

Company No. 2008984

**NATWEST (HMHP) LIMITED  
(FORMERLY HAWKPOINT PARTNERS LIMITED)**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2001**



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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTOR:** **P R Allen**

**SECRETARY:** **A M Cunningham**

**REGISTERED OFFICE:** **3 Princess Way**  
**Redhill**  
**Surrey, RH1 1NP**  
**England**

**AUDITORS:** **Deloitte & Touche**  
**39 George Street**  
**Edinburgh EH2 2HZ**  
**Scotland**

## **DIRECTOR'S REPORT**

The Director presents his annual report together with the audited financial statements of the company for the year ended 31 December 2001.

### **Activities and Business Review**

The principal activity of the company was the provision of corporate finance advisory services. The company was regulated by The Securities & Futures Authority Limited ("SFA"). The company ceased to trade for its own account at the end of 1999 and tendered its resignation to SFA on 22 March 2000.

The retained loss for the year was £627,000 (2000: retained profit £716,000) and this was transferred from reserves. The director does not recommend a dividend (2000 : £nil).

The director does not anticipate any material change in either the type or level of activities of the company.

### **Directors**

The name of the present director, who served throughout the year, is listed on page 1.

### **Director's Responsibilities**

United Kingdom company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing the financial statements, the director is 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director confirms that these financial statements comply with the aforementioned requirements.

**DIRECTOR'S REPORT (continued)**

**Directors' interests**

The Sole Director had no interests in the shares of the company.

**The Royal Bank of Scotland Group plc (RBSG) Ordinary shares of £0.25 each**

<u>Shareholdings</u>			<u>Share Options</u>					
	As at 1 January 2001*	As at 31 December 2001	As at 1 January 2001*	Granted during the period		Exercised during the period		As at 31 December 2001
				Options	Price	Options	Price	
P R Allen Ordinary	8,425	15,587	34,062	1,609	17.18	4,445	3.88	21,796
				5,891	17.18	16,181	9.33	
				710	13.64			
				150	15.63			
Restricted Profit Share Scheme	6,286	4,403						

**\*(or date of appointment, if later)**

As at 31 December 2001 PR Allen also held 14,607 Additional Value Shares (2000 14,607).

The director had no interests in any of the preference shares and Floating Rate Unsecured Loan notes 2005 in RBSG during the year to 31 December 2001.

Other than noted above, the director in office at 31 December 2001 held no interest in the share or loan capital of the company or any other group company.

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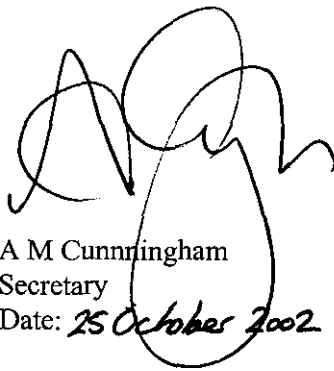
**DIRECTOR'S REPORT (continued)**

**AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors.



Approved by the Sole Director  
and signed by:



A M Cunningham  
Secretary

Date: *25 October 2002*

3 Princess Way  
Redhill  
Surrey  
RH1 1NP

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
NATWEST (HMHP) LIMITED**

We have audited the financial statements of NatWest (HMHP) Limited set out on pages 7 to 13 which have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described in the statement of director's responsibilities, the company's director is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 if, in our opinion, the director's 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 the director's remuneration and transactions with the company is not disclosed.

We read the director's report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

**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 director 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 as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
39 George Street  
Edinburgh EH2 2HZ

Date *22/11/02*



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**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2001**

	Notes	2001 £'000	2000 £'000
Turnover	1 (f)	164	151
Administrative expenses		(193)	-
Other operating income		12	61
Operating (loss)/profit	3	(17)	212
Income from other investments		-	-
Interest receivable		103	768
Profit on ordinary activities before taxation		86	980
Tax on profit on ordinary activities	4	(713)	(264)
(Loss)/profit on ordinary activities after taxation		(627)	716
Retained (loss)/profit for the year		(627)	716

All income was derived from continuing operations.

There were no recognised gains or losses other than the loss for the current financial year and the profit for the prior year.

A statement of movement on reserves is given in note 11.

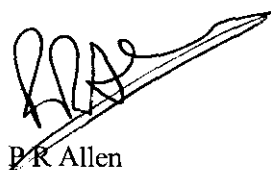
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**BALANCE SHEET**

**As at 31 December 2001**

	Notes	2001 £'000	2000 £'000
<b>Fixed assets</b>			
Tangible	5	185	370
<b>Current assets</b>			
Investments	6	128	128
Debtors	7	17,735	65
Cash at bank and in hand	8	169	20,868
		<u>18,032</u>	<u>21,061</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(1,114)</u>	<u>(3,701)</u>
<b>Net current assets</b>		16,918	17,360
<b>Total Assets less Current Liabilities</b>		<u>17,103</u>	<u>17,730</u>
<b>Capital and Reserves</b>			
Share capital	10	16,500	16,500
Profit and loss account		603	1,230
<b>Equity shareholders' funds</b>	11	<u>17,103</u>	<u>17,730</u>

The accounts were approved by the Sole Director on *25 October 2002*  
and were signed by:

  
P R Allen

Director

## NOTES TO THE ACCOUNTS

### **1 Principal accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. Consolidated financial statements are not presented as the Company is a wholly owned subsidiary of a company incorporated in Great Britain.

#### **(b) Cash flow statement**

A cash flow statement is not required under FRS1 (revised) as the company is a wholly owned subsidiary undertaking of a company incorporated in Great Britain.

#### **(c) Investments**

Fixed asset investments are stated at cost less provision for any impairment. Listed investments shown as current assets are included at the lower of cost and market value.

#### **(d) Fixed assets and depreciation**

Depreciation is provided to write off the cost of tangible fixed assets by equal installments over their estimated useful economic lives as follows:

Office furniture and fixtures	5 years
Computer equipment	5 years
Paintings	10 years

#### **(e) Foreign currency**

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### **(f) Turnover**

Turnover represents rental income.

**NOTES TO THE ACCOUNTS (continued)**

**2 Directors and employees**

The director is a full time employee of another group company and is remunerated by this company for services to the Royal Bank of Scotland Group plc as a whole.

The company has no employees (2000: Nil)

**3 Operating (loss)/profit**

The loss (2000: profit) on ordinary activities before taxation is stated after charging.

	2001 £'000	2000 £'000
Depreciation	185	258

The statutory audit fees of the company are borne by another group undertaking.

**4 Tax on profit on ordinary activities**

	2001 £'000	2000 £'000
Group relief payable at 30%	713	264
	<u>713</u>	<u>264</u>

**5 Tangible fixed assets**

	Equipment & furniture £'000	Paintings £'000	Total £'000
<u>Cost</u>			
At 1 January 2001	1,359	76	1,435
Disposals	-	-	-
At 31 December 2001	<u>1,359</u>	<u>76</u>	<u>1,435</u>
<u>Depreciation</u>			
At 1 January 2001	1,040	25	1,065
Charge for the year	177	8	185
At 31 December 2001	<u>1,217</u>	<u>33</u>	<u>1,250</u>
<u>Net book amounts</u>			
At 31 December 2001	142	43	185
At 31 December 2000	319	51	370

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**NOTES TO THE ACCOUNTS (continued)**

**6 Investments**

	<u>2001</u>		<u>2000</u>	
	Balance Sheet £000	Market Value £000	Balance Sheet £000	Market Value £000
UK Listed Equities	1	14	1	-
Shares Listed Elsewhere	127	325	127	325
	<u>128</u>	<u>339</u>	<u>128</u>	<u>325</u>

**7 Debtors**

	<u>2001</u> £'000	<u>2000</u> £'000
Trade debtors	-	20
Other debtors	-	24
Amounts due from parent and fellow subsidiary undertakings	17,735	21
	<u>17,735</u>	<u>65</u>

**8 Cash at bank and in hand**

	<u>2001</u> £'000	<u>2000</u> £'000
Intra group balances:		
Placed with NatWest Group Treasury	-	20,250
Placed within deposit account at NatWest	169	618
	<u>169</u>	<u>20,868</u>

**NOTES TO THE ACCOUNTS (continued)**

**9 Creditors: Amounts falling due within one year**

	2001 £'000	2000 £'000
Amounts owed to parent and fellow subsidiary undertakings	-	367
Other creditors including taxation and national insurance	785	217
Accruals	329	3,117
	<u>1,114</u>	<u>3,701</u>

**10 Share capital**

	2001 £'000	2000 £'000
Authorised:		
20 million ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
Share capital allotted, called up and fully paid:		
16.5 million ordinary shares of £1 each	<u>16,500</u>	<u>16,500</u>

**11 Reconciliation of movements in equity shareholders' funds**

	2001 £'000	2000 £'000
(Loss)/profit for the financial year attributable to shareholders	(627)	716
Opening shareholders' funds	17,730	17,014
Closing shareholders' funds	<u>17,103</u>	<u>17,730</u>

**12 Contingent liability**

Group VAT Registration:

The company is registered with HM Customs & Excise as a member of The Royal Bank of Scotland Group plc group for VAT purposes and, as a result, is jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of unpaid VAT.

**13 Ultimate holding company**

The company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in Scotland. Financial statements for The Royal Bank of Scotland Group plc can be obtained from The Royal Bank of Scotland Group plc, 42 St Andrew Square, Edinburgh, EH2 2YE.

The smallest subgroup into which the company is consolidated and its immediate parent company is, National Westminster Bank Plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements for this subgroup can be obtained from The Royal Bank of Scotland Group plc, 42 St Andrew Square, Edinburgh, EH2 2YE.

The company is exempt from the requirement of Financial Reporting Standard 8 'Related Party Disclosures' to disclose transactions and balances with other subsidiaries or investees of the group as its results are included in the Consolidated Financial Statements of The Royal Bank of Scotland Group plc.