

Company Registration No: 4916159

RHODIUM INVESTMENTS 4 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

From 30 September 2003 to 31 December 2004



**Group Secretariat
The Royal Bank of Scotland Group plc
3 Princess Way
Redhill
Surrey
RH1 1NP**

RHODIUM INVESTMENTS 4 LIMITED

CONTENTS

Page

Officers and Professional Advisers

1

Directors' Report

2

Independent Auditors' Report

4

Balance Sheet

5

Notes to the Accounts

6

RHODIUM INVESTMENTS 4 LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**D R Giffin
I McGillivray
J F Greenshields
B McLaren**

SECRETARY:

M L Thomas

REGISTERED OFFICE:

**3 Princess Way
Redhill
Surrey RH1 1NP**

AUDITORS:

**Deloitte & Touche LLP
London**

Registered in England and Wales.

RHODIUM INVESTMENTS 4 LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the period from 30 September 2003 to 31 December 2004.

INCORPORATION

The Company was incorporated on 30 September 2003.

REGISTERED OFFICE

The Registered office of the company was changed from Waterhouse Square, 138-142 Holborn, London EC1N 2TH, to 3 Princess Way, Redhill, Surrey RH1 1NP on 31 October 2004.

ACTIVITIES AND BUSINESS REVIEW

The company is a general commercial company; it holds an option over a 40 year retail lease.

There was no profit or loss for the period, therefore no profit and loss account has been prepared. An interim dividend was not paid during the period. The directors did not recommend that a final dividend be paid.

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

DIRECTORS AND SECRETARY

The present directors and Secretary, who have served throughout the period except where noted below, are listed on page 1.

From 30 September 2003 to date, the following changes have taken place:

	Appointed	Resigned
Directors		
M M Bailie	4 November 2003	27 January 2005
D R Giffin	22 November 2004	
H W Gregson	22 December 2003	10 April 2004
I McGillivray	4 November 2003	
J F Greenshields	22 March 2005	
B McLaren	22 March 2005	
Secretary		
H W Gregson	4 November 2003	22 December 2003
A E Mills	22 December 2003	27 January 2005
M L Thomas	28 January 2005	

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; and
- state whether applicable accounting standards have been followed unless there is a departure; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

RHODIUM INVESTMENTS 4 LIMITED

DIRECTORS' REPORT (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 the system of internal control, 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 an interest in the shares of the company.

The interests of all the directors in the share capital, and options to subscribe for ordinary shares of 25p each in *The Royal Bank of Scotland Group plc*, are disclosed in the financial statements of Royal Bank Investments Limited.

No director had an interest in any of the preference shares of *The Royal Bank of Scotland Group plc* during the period to 31 December 2004.

Other than as disclosed, none of the directors in office at 31 December 2004 held any interest in the share or loan capital of the company or any other group company.

ELECTIVE RESOLUTIONS

The company has passed Elective Resolutions electing to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and re-appointment of auditors annually.

AUDITORS

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



Secretary

M H Thomas

Date: 22nd June 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RHODIUM INVESTMENTS 4 LIMITED

We have audited the financial statements of Rhodium Investments 4 Limited for the period from 30 September 2003 to 31 December 2004 set out on pages 5-7 which 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 the 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 directors' report, 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 31 December 2004 and of the result of the company for the period from 30 September 2003 (date of incorporation) to 31 December 2004 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: *23 June 2005*

RHODIUM INVESTEMENTS 4 LIMITED

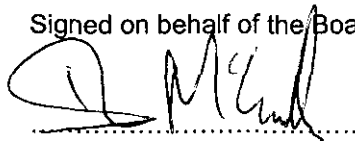
BALANCE SHEET

As at 31 December 2004

	Note	2004 £
CURRENT ASSETS		
Other Assets	4	5
Debtors	5	<u>1</u>
		6
 Creditors - amounts falling due within one year	6	 (5)
NET ASSETS		<u><u>1</u></u>
CAPITAL AND RESERVES		
Called up share capital	7	<u><u>1</u></u>

These financial statements were approved by the Board of Directors on 21 JUNE 2005

Signed on behalf of the Board of Directors


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I McIlivray

RHODIUM INVESTEMENTS 4 LIMITED

NOTES TO THE ACCOUNTS

For the period from 30 September 2003 to 31 December 2004

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Other assets

Other assets relating to options held are stated as the lower of cost and net realisable value.

Cash flow statement

The cash flows of the company are included in the consolidated group cash flow statement of The Royal Bank of Scotland Group plc, the company's ultimate parent company. Consequently the company is exempt under the terms of Financial Reporting Standard 1 Cash flow statements (revised 1996) from publishing a cash flow statement.

2. DIRECTORS AND EMPLOYEES

None of the directors received any emoluments for their services to 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. PROFIT AND LOSS ACCOUNT

The Company was incorporated on 30 September 2003 and has not traded during the period and has made neither profit nor loss nor any other recognised gain or loss. Consequently a profit and loss account has not been produced.

The auditors' remuneration has been borne by the parent company, The Royal Bank of Scotland plc, in the current period.

4. OTHER ASSETS

	2004
	£
This relates to a 40 year retail lease held.	5
	<hr/>
At net book value:	
Opening balance	-
Additions	5
	<hr/>
At 31 December	5
	<hr/>

RHODIUM INVESTEMENTS 4 LIMITED

NOTES TO THE ACCOUNTS (continued)

For the period from 30 September 2003 to 31 December 2004

5. DEBTORS - DUE WITHIN ONE YEAR

	2004
	£
Amounts due from other group companies	<u>1</u>

6. CREDITORS - DUE WITHIN ONE YEAR

	2004
	£
Amounts owed to other group companies	<u>5</u>

7. CALLED UP SHARE CAPITAL

	2004
	£
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>
Called up, allotted and fully paid: 1 ordinary share of £1	<u>1</u>

8. IMMEDIATE AND ULTIMATE PARENT COMPANY

The company's immediate parent company is Royal Bank Investments 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 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.

9. 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 period or any amounts due to or from related parties outstanding at the balance sheet date.