Financial Services Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activity and business review

The company refers customers to a third party independent financial advisor for which it receives a commission

As from 1 January 2007 all new business was initiated through Secure Trust Bank Plc, the immediate parent company, there were therefore no transactions during the current year within the company which has ceased to trade

Dividends and transfers to reserves

During the year the company has not traded (2006 profit £1,752) The directors do not recommend the payment of a final dividend (2006 £nil)

Directors

The directors who served during the year were as follows

Mr G A Jennison	(appointed 12 February 2007)
Mr N M Fielden	(appointed 12 February 2007)

Mr GA Jennison and Mr N M Fielden were appointed directors on 12 February 2007

Mr J Shipley resigned as a director of the company on 30 April 2007 Mr K Deakin and Mr D Pearson resigned as directors of the company on 5 February 2007

Secure Trust Financial Services Limited

Directors' report for the year ended 31 December 2007 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with International Financial Reporting Standards and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

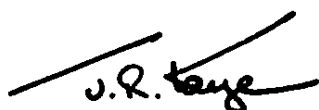
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of 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
2 April 2008

Secure Trust Financial Services Limited

Independent auditors' report to the members of Secure Trust Financial Services Limited

We have audited the financial statements of Secure Trust Financial Services Limited for the year ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Change in Shareholders' Equity 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 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 whether the financial statements have been 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.

We also 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.

Secure Trust Financial Services Limited

Independent auditors' report to the members of Secure Trust Financial Services Limited (continued)

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 2007, 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
2 April 2008

Secure Trust Financial Services Limited

Income statement for the year ended 31 December 2007

		2007	2006
	Note	£000	£000
Revenue		0	23
Cost of sales		0	0
Gross Profit		0	23
Operating expenses		0	(23)
Operating profit		0	0
Profit before tax		0	0
Taxation	2	0	2
Profit after tax		0	2

The company has no recognised gains and losses other than those included in the results above, therefore, no separate statement of recognised income & expenses has been presented

The notes on pages 9 to 12 are an integral part of these financial statements

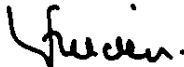
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Balance sheet as at 31 December 2007

		2007	2006
	Note	£000	£000
Assets			
Other receivables	3	78	94
Total assets		78	94
Liabilities			
Other payables	4	0	16
Total liabilities		0	16
Equity			
Share capital	6	1	1
Retained earnings		77	77
Capital and reserves attributable to the company's equity holders		78	78
Total equity and liabilities		78	94

The financial statements on pages 6 to 12 were approved by the Board of directors on 2 April 2008 and were signed on its behalf by


G A Jennison
Director


N M Fielden
Director

Secure Trust Financial Services Limited

Statement of changes in equity for the year ended 31 December 2007

	Share capital £000	Retained earnings £000	Total £000
Balance at 1 January 2006	1	75	76
Revised profit on ordinary activities after tax for 2006	0	2	2
At 31 December 2006	1	77	78
Balance at 1 January 2007	1	77	78
Profit on ordinary activities after tax for 2007	0	0	0
At 31 December 2007	1	77	78

Secure Trust Financial Services Limited

Cash flow statement for the year ended 31 December 2007

	2007	2006
	£000	£000
Cash flows from operating activities		
Cash generated from operations	0	0
Taxation paid	0	0
Cash flows from operating profits before changes in operating assets and liabilities	0	0
Changes in operating assets and liabilities		
- Net increase in group company balances	0	(9)
- Decrease in prepayments	0	0
- Increase in accruals and deferred income	0	9
Net cash from operating activities	0	0
Cash used in financing activities		
Dividend paid	0	0
Net cash used in financing activities	0	0
Net increase / (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents at beginning of year	0	0
Cash and cash equivalents at end of year	0	0

Secure Trust Financial Services Limited

Notes to the financial statements for the year ended 31 December 2007

1 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 1985 applicable to Companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

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.

Revenue

Revenue is generally recognised on an accrual basis when the service has been provided.

Financial assets

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, receivables, held-to-maturity investments and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

(a) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Receivables are carried at amortised cost.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Secure Trust Financial Services Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

1 Principal accounting policies (continued)

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Share capital

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the company's shareholders.

Secure Trust Financial Services Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

2 Taxation expense

	2007	2006
	£000	£000
United Kingdom corporation tax at 30% (2006 30%)		
Current	0	0
Deferred	0	0
Current prior year (over)/under provision	0	(2)
Deferred tax under provision from prior year	0	0
Taxation expense	0	(2)
Tax reconciliation		
Profit before tax	0	0
Tax at 30% (2006 30%)	0	0
Prior period adjustments	0	(2)
Tax charge for the year	0	(2)

During the year, as a result of the change in UK Corporation Tax rates which will be effective from 1 April 2008, deferred tax balances have been remeasured. Deferred tax relating to temporary differences which are expected to reverse prior to 1 April 2008 is measured at 30% and deferred tax relating to temporary differences expected to reverse after 1 April 2008 is measured at the tax rate of 28% as these are the tax rates that will apply on reversal.

3 Other receivables

	2007	2006
	£000	£000
Amounts due from group undertakings	78	92
Prepayments	0	2
Deferred tax	0	0
	78	94

Secure Trust Financial Services Limited

Notes to the financial statements for the year ended 31 December 2007 (continued)

4 Other payables

	2007	2006
	£000	£000
Corporation tax	0	3
Accruals	0	13
	0	16

5 Related party transactions

Other than intercompany debtors and creditors there are no related party transactions which require disclosure in the financial statements

6 Share capital

	Number of shares	Ordinary shares £000
Authorised, allotted, called up and fully paid		
At 31 December 2006 and 31 December 2007	1,000	1

7 Ultimate parent company

The directors regard Arbuthnot Banking Group PLC, a company registered in England and Wales, as the ultimate parent company. Henry Angest, the Group Chairman and CEO has a beneficial interest in 52.6% of the issued share capital of Arbuthnot Banking Group PLC and is regarded by the directors as the ultimate controlling entity. A copy of the consolidated financial statements of Arbuthnot Banking Group PLC may be obtained from the Secretary, Arbuthnot Banking Group PLC, One Arlestone Way, Solihull, B90 4LH.