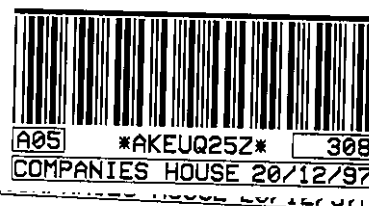


(Company No. 3072697)

**WATERHOUSE NOMINEES LIMITED**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 1997



## WATERHOUSE NOMINEES LIMITED

### DIRECTORS:

Simon Christopher Dare  
Kevin James Davies  
Alan Roy Hawkins  
Simon Nicholas Hughes  
Pamela Jane Layzell  
John Albert Lea  
Elizabeth Jayne Marshall  
Jane McCabe  
Antoinette Una Moriarty  
John Storey

### SECRETARY:

John Albert Lea

### REGISTERED OFFICE:

Waterhouse Square  
138-142 Holborn  
London  
EC1N 2TH

### TELEPHONE NUMBER:

0171 427 8000

## **WATERHOUSE NOMINEES LIMITED**

### **1. REPORT OF THE DIRECTORS**

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

### **2. BUSINESS REVIEW**

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.

### **3. DIRECTORS**

The names of the present Directors are as listed on page 1. As at 30 September 1997, the members of the Board of Directors were:-

Mr Kevin James Davies  
Mr Alan Roy Hawkins  
Mr Simon Nicholas Hughes  
Ms Pamela Jane Layzell  
Mr John Albert Lea  
Ms Elizabeth Jayne Marshall  
Mrs Jane McCabe  
Mrs Antoinette Una Moriarty  
Mr John Storey

The following were appointed as Directors of the Company on the dates specified.

<b><u>Name of Director</u></b>	<b><u>Date of Appointment</u></b>
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

The following were resigned as Directors of the Company on the dates specified.

<b><u>Name of Director</u></b>	<b><u>Date of Resignation</u></b>
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
Penelope Ann Strugnell	1 August 1997
Johnny Stephens	7 August 1997

## **WATERHOUSE NOMINEES LIMITED**

### **4. DIRECTORS' INTERESTS**

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

	<b>At 1 October 1996 [or date of appointment if later]</b>	<b>At 30 September 1997</b>
	<b><u>Shares</u></b>	<b><u>Shares</u></b>
S N Hughes	141	146
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:-

	<b>At 1 October 1996 [or date of appointment if later]</b>	<b><u>Options Granted</u></b>		<b><u>Options Exercised</u></b>		<b>At 30 September 1997</b>
		<b><u>Number</u></b>	<b><u>Price £</u></b>	<b><u>Number</u></b>	<b><u>Price £</u></b>	
S N Hughes	2,807	694	4.97	-	-	3,501
J A Lea	8,808	1,388	4.97	2,032	1.55	8,164
J McCabe	754	156	4.97	-	-	910
J Storey	1,467	208	4.97	677	1.55	998

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.

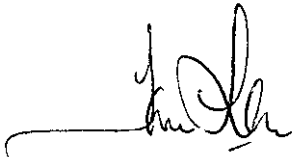
In addition, during that period none of the Directors held a beneficial interest in the loan capital of The Royal Bank of Scotland Group plc or in the share or loan capital of any of the other subsidiaries of The Royal Bank of Scotland Group plc, including the company.

## WATERHOUSE NOMINEES LIMITED

### 5. AUDITORS

At an Extraordinary General Meeting of the Company held on 20 September 1995 a resolution was passed making the Company exempt from the obligation to appoint auditors as otherwise required by Section 384 of the Companies Act 1985.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J A Lea', with a long horizontal flourish extending to the left.

J A Lea  
Secretary

21 November 1997

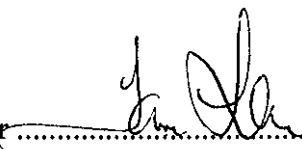
## WATERHOUSE NOMINEES LIMITED

### BALANCE SHEET AT 30 SEPTEMBER 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS			
Debtors:			
Amounts owed by Group Company - [The Royal Bank of Scotland plc]		<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:** 21 November 1997

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's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in Great Britain.

## WATERHOUSE NOMINEES LIMITED

### 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>£1,000</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 Financial Statements

The financial statements were approved at a meeting of the Board of Directors on 21 November 1997.