

WEINEL & PARTNERS LIMITED

Registered No. 2467160

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**



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Report of the Directors

The directors submit their report and the financial statements for the year ended 31 December 2000.

1. Activities

With effect from 1st January, 2000 the investment management business of this company has been transferred to a fellow subsidiary undertaking, Arbuthnot Fund Managers Limited. The Company is regulated by the Personal Investment Authority.

2. Results for the year and future developments

The loss for the year after taxation was £20,992 (1999: Profit of £38,038). The directors do not recommend payment of a dividend. There are no plans to recommence any business.

3. Directors and Directors' Interests

The present directors of the Company who served on the Board during the year were:

S. H. Aberdeen

P. S. Weinel

J. H. Spencer

S. J. Lockley

Resigned 30th March 2001

The directors had no interest in the shares of the Company throughout the year.

The interests of S. J. Lockley in ordinary 1p shares of Secure Trust Banking Group PLC requiring disclosure under the Companies Act 1985 are disclosed in the directors' report of that company.

4. Fixed Assets

Details of the changes in tangible fixed assets are given in note 10 of the financial statements.

5. Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors of the Company will be proposed at the forthcoming Annual General Meeting at a fee to be agreed in due course by the Directors.

By order of the Board



J.R. Kaye

Secretary

2nd May, 2001

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit 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;
- ◆ prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which 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.

**Auditors' report to the members of
Weinel & Partners Limited**

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

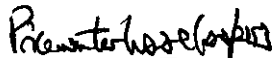
Basis of audit opinion

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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

2nd May, 2001

Profit & Loss Account
for the year ended 31st December, 2000

	Notes	Year ended 31st December, 2000 £	Year ended 31st December, 1999 £
Turnover	2	214,889	382,571
Administrative expenses	3	(261,001)	(360,184)
Operating (loss)/profit		(46,112)	22,387
Interest receivable and similar income	7	19,661	10,267
Dividends received from subsidiary undertaking		-	19,200
Interest payable and similar charges	8	(120)	(5)
Write off of investment in subsidiary undertaking	11	(1,500)	-
(Loss)/profit on ordinary activities before taxation	5	(28,071)	51,849
Taxation credit/(charge)	9	7,079	(13,811)
(Loss)/profit on ordinary activities after taxation	16	(20,992)	38,038

With effect from 1st January, 2000 the investment management business of the Company was transferred to a fellow subsidiary undertaking, Arbuthnot Fund Managers Limited

The Company has no recognised gains or losses other than the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

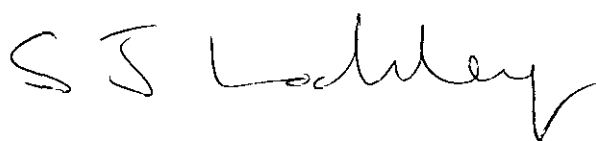

There is no difference between either the profit on ordinary activities before taxation or the retained profit for the year, as stated above, and their historical cost equivalents.

The notes on pages 6 to 10 form part of these financial statements.

Balance Sheet
as at 31st December, 2000

	Notes	31st December, 2000 £	31st December, 1999 £
Fixed Assets			
Tangible assets	10	-	6,220
Investments	11	10,000	11,500
		<hr/>	<hr/>
		10,000	17,720
Current Assets			
Debtors	12	7,120	147,482
Cash at bank and in hand		152,911	94,800
		<hr/>	<hr/>
		160,031	242,282
Creditors: Amounts falling due within one year	13	(19,002)	(87,981)
		<hr/>	<hr/>
Net current assets		141,029	154,301
		<hr/>	<hr/>
Total assets less current liabilities		151,029	172,021
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	14	28,000	28,000
Share premium account		3,000	3,000
Profit & loss account	16	120,029	141,021
		<hr/>	<hr/>
Equity shareholders' funds	15	151,029	172,021
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 4 to 10 were approved by the Board of Directors on 2nd May, 2001 and signed on its behalf by:

Notes to the financial statements
for the year ended 31 December 2000

1. Accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The Company has taken advantage of section 228 (1) of the Companies Act 1985 and has not produced consolidated financial statements since it is a wholly owned subsidiary undertaking of another United Kingdom registered company. The following accounting policies have been consistently applied:-

Fees Receivable

Investment management fees were included as income by the Company when receivable.

Commission Income

Dealing commissions were recognised in the accounting records at the time of the underlying transaction

Commissions on transactions in life policies and pension contracts were recognised once the insurance company had issued its acceptance terms and the first premium had been paid.

Depreciation

Depreciation was calculated to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:-

Leasehold property	period of lease
Fixtures and fittings	15% reducing balance basis
Office equipment	15% reducing balance basis
Computer equipment	33 1/3% reducing balance basis

Fixed Asset Investments

Fixed asset investments are stated at cost less amounts written off.

Leasing Commitments

Rentals paid under operating leases were charged on a straight line basis over the lease term.

Pension Costs

The pension costs charged in the financial statements represent the contributions payable by the Company into a defined contribution scheme during the year.

Cashflow Statement

These financial statements do not include a cashflow statement as the Company is exempted from the provisions of FRS 1(revised) by virtue of being a wholly owned subsidiary of a parent undertaking which publishes consolidated financial statements.

Related Party Transactions

In accordance with the exemptions provided by FRS 8, the Company has made no disclosure of transactions with other group companies.

Notes to the financial statements
for the year ended 31st December, 2000

2 Turnover

Turnover comprises commissions and fees receivable, exclusive of VAT as follows:

	2000 £	1999 £
Commissions	82,000	135,042
Fees	132,624	218,771
Other income	265	28,758
	<u>214,889</u>	<u>382,571</u>

3 Administrative expenses

	2000 £	1999 £
Staff Costs, including Directors		
- wages and salaries	25	105,046
- social security costs	-	8,891
- other pension costs	708	12,548
Other administrative expenses	260,268	233,699
	<u>261,001</u>	<u>360,184</u>

4 Number of employees

	2000	1999
Average number of employees, including executive directors, during the year	3	5

5 Profit/(loss) on ordinary activities before taxation

	2000 £	1999 £
Profit/(loss) on ordinary activities before tax is stated after charging:		
Depreciation	-	13,448
Auditors' remuneration - current year	10,000	6,656
- under provision in respect of previous year	13,216	-
Auditors' remuneration for non-audit work	-	7,596
Operating lease charges:		
- Land and buildings	14,750	59,000
- Other	4,946	8,444

During the year, a fellow group company assumed the liability to meet the operating lease charges

6 Directors' emoluments

The Directors' emoluments (including pension contributions and benefits in kind) for the year were as follows:

	2000 £	1999 £
Emoluments	-	64,722
Pension contributions	-	12,124
	<u>-</u>	<u>76,846</u>

The Directors were remunerated by another group company which made no recharge to the Company.

Notes to the financial statements (continued)

for the year ended 31st December, 2000

7 Interest receivable and similar income

	2000 £	1999 £
Bank interest received	19,661	10,267

8 Interest payable and similar charges

	2000 £	1999 £
Bank account interest	120	5

9 Taxation

	2000 £	1999 £
UK corporation tax at 30% (1999: 30.25%)	-	13,811
Group relief	(7,079)	-
Taxation (credit)/charge	(7,079)	13,811

10 Tangible fixed assets

	Short leasehold £	Computer & office equipment £	Total £
Cost			
At 1st January, 2000	16,425	33,836	50,261
Additions	-	-	-
Group transfers	-	(33,836)	(33,836)
At 31st December, 2000	16,425	-	16,425
Depreciation			
At 1st January, 2000	16,425	27,616	44,041
Charge for the year	-	-	-
Group transfers	-	(27,616)	(27,616)
At 31st December, 2000	16,425	-	16,425
Net Book Value			
At 31st December, 2000	-	-	-
At 31st December, 1999	-	6,220	6,220

Notes to the financial statements (continued)

for the year ended 31st December, 2000

11 Investment in subsidiary undertakings

	2000 £	1999 £
At 1st January	11,500	11,500
Amount written off	(1,500)	-
	<hr/>	<hr/>
At 31st December	<u>10,000</u>	<u>11,500</u>

The Company owns 100% of the issued share capital of Arbuthnot Weinell Financial Consultants Limited, a company registered in England whose principal activity is that of independent financial consultants.

The Company also owns directly 75% of the issued share capital of Dalgleish Weinell & Partners Limited, a company registered in England whose principal activity was insurance broking. The remaining 25% of the issued share capital of Dalgleish Weinell & Partners Limited is owned indirectly through Arbuthnot Weinell Financial Consultants Limited. Following the transfer of the business of Dalgleish Weinell & Partners Limited to MPW Insurance Brokers Limited, a decision was taken to write off the cost of investment in this company.

12 Debtors

	2000 £	1999 £
Trade debtors	-	30,432
Prepayments and accrued income	-	30,712
Other debtors	-	86,338
Other taxes & social security receivable	41	-
Group relief receivable	7,079	-
	<hr/>	<hr/>
	<u>7,120</u>	<u>147,482</u>

13 Creditors: Amounts falling due within one year

	2000 £	1999 £
Trade creditors	7,542	35,543
Bank overdraft	-	35
Corporation tax	-	13,811
Other taxes & social security payable	-	8,377
Other creditors	703	1,196
Accruals & deferred income	10,757	12,912
Amount due to group undertakings	-	16,107
	<hr/>	<hr/>
	<u>19,002</u>	<u>87,981</u>

Notes to the financial statements (continued)

for the year ended 31st December, 2000

14 Share capital

	2000 £	1999 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
Ordinary shares of £1 each	28,000	28,000
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15 Reconciliation of shareholders' funds

	2000 £	1999 £
(Loss)/profit for the year	(20,992)	38,038
Opening shareholders' funds	172,021	133,983
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Closing shareholders' funds	151,029	172,021
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16 Reserves

	2000 £	1999 £
Retained profit at 1st January	141,021	102,983
(Loss)/profit for the year	(20,992)	38,038
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Retained profit at 31st December	120,029	141,021
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17 Ultimate parent company

The ultimate parent company and the company which heads both the smallest and largest group for which consolidated financial statements are prepared at 31st December, 2000 was Secure Trust Banking Group PLC, incorporated in Great Britain and registered in England. Copies of the financial statements of Secure Trust Banking Group PLC are available from Paston House, Arleston Way, Solihull, B90 4LH.

18 Revenue Commitments

At the year-end, annual commitments under non-cancellable operating leases were:

	2000		1999	
	Property £	Other £	Property £	Other £
Expiring:				
- within two to five years	-	2,297	-	8,240
- more than five years	59,000	-	59,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	59,000	2,297	59,000	8,240
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