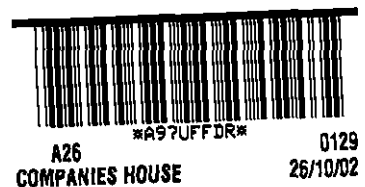


LOMBARD PLANT LEASING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001



Lombard Plant Leasing Limited is registered in England and Wales No. 2208679.
Registered Office: 3 Princess Way, Redhill, Surrey, RH1 1NP.

LOMBARD PLANT LEASING LIMITED

DIRECTORS

C G Knowles

N Pearce

J D Stuart

C P Sullivan

SECRETARY

C J Whittaker

LOMBARD PLANT LEASING LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of credit finance by way of leasing.

BUSINESS REVIEW

The results for the year are set out in the profit and loss account on page 6. The directors have approved an interim dividend of £150,000.

Although the company traded at a loss during the year under review the directors expect that it will trade profitably in future.

DIRECTORS

The present directors are as shown on page 1.

Mr J D Stuart was appointed to the board on 1 July 2001.

DIRECTORS' INTERESTS

No director had an interest in the shares of the company.

The following director was beneficially interested in:

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

	Shareholdings			Share Options				
	As at 1	As at 31	As at 1	Granted		Exercised		As at 31
	January	December	January	during the period		during the period		December
	2001*	2001	2001*	Options	Price	Options	Price	2001
J D Stuart	644	1,243	14,464	-	-	599	3.45	13,865

**or date of appointment to the Board if later*

As at his date of appointment and 31 December 2001 Mr J D Stuart also held 1,186 Additional Value Shares ('AVS') and 2,148 Floating Rate Unsecured Loan Notes 2005 in RBSG.

LOMBARD PLANT LEASING LIMITED

DIRECTORS' REPORT CONTINUED

DIRECTORS' INTERESTS (CONTINUED)

At the year end Mr C G Knowles, Mr N Pearce and Mr C P Sullivan were also directors of the immediate parent undertaking, Lombard North Central PLC, a company which is itself required to keep a register of directors' interests. The directors were not therefore required to notify their interests in the shares or debentures of The Royal Bank of Scotland Group plc group undertakings to the company.

No other interests in the share or loan capital of The Royal Bank of Scotland Group plc group undertakings have been notified by any director.

By order of the board



Carolyn J Whittaker
Secretary

18 October 2002

LOMBARD PLANT LEASING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss for that period. In preparing those financial statements, the directors are required to:-

- i. select suitable accounting policies and then apply them consistently;
- ii. make judgements and estimates that are reasonable and prudent;
- iii. state whether applicable accounting standards have been followed; and
- iv. 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LOMBARD PLANT LEASING LIMITED

We have audited the financial statements of Lombard Plant Leasing Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the statement of directors' responsibilities, the company's directors are 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

BASIS OF 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 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

Crawley, 24 October 2002

LOMBARD PLANT LEASING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 <u>£'000</u>	2000 <u>£'000</u>
Turnover	2	338	728
Operating charges		<u>(96)</u>	<u>(113)</u>
Operating profit	3	242	615
Interest payable	4	<u>(253)</u>	<u>(449)</u>
(Loss)/Profit on ordinary activities before taxation		(11)	166
Taxation credit/(charge) on profit on ordinary activities	6	<u>3</u>	<u>(50)</u>
(Loss)/Profit on ordinary activities after taxation		(8)	116
Dividends	7	<u>(150)</u>	<u>-</u>
Retained (loss)/profit for the financial year	10	<u><u>(158)</u></u>	<u><u>116</u></u>

All items dealt with in arriving at (Loss)/Profit on ordinary activities before taxation for 2001 and 2000 arise from continuing operations.

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £8,000 in the year ended 31 December 2001 and profit of £116,000 in the year ended 31 December 2000.

The notes on pages 8 to 12 form part of these financial statements.


LOMBARD PLANT LEASING LIMITED

BALANCE SHEET

AT 31 DECEMBER 2001

	Note	2001 £'000	2000 £'000
<u>ASSETS</u>			
CURRENT ASSETS			
Debtors falling due within one year	8	2,792	6,779
Debtors falling due after more than one year	8	<u>2,139</u>	<u>2,987</u>
		<u>4,931</u>	<u>9,766</u>
<u>LIABILITIES</u>			
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Profit and loss account	10	<u>56</u>	<u>214</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	11	56	214
CREDITORS	13	<u>4,875</u>	<u>9,552</u>
		<u>4,931</u>	<u>9,766</u>

The financial statements were approved at a meeting of the board of directors
on *18 October* 2002 and were signed on their behalf by:



Nigel Pearce

Director

The notes on pages 8 to 12 form part of these financial statements.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a. Accounting Convention

The financial statements have been prepared upon the basis of historical cost and in accordance with applicable accounting standards.

b. Finance Leases

Assets made available to third parties under finance leases are treated as amounts receivable.

Income from finance leases is credited to the profit and loss account in proportion to the funds invested.

c. Deferred Taxation

Deferred tax is provided using the liability method on all timing differences to the extent that a tax liability is expected to arise in the future. Credit for deferred tax is taken in respect of timing differences to the extent that tax relief is expected to crystallise.

d. Related Party Transactions/Financial Reporting Standard 1

As a wholly owned subsidiary of Lombard North Central PLC, the company has taken advantage of the exemption permitted by Financial Reporting Standard 8, 'Related Party Disclosures', and does not disclose inter company transactions. Similarly, the company is exempted under Financial Reporting Standard 1, 'Cash Flow Statements', from the requirement to prepare a cash flow statement.

2. TURNOVER

- (i) Turnover represents lease income and termination adjustments credited to the profit and loss account during the year, all of which arises in the United Kingdom and is from continuing activities.

	2001	2000
	<u>£'000</u>	<u>£'000</u>
(ii) Aggregate rentals receivable/(payable) during the year under finance leases	<u>3,161</u>	<u>(147)</u>

Aggregate rentals payable include rebates of rentals.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. OPERATING PROFIT

There is no charge in this year's financial statements for auditors' remuneration as the fee is to be charged in the financial statements of the immediate parent undertaking (2000 - £nil).

4. INTEREST PAYABLE

2001	2000
<u>£'000</u>	<u>£'000</u>

On bank loans and overdrafts, and other loans:

To group undertakings	<u>253</u>	<u>449</u>
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5. EMPLOYEES, DIRECTORS' REMUNERATION AND INTERESTS

No emoluments were paid to any director by the company during the year (2000 - £nil).

None of the directors had any material interest in any contract of significance in relation to the business of the company (2000 - £nil).

The company has no direct employees (2000 - nil).

6. TAXATION (CREDIT)/CHARGE ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

2001	2000
<u>£'000</u>	<u>£'000</u>

Group relief payable/(receivable)*	332	(962)
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Transfer (from)/to deferred tax (note 12)	(335)	1,012
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Adjustments in respect of prior years:

Group relief receivable*	-	(57)
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Transfer to deferred tax (note 12)	<u>-</u>	<u>57</u>
	<u>(3)</u>	<u>50</u>

* Provision for group relief is made on the assumption that the claimant companies will make payment to the surrendering companies at rates appropriate to the periods in which the losses claimed are utilised.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. DIVIDENDS	2001 <u>£'000</u>	2000 <u>£'000</u>
Ordinary shares:		
Dividend proposed - £1,500 per ordinary share (2000 - nil)	<u>150</u>	<u>-</u>
 8. DEBTORS	 2001 <u>£'000</u>	 2000 <u>£'000</u>
Amounts falling due:		
i) Within one year		
Trade debtors	253	16
Amounts owed by group undertakings	888	1,730
Net investment in finance leases	1,649	5,031
Prepayments and accrued income	<u>2</u>	<u>2</u>
	2,792	6,779
ii) After more than one year		
Net investment in finance leases	1,564	2,747
Deferred tax (note 12)	<u>575</u>	<u>240</u>
	2,139	2,987
Total debtors	<u>4,931</u>	<u>9,766</u>

9. CALLED UP SHARE CAPITAL

	2001		2000
	<u>Authorised</u>	Allotted, called up and <u>fully paid</u>	<u>Authorised</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	<u>1,000</u>	<u>100</u>	<u>1,000</u>
			<u>100</u>

All of the above share capital relates to equity funds.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. PROFIT AND LOSS ACCOUNT

	<u>£'000</u>
Balance at 1 January 2001	214
Retained loss for the financial year	(158)
Balance at 31 December 2001	<u>56</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £'000	2000 £'000
(Loss)/Profit attributable to members of the company	(8)	116
Dividends	(150)	-
Net movement in shareholders' funds	(158)	116
Opening shareholders' funds	214	98
Closing shareholders' funds	<u>56</u>	<u>214</u>

12. DEFERRED TAXATION ASSET

	<u>£'000</u>
Balance at 1 January 2001	240
Transfer to profit and loss account (note 6)	335
Balance at 31 December 2001	<u>575</u>

There is no unprovided liability for deferred tax. Deferred tax has been included as an asset in respect of capital allowances to the extent that tax relief is expected to crystallise in the future.

LOMBARD PLANT LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. CREDITORS	2001 <u>£'000</u>	2000 <u>£'000</u>
Amounts falling due within one year:		
Trade creditors	198	46
Amounts owed to group undertakings	3,269	7,266
Other creditors	1,258	1,340
Proposed dividends	150	-
Declared dividends	-	900
	<u>4,875</u>	<u>9,552</u>

14. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Lombard North Central PLC, registered in England and Wales. The ultimate parent undertaking and ultimate controlling party is The Royal Bank of Scotland Group plc, registered in Scotland.

Copies of the financial statements of Lombard North Central PLC can be obtained from:
The Secretary, Lombard North Central PLC, 3 Princess Way, Redhill, Surrey, RH1 1NP.

Copies of the financial statements of The Royal Bank of Scotland Group plc can be obtained from:
The Secretary, The Royal Bank of Scotland Group plc, 36 St Andrew Square, Edinburgh, EH2 2YB.