

ARGYLE TRUST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2001

Registered number: 45822 Scotland



ARGYLE TRUST LIMITED
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31 DECEMBER 2001

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ARGYLE TRUST LIMITED

DIRECTORS' REPORT

Financial Statements

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

Principal Activity

During the period, the company continued its activities as an Investment Company.

Results

The profit and loss account set out on page 4 shows the Company's results for the year ended 31 December 2001.

Dividend

The directors do not recommend a dividend for the year ended 31 December 2001 (2000: £ NIL).

Directors and directors' interests

The directors who held office during the year were as follows:

J. M. Bottomley
C. J. Emson

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company or in the shares of any other group company.

No rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of Lake Bushells, as auditors of the company, is proposed at the forthcoming Annual General Meeting.

By order of the board 14th May 2002.



JM Bottomley
Director

ARGYLE TRUST LIMITED**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 or loss of the company for the year. In preparing those financial statements, the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. prepare the financial statements on the 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

ARGYLE TRUST LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 DECEMBER 2001**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

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

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

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 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 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 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 affairs of the company as at 31 December 2001 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

Lake Bushells
Lake Bushells
London

14 May 2002

ARGYLE TRUST LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Turnover			
Interest receivable		1,892	2,417
Administrative expenses		(3,205)	(2,095)
Other income		-	64
Write back of unclaimed dividend		6,546	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	5,233	386
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation		5,233	386
Retained Profit Brought Forward		9,886	9,500
		<hr/>	<hr/>
Retained Profit Carried Forward	11	£15,119	£ 9,886
		<hr/>	<hr/>

Note

1. The only profit in the year was the retained profit.

ARGYLE TRUST LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Fixed assets			
Fixed asset investments	6	37,500	37,500
Other investments	7	5,150	5,150
		<u>42,650</u>	<u>42,650</u>
Current assets			
Cash at bank and in hand		61,107	61,303
Creditors: amounts falling due within one year	8	<u>(38,638)</u>	<u>(44,067)</u>
Net current assets		<u>22,469</u>	<u>17,236</u>
Total assets less current liabilities		<u>£ 65,119</u>	<u>£ 59,886</u>
Capital and reserves			
Called up share capital	9	50,000	50,000
Profit and loss account	11	15,119	9,886
SHAREHOLDERS FUNDS	10	<u>£ 65,119</u>	<u>£ 59,886</u>

These financial statement were approved by the board of directors on 14th May, 2002 and were signed on its behalf by:



J M Bottomley
Director



The attached notes form part of these financial statements.

ARGYLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**1. Accounting policies****Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Group accounts

Under section 228 of the Companies Act 1985 the company has taken advantage of the exemption from preparing group accounts on the grounds that it is a wholly owned subsidiary undertaking of Anstake Limited who will be preparing group accounts.

Cash flow statement

The company has not prepared a cash flow statement since it is a wholly owned subsidiary undertaking of another U.K. company preparing group accounts in which there is a consolidated cash flow statement.

Turnover

Turnover represents amounts arising from the investment of surplus cash funds.

Investments in subsidiaries

Investments in subsidiaries are valued at the lower of cost or directors valuation.

	2001 £	2000 £
2. Profit on ordinary activities before taxation		
Profit on ordinary activities before taxation includes : -		
Interest receivable on money market deposits and gilts	£1,892	£2,417

Audit fees incurred by the company are paid by the immediate parent undertaking, Sterling Trust Limited.

3. Remuneration of directors

No directors' emoluments were paid during the year (2000: £ Nil).

ARGYLE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (cont.)**

4. Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was 2 (2000: 2). No payment was paid to these employees (2000: £nil).

5. Tax on profit on ordinary activities

There is no tax charge for the current year due to the availability of deductible management expenses brought forward and group relief from other group companies.

	2001 £	2000 £
6. Fixed asset investments		
Cost		
At 1 January 2001 and at 31 December 2001	£ 37,500	£ 37,500

All subsidiaries are wholly owned unless otherwise stated and set out below. The companies are all registered in England and Wales.

Monomulti Limited (50% owned by Sterling Credit Nominees Limited)
Sterling Credit Nominees Limited
Trident Investment Company

Monomulti Limited and Sterling Credit Nominees Limited are dormant companies and valued at £nil.

Trident Investment Company is an unlimited private company. Its principal activity is that of an Investment Company. The investment is valued at the lower of cost and net realisable value.

ARGYLE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (cont.)**

	2001 £	2000 £
7. Other investments		
Investments in gilts		
At 1 January 2001	5,150	5,000
Redemption	-	(5,000)
Addition in year	-	5,150
	<hr/>	<hr/>
At 31 December 2001	£5,150	£5,150
	<hr/>	<hr/>
The market value of the investment in gilts as at 31 st December, 2001 was £5,186 (2000: £5,064).		
	2001 £	2000 £
8. Creditors: amount falling due within one year		
Amounts due to parent undertaking	3,605	3,605
Amount due to subsidiary	33,916	33,916
Other creditors and accruals	1,117	6,546
	<hr/>	<hr/>
	£ 38,638	£ 44,067
	<hr/>	<hr/>
9. Share Capital		
Authorised		
5,000,000 Ordinary shares of 1p each	£ 50,000	£ 50,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
5,000,000 Ordinary shares of 1p each	£ 50,000	£ 50,000
	<hr/>	<hr/>

ARGYLE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 (cont.)**

	2001 £	2000 £
10. Reconciliation of movement in shareholder's funds		
Profit for the financial year	5,233	386
Opening shareholders' funds	59,886	59,500
	<hr/>	<hr/>
Closing shareholders' funds	£ 65,119	£ 59,886
	<hr/>	<hr/>
11. Reserves		Profit & Loss Reserve £
As at 1 January 2001		9,886
Profit for the year		5,233
		<hr/>
As at 31 December 2001		£ 15,119
		<hr/>
12. Immediate parent undertaking and ultimate parent undertaking		
The company's immediate parent undertaking as at 31 December 2001 was Sterling Trust Limited, a company registered in England and Wales. The ultimate parent undertaking as at 31 December 2001 was Anstake Limited, a company registered in England and Wales.		
Copies of the consolidated group accounts for both the immediate and ultimate parent undertakings will be available at Fraser House, 29 Albemarle Street, London W1S 4JB and from Companies House.		
13. Related Party Transactions		
The company has taken advantages of the exemption available under FRS8, Related Party Transactions, not to disclose transactions or balances with parent undertaking and subsidiary undertakings where the holdings exceeds 90%.		