

Company Registration No: 4226776

DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2003

Dixon Distribution Centre
Capitol Park
Thorne
Doncaster
DN8 5TX



DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

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DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**A E Peppard
S N Ramanathan
M Stanworth**

SECRETARY:

A M Cunningham

REGISTERED OFFICE:

**Dixon Distribution Centre
Capitol Park
Thorne
Doncaster
DN8 5TX**

AUDITORS:

Deloitte & Touche LLP, Leeds

Registered in England and Wales

DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period ended 31 December 2003.

ACTIVITIES AND BUSINESS REVIEW

The company's principal activity is property development. During the year, the company transferred its principal asset, a freehold property, to a fellow subsidiary undertaking. The directors do not anticipate any material change in either the type or level of activities of the company.

DIRECTORS AND SECRETARY

The names of the present directors and Secretary are as listed on page 1.

From 1 January 2003 date the following changes have taken place:

	Appointed	Resigned
Directors		
A E Peppard	26 May 2004	
S N Ramanathan	26 May 2004	
M Stanworth	26 May 2004	
P W H Dixon		27 May 2004
S T Dixon		27 May 2004
C P Elton		31 January 2003
Secretaries		
A M Cunningham	12 March 2004	
I C Franks		12 March 2004

DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors 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 directors are 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 subject to any material departures disclosed and explained in the financial statements; and
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that these financial statements comply with the aforementioned requirements.

DIRECTORS' INTERESTS

According to the register maintained under the Companies Act 1985, none of the directors had any beneficial interests in the share capital of the company. At 31 December 2003, Messrs P W H Dixon and S T Dixon were directors of Dixon Motors PLC, in whose accounts their interests in the share capital of the ultimate holding company, The Royal Bank of Scotland Group plc, are shown.

DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

ELECTIVE RESOLUTIONS

Elective Resolutions electing to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and the appointment of auditors annually were passed on 2 January 2003.

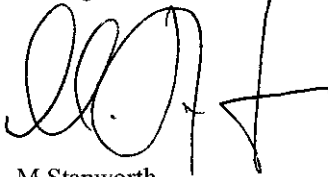
AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors, transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989.

The Company has elected to dispense with the obligation to appoint auditors annually, and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

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

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'M Stanworth', written over a horizontal line.

M Stanworth
Director

8 October 2004

DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

We have audited the financial statements of Dixon Mount Pleasant Developments Limited for the year ended 31 December 2003 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the statement of director's 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 the 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 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 2003 and of its loss for the year ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds
8 October 2004

DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

	<i>Notes</i>	<i>2003</i> £	<i>2002</i> £
Rental income		96,000	-
Administrative expenses		(21,638)	(34,340)
OPERATING PROFIT / (LOSS)	2	74,362	(34,340)
Interest payable to fellow subsidiary undertakings		(93,563)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(19,201)	(34,340)
Taxation on loss on ordinary activities	3	4,486	6,645
RETAINED LOSS FOR THE FINANCIAL YEAR		(14,715)	(27,695)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2003

There were no recognised gains or losses other than the loss for the year of £14,715 (2002: £27,695).

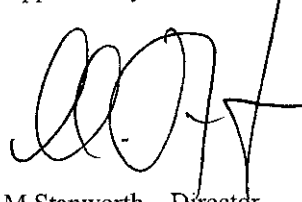
DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

BALANCE SHEET

at 31 December 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible fixed assets	4	-	1,490,454
CURRENT ASSETS			
Amounts due from fellow subsidiary undertakings		-	27,393
CREDITORS : amounts falling due within one year	5	42,408	1,524,794
NET CURRENT (LIABILITIES)		(42,408)	(1,497,401)
TOTAL ASSETS LESS CURRENT LIABILITIES		(42,408)	(6,947)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation	6	-	(20,746)
TOTAL ASSETS LESS CURRENT LIABILITIES		(42,408)	(27,693)
CAPITAL AND RESERVES			
Equity share capital	7	2	2
Profit and loss account	8	(42,410)	(27,695)
EQUITY SHAREHOLDERS' DEFICIT		(42,408)	(27,693)

Approved by the Board on 8 October 2004



M Stanworth – Director

DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with United Kingdom accounting standards.

Fixed assets

Freehold land is not depreciated. Freehold buildings are depreciated at 2% per annum.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its result as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

2. OPERATING PROFIT

This is stated after charging:

	2003 £	2002 £
Rent payable	-	13,000
Depreciation on freehold property	21,638	21,340
	<u>21,638</u>	<u>34,340</u>

DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

3. TAXATION CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2003 £	2002 £
A) Analysis of the credit for the year		
UK Corporation Tax		
Group relief recoverable	14,653	27,391
Total current tax	14,653	27,391
Deferred Taxation		
Origination and reversal of timing differences	(13,393)	(20,746)
Adjustments in respect of previous periods	3,226	-
Total deferred tax	(10,167)	(20,746)
Tax on profit on ordinary activities	4,486	6,645

B) Factors affecting the credit for the year

The actual tax credit differs from the expected tax credit computed by applying the standard UK corporation tax rate of 30% (2001: 30%) as follows:

	2003 £	2002 £
(Loss) on ordinary activities before tax	(19,201)	(34,340)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	5,760	10,302
Effect of:		
Disallowed expenses and non taxable income	(4,500)	(3,657)
Depreciation in excess of capital allowances	13,393	20,746
Current taxation credit for the year	14,653	27,391
Deferred Taxation		
Origination and reversal of timing differences	(13,393)	(20,746)
Adjustments in respect of previous periods	3,226	-
Tax on profit on ordinary activities	4,486	6,645

DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

4. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £</i>
Cost:	
At 1 January 2003	1,524,316
Additions	21,258
Transfers to Group Companies	(1,545,574)
At 31 December 2003	-
Depreciation:	
At 1 January 2003	33,862
Charge for the year	21,638
Transfers from Group Companies	(55,500)
At 31 December 2003	-
Net book amounts:	
At 31 December 2003	-
At 1 January 2003	1,490,454

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>2003 £</i>	<i>2002 £</i>
Amounts owed to fellow subsidiary undertakings	42,408	1,524,794
	<u>42,408</u>	<u>1,524,794</u>

6. DEFERRED TAXATION

	<i>2003 £</i>	<i>2002 £</i>
At 1 January	20,746	-
Provided during the year	10,167	20,746
Transferred to fellow subsidiary undertaking	(30,913)	-
At 31 December	-	20,746
The deferred tax consists of:		
Accelerated Capital Allowances	-	20,746

DIXON MOUNT PLEASANT DEVELOPMENTS LIMITED

7. EQUITY SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>2003 and 2002</i>		<i>2003 and 2002</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary shares of £1 each	1,000	1,000	2	2

8. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Equity share capital</i>	<i>Profit and loss account</i>	<i>Total equity shareholders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 January 2002	2	-	2
Loss for the year ended 31 December 2002	-	(27,695)	(27,695)
At 31 December 2002	2	(27,695)	(27,693)
Loss for the year ended 31 December 2003	-	(14,715)	(14,715)
At 31 December 2003	2	(42,410)	(42,408)

9. IMMEDIATE AND ULTIMATE PARENT COMPANY

The company's immediate parent company is Dixon Motors Developments Limited.

The company's ultimate holding company, ultimate controlling party, and the parent of the largest group into which the company is consolidated is The Royal Bank of Scotland Group plc that 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 has as its parent company The Royal Bank of Scotland plc, a company incorporated in Great Britain and registered in Scotland. 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.

10. RELATED PARTY TRANSACTIONS

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 Royal Bank of Scotland Group plc as the company's results are included in the Consolidated Financial Statements of The Royal Bank of Scotland Group plc.

There were no other related party transactions during the year or any amounts due to or from related parties outstanding at the balance sheet date.