

Company Registration No: 80244

ROYAL BANK GROUP SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2004



**Group Secretariat
The Royal Bank of Scotland Group plc
42 St Andrew Square
Edinburgh EH2 2YE
Scotland**

ROYAL BANK GROUP SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**Hew Campbell
Alan Wallace McKean
Alan Ewing Mills**

SECRETARY:

Deborah Susan Esslemont

REGISTERED OFFICE:

**36 St Andrew Square
Edinburgh EH2 2YB**

Registered in Scotland.

ROYAL BANK GROUP SERVICES LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2004.

ACTIVITIES AND BUSINESS REVIEW

The company is a dormant company.

DIRECTORS AND SECRETARY

The present directors and Secretary, who have served throughout the year are listed on page 1.

From 1 January 2004 to date no changes have taken place.

DIRECTORS' INTERESTS

No director had an interest 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 1 January 2004	As at 31 December 2004
H Campbell	5,774	5,680
A W McKean	711	719
A E Mills	3,446	3,130

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 connected persons are:

	As at 1 January 2004	Granted during the period		Exercised during the period		As at 31 December 2004
		Options	Price	Options	Price	
H Campbell	31,159	7,497	17.34	568	13.64	
		623	12.09			38,711
A W McKean	869	327	12.09	150	15.63	
				298	13.64	748
A E Mills	1,700	-	-	-	-	1,700

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

No directors were beneficially interested in the Floating Rate Unsecured Loan Notes 2005 of The Royal Bank of Scotland Group plc.

or date of appointment, if later

ROYAL BANK GROUP SERVICES LIMITED

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 elected to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and re-appointment of auditors annually.

AUDITORS

A Special Resolution has been passed exempting the company from the requirement to appoint auditors.

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

A handwritten signature in black ink, appearing to be 'D S Esslemont', with a long horizontal stroke extending to the right.

D S Esslemont
Director/Secretary

Date: 25 May 2005

ROYAL BANK GROUP SERVICES LIMITED

BALANCE SHEET AS AT 31 December 2004

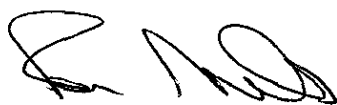
	Note	2004 £	2003 £
Current Assets			
Debtors:		<u>100</u>	<u>100</u>
Amounts owed by Group Company - (The Royal Bank of Scotland plc)			
Net Assets		<u>100</u>	<u>100</u>
Capital			
Called up share capital	5	<u>100</u>	<u>100</u>

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

DIRECTORS DECLARATION

- 1 For the period ended 31 December 2004 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 give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Director:



Date: 25 May 2005

NOTES

1 Principal Accounting Policies

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

2 Basis of Accounting

The accounts have been prepared under the historical cost convention and in compliance with the Companies Act 1985.

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, 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.

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

5 Called Up Share Capital

	Authorised	Share capital allotted, called up and fully paid
At 31 December 2004 and 31 December 2003:		
Ordinary Shares of £1 each	<u>£1,000,000</u>	<u>£100</u>

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 on 25 May 2005.