

Company Registration No: 4422287

**PRIMEMODERN LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**30 April 2003**



# PRIMEMODERN LIMITED

CONTENTS	Page
Officers and Professional Advisers	1
Directors' Report	2 - 4
Independent Auditors' Report	5
Profit & Loss Account	6
Balance Sheet	7
Notes to the Accounts	8 and 9

# **PRIMEMODERN LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS:**

**T J D Boag  
P Carpenter  
S B Eighteen  
J F Greenshields  
I L J Robertson**

### **SECRETARY:**

**P E Bartlett**

### **REGISTERED OFFICE:**

**135 Bishopsgate  
London EC2M 3UR**

### **AUDITORS:**

**Deloitte & Touche LLP  
Chartered Accountants and  
Registered Auditors  
London**

**Registered in England and Wales.**

# PRIMEMODERN LIMITED

## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period from incorporation to 30 April 2003.

## ACTIVITIES AND BUSINESS REVIEW

The company was incorporated on 23 April 2002. The principal activity of the company is that of a holding company of subsidiary undertakings.

The company did not trade during the period.

## IMPORTANT EVENTS WHICH HAVE OCCURRED AFTER PERIOD END

The investment in the subsidiary Powerfocal Limited has been disposed of after the period end.

## DIRECTORS AND SECRETARY

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

From 23 April 2002 to date the following changes have taken place:

	Appointed	Resigned
<b>Directors</b>		
T J D Boag	17 September 2002	
P Carpenter	17 September 2002	
S B Eighteen	17 September 2002	
J F Greenshields	17 September 2002	
I L J Robertson	17 September 2002	
Instant Companies Limited	23 April 2002	8 May 2002
F Feggetter	8 May 2002	22 May 2002
R M Cullinan	22 May 2002	17 September 2002
D R Giffin	22 May 2002	17 September 2002
S A Peckham	2 May 2002	17 September 2002
<b>Company Secretary</b>		
P E Bartlett	17 September 2002	
M Bailie	22 May 2002	17 September 2002
Swift Incorporation Limited	23 April 2002	8 May 2002
G Warren	8 May 2002	22 May 2002

## DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial period 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# PRIMEMODERN LIMITED

## DIRECTORS' REPORT (continued)

### DIRECTORS' RESPONSIBILITIES (continued)

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

No director had any interests in the shares of the company.

The following directors were beneficially interested in the ordinary shares of The Royal Bank of Scotland Group plc:

	As at 23 April 2002*	As at 30 April 2003
T J D Boag	1,459	2,408
P Carpenter	1,511	1,826
S B Eighteen	16	16
J F Greenshields	2,026	2,254
I L J Robertson	7,335	7,427

Options to subscribe for ordinary shares of 25p each in The Royal Bank of Scotland Group plc granted to and exercised during the period by the following directors of the Company and members of their immediate family are:

	As at 23 April 2002*	Options Granted during the period		Options Exercised During the Period		As at 30 April 2003
		Options	Price	Options	Price	
T J D Boag	9,928	321	1235p	515	401p	9,734
P Carpenter	14,445	153 12,200	1235p 1237p	315	612	26,483
S B Eighteen	3,228	-	-	-	-	3,228
J F Greenshields	1,283	-	-	-	-	1,283
I L J Robertson	76,583	29,200	1237p	-	-	105,783

No director had an interest in any of the preference shares during the period to 30 April 2003.

The following directors were beneficially interested in the Additional Value Shares of The Royal Bank of Scotland Group plc:

	As at 23 April 2002*	As at 30 April 2003
T J D Boag	318	318
P Carpenter	824	824
S B Eighteen	16	16
J F Greenshields	1,093	1,093
I L J Robertson	6,571	6,571

\* or date of appointment, if later

# PRIMEMODERN LIMITED

## DIRECTORS' REPORT (continued)

### DIRECTORS' INTERESTS (continued)

The following directors were beneficially interested in the Floating Rate Unsecured Loan Notes 2005 of The Royal Bank of Scotland Group plc:

	As at 23 April 2002*	As at 30 April 2003
P Carpenter	768	768

None of the directors in office at 30 April 2003 held any other interests in the share or loan capital of the company or any other group company.

### POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The company follows the policy and practice on payment of creditors determined by The Royal Bank of Scotland Group plc, as outlined below.

In the year ending 31 December 2004, the Group will adhere to the following payment policy in respect of all suppliers. The Group is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is the Group's policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking to pay suppliers within 30 days of receipt of a correctly prepared invoice submitted in accordance with the terms of the contract or such other payment period as may be agreed.

### 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 Partnership 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 24 September 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.

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



P E Bartlett  
Secretary

Date: 18 February 2004

# PRIMEMODERN LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIMEMODERN LIMITED

We have audited the financial statements of Primemodern Limited for the period ended 30 April 2003, which comprise the balance sheet and the related notes 1 to 9. 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 and 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 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 period 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 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 30 April 2003 and of the result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte + Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

Date: 18 February 2004

**PRIMEMODERN LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**For the period ended 30 April 2003**

The company did not trade during the current period and has made neither profit nor loss, nor any other recognised gain or loss.



**PRIMEMODERN LIMITED**

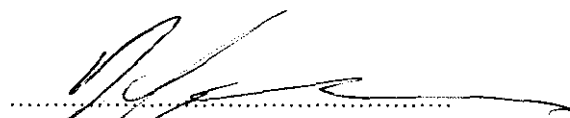
**BALANCE SHEET**

**As at 30 April 2003**

	Note	30 April 2003 £
<b>CURRENT ASSETS</b>		
Investment in subsidiary undertaking	5	28,462
<b>CREDITORS: Amounts due within one year</b>		
Amounts owed to group undertakings	4	(28,461)
<b>NET ASSETS</b>		<u>1</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	6	1
<b>EQUITY SHAREHOLDERS' FUNDS</b>	7	<u>1</u>

These financial statements on pages 7-9 were approved by the Board of Directors on 18 February 2004

Signed on behalf of the Board of Directors

  
.....  
J E Greenshields

The notes on pages 8-9 form part of these accounts

## NOTES TO THE ACCOUNTS

For the period ended 30 April 2003

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

## a) Cash flow statement

The Company has not prepared a cash flow statement because it is exempt from doing so under Financial Reporting Standard 1 Cash flow statements (revised 1996).

## b) Investments

Investments are carried at cost less any provision for permanent impairment in value.

## 2. DIRECTORS AND EMPLOYEES

None of the directors received any emoluments from the Company.

None of the directors had any material interest in any contract of significance in relation to the business of the Company.

The Company does not have any employees.

## 3. OPERATING PROFIT

The auditors' fee is borne by the ultimate parent company.

## 4. CREDITORS: Amounts due within one year

30 April 2003

£

Amounts owed to group undertakings

(28,461)

## 5. INVESTMENT IN SUBSIDIARY UNDERTAKING

30 April 2003

£

Cost and net book value

28,462

Investment in subsidiary undertaking is:

Name of Company	Nature of Business	Country of Incorporation
	Property Investment Company	
Powerfocal Limited		Great Britain

The company held 74% share capital and 100% voting rights in Powerfocal Limited at period end.

## NOTES TO THE ACCOUNTS

For the Period ended 30 April 2003 (continued)

## 6. CALLED UP SHARE CAPITAL

	30 April 2003 £
Authorised:	
1 ordinary share of £1 each	<u>1</u>
Called up, allotted and fully paid:	
1 ordinary share of £1 each	<u>1</u>

## 7. COMBINED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

	Issued share capital £	Profit and loss account £	Total £
Subscriber Share Issued	1	-	1
Profit attributable to members of the company	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 30 April 2003	<u>1</u>	<u>-</u>	<u>1</u>

## 8. 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 group as its 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 period.

## 9. 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 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.