

(Company No. 1009258)

BRITEL GILTS NOMINEES LIMITED

Directors' Report

and

Financial Statements

30 September 1997



BRITEL GILTS NOMINEES LIMITED

Board of Directors and Other Information

DIRECTORS:

Martin Crust
Kevin James Davies
Kevin Anthony Dorey
Glen Palmer Good
Alan Roy Hawkins
Simon Nicholas Hughes
Robert Alec Jackman
Elizabeth Jayne Marshall

SECRETARY:

Robert Edward Stuart Littlejohn

REGISTERED OFFICE:

67 Lombard Street
London
EC3P 3DL

TELEPHONE NUMBER:

0171 615 0000

Registered in England No. 1009258

BRITEL GILTS NOMINEES LIMITED

Directors' Report

30 September 1997

The Directors present their annual report and the financial statements for the year ended 30 September 1997.

1. BUSINESS REVIEW

The company is a wholly owned subsidiary of RBS Trust Bank Ltd. ("Trust Bank") which itself is a wholly owned subsidiary of The Royal Bank of Scotland plc. The company's business is that of a nominee company only. As the company has not traded during the accounting period, received no income and incurred no expenditure, a profit and loss account is not presented.

On 22 August 1997, The Royal Bank of Scotland plc transferred its interest in the company to Trust Bank. The company's ultimate parent company is still The Royal Bank of Scotland Group plc.

2. DIRECTORS

The names of the present Directors are as listed on page 1.

The following was appointed as Directors of the company on the dates specified.

<u>Name of Director</u>	<u>Date of Appointment</u>
Kevin James Davies	11 June 1997
Alan Roy Hawkins	11 June 1997
Pamela Jane Layzell	11 June 1997
Jane McCabe	11 June 1997
Elizabeth Jayne Marshall	24 June 1997
Antoinette Una Moriarty	1 August 1997
Martin Crust	7 August 1997
Kevin Anthony Dorey	7 August 1997
Glen Palmer Good	7 August 1997
Robert Alec Jackman	1 October 1997

The following resigned as Directors of the company on the dates specified.

<u>Name of Director</u>	<u>Date of Resignation</u>
Anthony Francis Geach	5 June 1997
Philip Arthur Goulds	5 June 1997
Stephen Anthony Lowe	5 June 1997
Paulene McGarry	5 June 1997
Amanda Mary O'Brien	5 June 1997
Andrew Edward Charles Scott	5 June 1997
Brian James Willmott	5 June 1997

BRITEL GILTS NOMINEES LIMITED

Directors' Report (*continued*)

30 September 1997

<u>Name of Director</u>	<u>Date of Resignation</u>
Penelope Ann Strugnell	1 August 1997
Pamela Jane Layzell	7 August 1997
Jane McCabe	7 August 1997
Johnny Stephens	7 August 1997
John Storey	7 August 1997
John Albert Lea	1 October 1997
Antoinette Una Moriarty	1 October 1997

3. COMPANY SECRETARY

On 1 October 1997, Mr J A Lea resigned and Mr R E S Littlejohn was appointed as Company Secretary.

4. DIRECTORS' INTERESTS

The interests of the directors at 30th September 1997 in the share or loan capital of the ultimate holding company, The Royal Bank of Scotland Group plc, or in the share or loan capital of its subsidiary companies are shown on page 5.

5. AUDITORS

At the Annual General Meeting of the company held on 9 November 1987 a resolution was passed making the company exempt from the obligation to appoint auditors by virtue of section 252 or as otherwise required by Section 384 of the Companies Act 1985.

By Order of the Board


R E S Littlejohn
Secretary

2 April 1998

BRITEL GILTS NOMINEES LIMITED

Directors' Report (continued)

30 September 1997

DIRECTORS' INTERESTS

The following Directors were beneficially interested in the 25p ordinary shares of The Royal Bank of Scotland Group plc.

	At 1 October 1996 [or date of appointment if later]	At 30 September 1997
	<u>Shares</u>	<u>Shares</u>
S N Hughes	141	146
R A Jackman	8,081	8,081
J A Lea	4,028	4,322

Options to subscribe for 25p ordinary shares of The Royal Bank of Scotland Group plc granted to and exercised by Directors during the year to 30 September 1997 are included in the table below:-

	At 1 October 1996 [or date of appointment if later]	<u>Options Granted</u>		<u>Options Exercised</u>		At 30 September 1997
		<u>Number</u>	<u>Price</u> £	<u>Number</u>	<u>Price</u> £	
K A Dorey	3,921	-	-	-	-	3,291
G P Good	2,437	-	-	-	-	2,437
S N Hughes	2,807	694	4.97	-	-	3,501
R A Jackman	8,291	1,443	4.97	5,032	1.55	4,702
J A Lea	8,808	1,388	4.97	2,032	1.55	8,164

No other Director had an interest in the ordinary shares of The Royal Bank of Scotland Group plc and no Director had an interest in any of the preference shares of The Royal Bank of Scotland Group plc during the year to 30 September 1997.

In addition, during that period none of the Directors held a beneficial interest in the loan capital of The Royal Bank of Scotland Group plc or in the share or loan capital of any of the other subsidiaries of The Royal Bank of Scotland Group plc, including the company.

BRITEL GILTS NOMINEES LIMITED

Balance Sheet

As at 30 September 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS			
Debtors:			
Amounts owed by parent undertaking -		<u>100</u>	<u>100</u>
NET ASSETS		<u>100</u>	<u>100</u>
CAPITAL			
Called up share capital	3	<u>100</u>	<u>100</u>
		<u>100</u>	<u>100</u>

DIRECTORS DECLARATION

The company was dormant (within the meaning of Section 252 of the Companies Act 1985) throughout the accounting period ending at the date of this balance sheet.

Director 

Date: 2 April 1998

Director 

NOTES

1. Accounting Policy

The financial statements have been prepared under the historical cost convention and in compliance with the Companies Act 1985.

2. Ultimate Holding Company

The company is a wholly owned subsidiary of RBS Trust Bank Ltd., a company incorporated and registered in England. The company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in Scotland.

NOTES (continued)

3. Called up Share Capital

	<u>Authorised</u>	<u>Share capital allotted, called up and fully paid</u>
At 30 September 1997 and 1996		
Ordinary Shares of £1 each	<u>£100</u>	<u>£100</u>

4. Profit and Loss Account

The company has not traded during the accounting period, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss. A profit and loss account is therefore not provided. None of the Directors received any remuneration.

5. Contingent Liabilities

There is a contingent liability to subscribe for uncalled capital in respect of securities registered in the company but the company has recourse to the beneficial owners of these securities should any liability arise.

6. Approval of Accounts

The financial statements were approved at a meeting of the Board of Directors on 2 April 1998