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SCBT FINANCIAL CORP
Form 10-K/A
April 29, 2005

United States Securities and Exchange Commission
Washington, D.C. 20549

Form 10-K/A
(Amendment No. 1)

Annual Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 2004

Commission file number 000-13663

SCBT FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

South Carolina 57-0799315
(State or other jurisdiction of (IRS Employer Identification
No.)
incorporation or organization)

520 Gervais Street
Columbia, South Carolina 29201
(Address of principal executive offices, including zip code)

(803) 771-2265
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12 (b) of the Act: None.

Securities registered pursuant to Section 12 (g) of the Act:

Common Stock - \$2.50 par value

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock of the registrant held by non-affiliates was \$211,503,000 based on the closing sale price of \$30.15 per share on June 30, 2004. For purposes of the foregoing calculation only, all directors and executive officers of the registrant have been deemed affiliates. The number of shares of common stock outstanding as of March 1, 2005 was 8,054,818.

Documents Incorporated by Reference

Portions of the Registrant's 2004 Annual Report to Shareholders are incorporated

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by reference into Part II. Portions of the Registrant's Proxy Statement for its 2005 Annual Meeting of Shareholders are incorporated by reference into Part III.

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EXPLANATORY NOTE

This Amendment No. 1 to the Company's 2004 Annual Report on Form 10-K is solely for the purpose of including "Management's Report on Internal Control Over Financial Reporting", and the "Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting" in Item 9A. These reports were initially omitted from Registrant's original 2004 Form 10-K filing ("Original Report") as permitted by the Order under Section 36 of the Securities and Exchange Commission ("SEC") on November 30, 2004. Conforming changes have also been made to Item 9A and Item 15. This Amendment No. 1 does not reflect events occurring after the filing of the Original Report or modify or update the disclosures therein in any way other than as described above.

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Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of December 31, 2004 (the "Evaluation Date"), the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's President and Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule

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13a-15. Management necessarily applied its judgment in the process of reviewing these controls and procedures, which, by their nature, can provide only reasonable assurance regarding management's control objectives. Based upon this evaluation, the Company's President and Chief Executive Officer and its Chief Financial Officer concluded that the Company's disclosure controls and procedures as of the Evaluation Date were effective to provide reasonable assurance regarding management's control objectives.

Evaluation of Internal Controls Over Financial Reporting

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of SCBT Financial Corporation (the Corporation) is responsible for establishing and maintaining adequate internal control over financial reporting. Management has assessed the effectiveness of internal control over financial reporting using the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Corporation's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on the testing performed using the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), management of the Corporation believes that the Corporation's internal control over financial reporting was effective as of December 31, 2004.

The Corporation's external auditor, J.W. Hunt and Company, LLP, has issued an attestation report on management's assessment and the effectiveness of the Corporation's internal control over financial reporting.

Dated April 27, 2005

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors and Stockholders of
SCBT Financial Corporation
Columbia, South Carolina

We have audited management's assessment, included in the accompanying Management Report on Internal Control Over Financial Reporting, that SCBT Financial Corporation and subsidiaries (the "Corporation") maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Corporation's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that SCBT Financial Corporation and subsidiaries maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on criteria established in Internal Control--Integrated Framework issued by the

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Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also in our opinion, SCBT Financial Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of SCBT Financial Corporation and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2004, and our report dated February 10, 2005 expressed an unqualified opinion thereon.

April 27, 2005

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Changes in Internal controls

There were no changes in the Company's internal controls over financial reporting that occurred during our most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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PART IV

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- Item 15. Exhibits and Financial Statement Schedules
- (a) 1. Financial Statements Filed:
SCBT Financial Corporation and Subsidiaries
Independent Auditor's Report
Consolidated Balance Sheets
Consolidated Statements of Income
Consolidated Statements of Changes in Shareholders' Equity
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements
2. Financial Schedules Filed: None

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3. Exhibits

In most cases, documents incorporated by reference to exhibits that have been filed with the Company's reports or proxy statements under the Securities Exchange Act of 1934 are available to the public over the Internet from the SEC's web site at <http://www.sec.gov>. You may also read and copy any such document at the SEC's public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20549 under the Company's SEC file number (000-13663).

Exhibit No.	Description of Exhibit
3.1	Articles of Incorporation of the Registrant, as amended (incorporated by reference to Exhibit 3.1 filed with the Registrant's Form 10-Q for the quarter ended March 31, 2004)
3.2	Bylaws of the Registrant, as amended (incorporated by reference to Exhibit 3.2 filed with the Registrant's Form 10-Q for the quarter ended March 31, 2004)
10.1	First National Corporation Dividend Reinvestment Plan (incorporated by reference to exhibits filed with Registration Statement on Form S-8, Registration No. 33-586692)
10.2*	First National Corporation Incentive Stock Option Plan of 1996 (incorporated by reference to Registrant's Definitive Proxy Statement filed in connection with its 1996 Annual Meeting of Shareholders.)
10.3*	First National Corporation 1999 Stock Option Plan (incorporated by reference to Exhibit 4 to the Registration Statement on Form S-8, Registration No. 333-33092)
10.4*	Employment Agreement between the Registrant and C. John Hipp, III, dated May 1, 1994 (incorporated by reference to Registrant's Form 10-K for the year Ended December 31, 1995)
10.5*	Employment Agreement between the Registrant and Robert R. Hill, Jr., effective as of September 30, 1999 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)

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10.6*	Employment Agreement between the Registrant and Thomas S. Camp, effective as of November 10, 1998 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
10.7*	Employment Agreement Amendment between the Registrant and Thomas S. Camp, effective as of December 5, 2001 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
10.8*	Employment Agreement between the Registrant and John C. Pollok, effective as of October 23, 2002 (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)

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- 10.9* Employment Agreement between the Registrant and Richard C. Mathis, effective as of October 23, 2002 (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
- 10.10* Employment Agreement between the Registrant and Joe E. Burns, effective as of October 23, 2002 (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
- 10.11* Supplemental Executive Retirement Agreement between South Carolina Bank and Trust, N.A. and C. John Hipp, III, effective as of January 1, 2003 (incorporated by reference to Exhibit 10.8 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
- 10.12* Supplemental Executive Retirement Agreement between South Carolina Bank and Trust, N.A. and Robert R. Hill, Jr., effective as of January 1, 2003 (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
- 10.13* Supplemental Executive Retirement Agreement between South Carolina Bank and Trust, N.A. and Thomas S. Camp, effective as of January 1, 2003 (incorporated by reference to Exhibit 10.10 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
- 10.14* Supplemental Executive Retirement Agreement between South Carolina Bank and Trust, N.A. and John C. Pollok, effective as of January 1, 2003 (incorporated by reference to Exhibit 10.11 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
- 10.15 Supplemental Executive Retirement Agreement between South Carolina Bank and Trust, N.A. and Richard C. Mathis, effective as of January 1, 2003 (incorporated by reference to Exhibit 10.12 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
- 10.16 Supplemental Executive Retirement Agreement between South Carolina Bank and Trust, N.A. and Joe E. Burns, effective as of January 1, 2003 (incorporated by reference to Exhibit 10.13 to the Registrant's Form 10-Q for the quarter ended March 31, 2003)
- 10.17* Restricted Stock Agreement, effective as of January 17, 2002, between the Registrant and Robert R. Hill, Jr. (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 (File No. 333-86922))

- 10.18* Restricted Stock Agreement, effective as of January 17, 2002, between the Registrant and Thomas S. Camp (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8 (File No. 333-86922))
- 10.19* Restricted Stock Agreement, effective as of January 17, 2002, between the Registrant and John C. Pollok (incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-8 (File No. 333-86922))

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- 10.20* Restricted Stock Agreement, effective as of January 17, 2002, between the Registrant and Richard C. Mathis (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (File No. 333-86922))
- 10.21* Restricted Stock Agreement, effective as of January 17, 2002, between the Registrant and A. Loran Adams (incorporated by reference to Exhibit 4.5 to the Registrant's Registration Statement on Form S-8 (File No. 333-86922))
- 10.22* Restricted Stock Agreement, effective as of January 17, 2002, between the Registrant and Joseph E. Burns (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 (File No. 333-86922))
- 10.23* First National Corporation 2002 Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 (File No. 333-9014))
- 10.24* Restricted Stock Agreement, effective as of January 2, 2003, between the Registrant and Joseph E. Burns (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 (File No. 333-103707))
- 10.25* SCBT Financial Corporation Stock Incentive Plan (incorporated by reference to Appendix A to the Registrant's Definitive Proxy Statement filed in connection with its 2004 Annual Meeting of Shareholders)
- 10.26* Settlement Agreement and Mutual Release of Claims, dated November 5, 2004, between SCBT Financial Corporation and C. John Hipp, III (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 23, 2005)
- 10.27* Agreement and Plan of Merger, dated as of December 16, 2004, between SCBT Financial Corporation and New Commerce BanCorp (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on January 23, 2004)
- 10.28 Executive Incentive Plan (incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004)
- 10.29* South Carolina Bank and Trust Deferred Income Plan dated January 1, 2004 (incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004)
- 10.30* Compensation of Directors (incorporated by reference to 10.30 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004)

- 13 2004 Annual Report to Shareholders (incorporated by reference to Exhibit 13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004)

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21 Subsidiaries of the Registrant (incorporated by reference to Exhibit 21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2004)

23 Consent of J.W. Hunt and Company, LLP

31 Rule 13a-14(a)/15d-14(a) Certifications

32 Section 1350 Certifications

* Denotes a management compensatory plan or arrangement.

(b) See the Exhibit Index following the Annual Report on Form 10-K/A for a listing of the exhibits filed herewith.

(c) Not Applicable.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment No. 1 to Form 10-K for the year ended December 31, 2004 to be signed on its behalf by the undersigned thereunto duly authorized, in Columbia, South Carolina, on the 28th day of April, 2005

SCBT Financial Corporation

April 28, 2005

/s/ Robert R. Hill, Jr.

Robert R. Hill, Jr.
President and
Chief Executive Officer

April 28, 2005

/s/ Richard C. Mathis

Richard C. Mathis
Executive Vice President and
Chief Financial Officer

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EXHIBIT INDEX

Exhibit No. Description of Exhibit

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31 Rule 13a-14(a)/15d-14(a) Certifications

32 Section 1350 Certifications