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ARTILLERY NOMINEES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 1998



Registered Number: 1863215

**ARTILLERY NOMINEES LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 1998**

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ARTILLERY NOMINEES LIMITED
DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31st December 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a nominee shareholding Company and has not traded during the year.

DIRECTORS

The Directors who served during the period under review were:

W B Mathews
S J Lockley
BC Collis
AM James
AS Whitton

DIRECTORS' INTERESTS

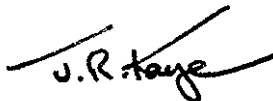
None of the Directors has or had during the period under review any beneficial interest in the share capital of the Company.

The interests of Mr Mathews, Mr Collis and Mr Whitton in the shares of Secure Trust Banking Group PLC are disclosed in the financial statements of Arbuthnot Latham & Co., Limited, while those of Mr Lockley are disclosed in the financial statements of Secure Trust Banking Group PLC.

AUDITORS

The Company has been dormant within the meaning of Section 250 of the Companies Act 1985 (as amended) throughout the year ended 31st December, 1998. Accordingly the Company remains exempt from the provisions of Part VII of that Act relating to the audit of accounts.

BY ORDER OF THE BOARD



JR Kaye
17th March, 1999

ARTILLERY NOMINEES LIMITED
BALANCE SHEET AS AT 31st DECEMBER 1998

	Note	31st December 1998 £	31st December 1997 £
CURRENT ASSETS			
Balance with group company		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	2	<u>2</u>	<u>2</u>

The financial statements on pages 3 and 4 were approved by the Board of Directors, who confirm that the Company has been dormant within the meaning of Section 250 of the Companies Act 1985 (as amended) throughout the year ended 31st December, 1998, on 17th March, 1999 and are signed on its behalf by:

B.C. Collis
W.B. Mathews

) Directors



The block contains two handwritten signatures. The top signature is a large, stylized cursive signature, likely belonging to B.C. Collis. Below it is a smaller, more legible signature that appears to read 'W.B. Mathews', belonging to W.B. Mathews.

ARTILLERY NOMINEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

1. ACCOUNTING POLICIES

The Company prepares its annual financial statements in accordance with applicable accounting standards.

As the Company has not traded during the period, no profit and loss account or cash flow statement has been prepared.

2. SHARE CAPITAL

	31st December 1998 £	31st December 1997 £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

3. PROFIT AND LOSS ACCOUNT

During the year the Company held, without beneficial interest, a number of investments on behalf of clients of group companies. No income or gain arose from these holdings.

4. ULTIMATE HOLDING COMPANY

The Company is a wholly-owned subsidiary of Arbutnot Latham & Co., Limited incorporated in Great Britain and registered in England. The ultimate holding Company is Secure Trust Banking Group PLC, incorporated in Great Britain and registered in England.

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, Arleston Way, Solihull, B90 4LH.