

WEINEL & PARTNERS LIMITED

Registered No. 2467160

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**



Report of the Directors

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

1. Activities

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

2. Results for the year and future developments

The profit for the year after taxation was £10,348 (2000: Loss of £20,992). 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. Weinell	
J. H. Spencer	Resigned 30 th March 2001
S. J. Lockley	

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

The interests of S. J. Lockley in the ordinary 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

PricewaterhouseCoopers resigned as auditors on 31st December 2001 and Rees Pollock were appointed to fill the resulting vacancy. A resolution to re-appoint Rees Pollock as auditors will be put to the members at the Annual General Meeting.

By order of the Board



J.R.Kaye
Secretary

25 MAR 2002

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.

**Independent auditors' report to the members of
Weinel & Partners Limited**

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

Respective responsibilities of the directors and the auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 with the company 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 United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Rees Pollock
Chartered Accountants
Registered Auditor
LONDON

25 APR 2002

Profit & Loss Account
for the year ended 31st December, 2001

	Notes	Year ended 31st December, 2001 £	Year ended 31st December, 2000 £
Turnover	2	8,334	214,889
Administrative expenses	3	(78)	(261,001)
		<hr/>	<hr/>
Operating profit/(loss)		8,256	(46,112)
Interest receivable and similar income	7	6,527	19,661
Interest payable and similar charges	8	-	(120)
Write off of investment in subsidiary undertaking	11	-	(1,500)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	5	14,783	(28,071)
Taxation (charge)/credit	9	(4,435)	7,079
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation	16	<u>10,348</u>	<u>(20,992)</u>

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, 2001

	Notes	31st December, 2001 £	31st December, 2000 £
Fixed Assets			
Tangible assets	10	-	-
Investments	11	10,000	10,000
		<hr/>	<hr/>
		10,000	10,000
Current Assets			
Debtors	12	115,625	7,120
Cash at bank and in hand		43,962	152,911
		<hr/>	<hr/>
		159,587	160,031
Creditors: Amounts falling due within one year	13	(8,210)	(19,002)
		<hr/>	<hr/>
Net current assets		151,377	141,029
		<hr/>	<hr/>
Total assets less current liabilities		161,377	151,029
		<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	130,377	120,029
		<hr/>	<hr/>
Equity shareholders' funds	15	161,377	151,029
		<hr/>	<hr/>

The financial statements on pages 4 to 10 were approved by the Board of Directors on **25-03-02** and signed on its behalf by:



Notes to the financial statements
for the year ended 31 December 2001

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.

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, 2001

2 Turnover

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

	2001 £	2000 £
Commissions	-	82,000
Fees	703	132,624
Other income	<u>7,631</u>	<u>265</u>
	<u><u>8,334</u></u>	<u><u>214,889</u></u>

Other income represents a write-back of accruals no longer required

3 Administrative expenses

	2001 £	2000 £
Staff Costs, including Directors		
- wages and salaries	-	25
- other pension costs	-	708
Other administrative expenses	<u>78</u>	<u>260,268</u>
	<u><u>78</u></u>	<u><u>261,001</u></u>

4 Number of employees

	2001	2000
Average number of employees, including directors, during the year	3	3

5 Profit/(loss) on ordinary activities before taxation

	2001 £	2000 £
Profit/(loss) on ordinary activities before tax is stated after charging:		
Auditors' remuneration - current year	-	10,000
- under provision in respect of previous year	-	13,216
Operating lease charges:		
- Land and buildings	-	14,750
- Other	-	4,946

The auditors' remuneration will be met from an over-accrual in a previous year.

A fellow group company has assumed the liability to meet the operating lease charges.

6 Directors' emoluments

The Directors were remunerated by other group companies which made no recharge to the Company.

7 Interest receivable and similar income

	2001 £	2000 £
Bank interest received	<u><u>6,527</u></u>	<u><u>19,661</u></u>

Notes to the financial statements (continued)

for the year ended 31st December, 2001

8 Interest payable and similar charges

	2001 £	2000 £
Bank account interest	-	120
	<u> </u>	<u> </u>

9 Taxation

	2000 £	2000 £
UK corporation tax at 30% (2000: 30%)	4,435	-
Group relief	-	(7,079)
	<u> </u>	<u> </u>
Taxation charge/(credit)	4,435	(7,079)
	<u> </u>	<u> </u>

10 Tangible fixed assets

	Short leasehold £
Cost	
At 1st January 2001	16,425
Amount written off	(16,425)
	<u> </u>
At 31st December, 2001	-
Accumulated depreciation	
At 1st January 2001	16,425
Amount written off	(16,425)
	<u> </u>
At 31st December, 2001	-
	<u> </u>
Net book value	
At 1st January and 31st December, 2001	-
	<u> </u>

Notes to the financial statements (continued)

for the year ended 31st December, 2001

11 Investment in subsidiary undertakings

	2001 £	2000 £
At 1st January	10,000	11,500
Amount written off	-	(1,500)
	<hr/>	<hr/>
At 31st December	<u>10,000</u>	<u>10,000</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. The investment in Dalgleish Weinell & Partners Limited has been written off

12 Debtors

	2001 £	2000 £
Other debtors	108,021	-
Other taxes & social security receivable	525	41
Group relief receivable	7,079	7,079
	<hr/>	<hr/>
	115,625	7,120
	<hr/>	<hr/>

13 Creditors: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	-	7,542
Bank overdraft	14	-
Corporation tax	4,435	-
Other creditors	-	703
Accruals & deferred income	3,761	10,757
	<hr/>	<hr/>
	8,210	19,002
	<hr/>	<hr/>

14 Share capital

	2001 £	2000 £
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
	<hr/>	<hr/>

Notes to the financial statements (continued)

for the year ended 31st December, 2001

15 Reconciliation of shareholders' funds

	2000 £	2000 £
Profit/(loss) for the year	10,348	(20,992)
Opening shareholders' funds	151,029	172,021
	<hr/>	<hr/>
Closing shareholders' funds	161,377	151,029
	<hr/>	<hr/>

16 Reserves

	2001 £	2000 £
Retained profit at 1st January	120,029	141,021
Profit/(loss) for the year	10,348	(20,992)
	<hr/>	<hr/>
Retained profit at 31st December	130,377	120,029
	<hr/>	<hr/>

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, 2001 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, Arlestone Way, Solihull, B90 4LH.

18 Revenue Commitments

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

	2001		2000	
	Property £	Other £	Property £	Other £
Expiring:				
- within two years	-	1,448	-	-
- within two to five years	-	-	-	2,297
- more than five years	59,000	-	59,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	59,000	-	59,000	2,297
	<hr/>	<hr/>	<hr/>	<hr/>