

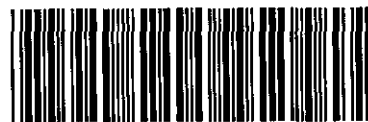
Company Registration No: 05292722

RBS RESIDENTIAL VENTURE NO.3 LIMITED
(Formerly RBS BL No.3 Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the Period 22 November 2004 to 31 December 2005

TUESDAY



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

RBS RESIDENTIAL VENTURE NO.3 LIMITED

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RBS RESIDENTIAL VENTURE NO.3 LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**S B Eighteen
A C Farnell
J Griffiths**

SECRETARY:

A S Graham

REGISTERED OFFICE:

**135 Bishopsgate
London
EC2M 3UR**

Registered in England and Wales.

RBS RESIDENTIAL VENTURE NO.3 LIMITED

DIRECTORS' REPORT

The directors present their report and the first audited financial statements for the period from 22 November 2004 to 31 December 2005.

INCORPORATION DATE

The company was incorporated on 22 November 2004. On the 19 April 2005, the company extended its accounting reference date from 30 November 2005 to 31 December 2005.

CHANGE OF NAME

On 22 November 2004, the company changed its name from RBS BL No.3 Limited to RBS Residential Venture No.3 Limited.

ACTIVITIES AND BUSINESS REVIEW

The company is a dormant 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 22 November 2004 to date the following changes have taken place:

	Appointed	Resigned
Directors		
Instant Companies Limited	22 November 2004	22 November 2004
S B Eighteen	22 November 2004	
A C Farnell	22 November 2004	
J Griffiths	22 November 2004	
Secretary		
Swift Incorporations Limited	22 November 2004	22 November 2004
A C Farnell	22 November 2004	30 April 2005
M L Thomas	1 May 2005	18 November 2005
A S Graham	14 November 2005	

DIRECTORS' INTERESTS

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

**Supplementary note to RBS Residential Venture No.3 Limited's
Directors' Report in the Annual Accounts for the year ended 31
December 2005**

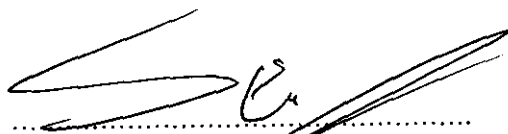
This supplementary note revises the *Directors' Indemnities* section of the Directors' Report dated 17 May 2006 and is to be treated as forming part of that Directors' Report. The Directors' Report did not comply with The Companies Act 1985 ('the Act') by virtue of not disclosing details of all directors' indemnities provisions. The Directors' Report has been revised as at the date of the original Directors' Report and not as at the date of this revision and accordingly it does not deal with events between those dates.

The Act requires that where a supplementary note is issued, a revised auditors' report is issued and this is attached.

DIRECTORS' INDEMNITIES

In terms of Section 309C of The Companies Act 1985 (as amended), Mr A C Farnell had been granted Qualifying Third Party Indemnity Provisions by The Royal Bank of Scotland Group plc.

This supplementary note was approved by the board of directors and signed on behalf of the board.



Mr S B Eighteen
Director of RBS Residential Venture No.3 Limited

Date 29 November 2006

RBS RESIDENTIAL VENTURE NO.3 LIMITED

The interests of S B Eighteen, A C Farnell and J Griffiths in the share capital of The Royal Bank of Scotland Group plc are disclosed in the financial statements of RBS Residential Venture No.1 Limited.

Other than as disclosed, none of the directors in office at 31 December 2005 held any interest in the share or loan capital of the company or any other group company.

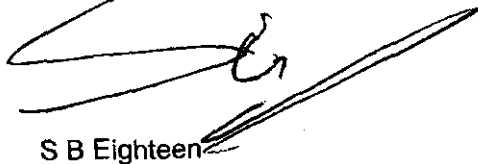
ELECTIVE RESOLUTIONS

The company has elected to dispense with the requirement to hold annual general meetings and lay accounts before a general meeting.

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors. and a resolution to re-appoint them will be proposed at a forthcoming General Meeting.

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



S B Eighteen

Date 17 May 2006

RBS RESIDENTIAL VENTURE NO.3 LIMITED

BALANCE SHEET AS AT 31 December 2005

	Note	2005 £	2004 £
Current Assets			
Debtors:		<u>2</u>	<u>2</u>
Amounts owed by Group Company			
Net Assets		<u>2</u>	<u>2</u>
Capital			
Called up share capital	5	<u>2</u>	<u>2</u>

The Notes on pages 5 and 6 form part of these accounts.

DIRECTORS DECLARATION

- 1 For the period ended 31 December 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- 2 No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 249B(2).
- 3 The directors acknowledge their responsibility for:
 - a) ensuring the company keeps accounting records which comply with section 221; and
 - b) preparing accounts which fairly present the financial position of the Company as at the end of its financial year, and of its financial performance and cash flows for the year in accordance with International Accounting Standards referred to by Section 226 (2(b)) of the Companies Act 1985.



S B Eighteen
Director

Date: 17 May 2006

RBS RESIDENTIAL VENTURE NO.3 LIMITED

NOTES

1 Principal Accounting Policies

The accounts have been prepared in accordance with applicable Accounting International Financial Reporting Standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee (together 'IFRS') as endorsed by the European Union. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The transition to IFRS on 1 January 2004 did not entail any changes in accounting policy.

2 Basis of Accounting

The accounts have been prepared under the historical cost convention.

3 Ultimate Holding Company

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, Gogarburn, PO Box 1000 Edinburgh, EH12 1HQ.

The smallest subgroup into which the Company is consolidated is 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, Gogarburn, PO Box 1000 Edinburgh, EH12 1HQ.

4 Related Party Transactions

The Company entered into no transactions during the year and its only assets are balances with Group Companies.

5 Called Up Share Capital

	Authorised	Share capital allotted, called up and fully paid
At 31 December 2005		
Ordinary Shares of £1 each	£1,000	<u>£2</u>

RBS RESIDENTIAL VENTURE NO.3 LIMITED

6 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 presented. None of the directors received any remuneration.

7 Approval of Accounts

The accounts were approved at a meeting of the board of directors.