Registered No. 1648384

Secure Travel Limited

Annual Report

for the year ended 31 December 2006

Directors' report
for the year ended 31 December 2006

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

Principal activity and business review

The principal activity of the company during the year was the provision of travel agency services for customers of Secure Trust Bank PLC, the immediate parent company

The profit and loss account of the year is set out on page 4 The directors are satisfied with the performance of the company during the year and do not envisage any change in the principal activities in the ensuing year

Dividends and transfers to reserves

The profit for the year of £8,525 (2005 £11,561) has been transferred to reserves The directors do not recommend the payment of a final dividend

Directors

The directors who served during the year were as follows

KNF Deakin
D Pearson
J Shipley

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

Mr Shipley is also a director of the immediate parent company, Secure Trust Bank PLC, and his interests in group companies are shown in the directors' report of that company

Mr Deakin and Mr Pearson, who resigned as directors of the company on 5 February 2007, were also directors of the ultimate parent company, Arbuthnot Banking Group PLC, at 31 December 2006 and their interests in group companies are shown in the directors' report of that company

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

Directors' report (continued)

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

J R Kaye
Secretary
27 April 2007

Independent auditors' report to the members of Secure Travel Limited

We have audited the financial statements of Secure Travel Limited for the year ended 31 December 2006 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in 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 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 of its profit and cash flows for the year then ended, 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

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
3 May 2007

Income statement
for the year ended 31 December 2006

	Notes	2006 £	2005 £
Turnover	2	**11,310**	13,037
Administrative expenses		**(1,020)**	(1,020)
Profit on ordinary activities before taxation	4	**10,290**	12,017
Taxation	5	**(1,765)**	(456)
Profit for the year	9	**8,525**	11,561

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

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents

The above results relate wholly to continuing operations

Balance sheet
at 31 December 2006

	Notes	2006 £	2005 £
Current assets			
Debtors	6	**35,577**	25,671
Creditors. amounts falling due within one year	7	**(6,280)**	(4,899)
Net current assets		**29,297**	20,772
Capital and reserves			
Called up share capital	8	**2**	2
Profit and loss account	9	**29,295**	20,770
Equity shareholders' funds		**29,297**	20,772

The financial statements on pages 4 to 10 were approved by the board of directors on 27 April 2007 and were signed on its behalf by

J Shipley
Director

Statement of changes in equity

For the year ended 31 December 2006

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2005	2	9,209	9,211
Profit for 2005	-	11,561	11,561
Balance at 31 December 2005/ 1 January 2006	2	20,770	20,772
Profit for 2006	-	8,525	8,525
Balance at 31 December 2006	2	29,295	29,297

Cash Flow Statement

For the year ended 31 December 2006

	2006	2005
	£	£
Cash inflows from operating activities		
Commissions receivable	**11,310**	13,037
Cash payments to suppliers	**(1,020)**	(1,020)
Taxation paid	**-**	(8,539)
Cash flows from operating activities before changes in operating assets and liabilities	**10,290**	3,478
Changes in operating assets and liabilities		
- Net increase in group company balances	**(9,906)**	(3,227)
- Decrease in accruals and deferred income	**(384)**	(251)
Net cash from operating activities	**(10,290)**	(3,478)
Changes in cash and cash equivalents	**-**	-
Cash and cash equivalents at beginning of year	**-**	-
Cash and cash equivalents at end of year	**-**	-

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

1 Principal accounting policies

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

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

A summary of the more important accounting policies, which have been applied consistently, is set out below

Basis of accounting

The financial statements are prepared under the historical cost convention

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future at the balance sheet date

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing difference can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

2 Turnover

Turnover represents the value of goods and services sold to third parties in the United Kingdom

3. Directors' emoluments and employee information

The emoluments of the Directors are paid by the immediate parent company which makes no recharge to the company Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company The company does not have any employees

4 Profit on ordinary activities before taxation

	2006 £	2005 £
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration	**1,020**	1,020

5 Taxation

	2006 £	2005 £
United Kingdom corporation tax at 30% (2005 30%)	**3,087**	3,605
Overprovision in respect of prior year	**(1,322)**	(3,149)
	1,765	456

The tax assessed for the period is lower than the standard rate in the UK 30% The differences are explained below

	2006 £	2005 £
Profit on ordinary activities before tax	**10,290**	12,017
Profit on ordinary activities multiplied by standard rate in the UK 30% (2005 30%)	**3,087**	3,605
Effects of		
Prior year adjustment	**(1,322)**	(3,149)
	1,765	456

6 Debtors

	2006 £	2005 £
Amounts falling due within one year		
Amounts due from parent undertaking	**35,577**	25,671

7 Creditors amounts falling due within one year

	2006 £	2005 £
Corporation tax	**5,370**	3,605
Accruals and deferred income	**910**	1,294
	6,280	4,899

8 Called up share capital

	2006 £	2005 £
Authorised		
100 ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	**2**	2

9 Profit and loss account

	£
At 1 January 2006	20,770
Profit for the year	8,525
At 31 December 2006	**29,295**

10 Ultimate parent undertaking and controlling party

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 Chief Executive has a beneficial interest in 50 6% of the issued share capital of Arbuthnot 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, Arbuthnot Banking Group PLC, One Arleston Way, Solihull, B90 4LH