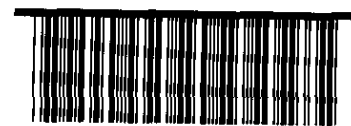


STANDARD PROPERTY
INVESTMENT(1987) LIMITED

REPORT AND ACCOUNTS

29TH FEBRUARY, 2000

COMPANY NUMBER 102845



SCT	S5BU5PTP	0343
COMPANIES HOUSE		20/04/00
COMPANIES HOUSE		10/04/00

A handwritten signature in black ink, appearing to be 'Jm' or similar, located to the right of the barcode and table.

REPORT OF THE DIRECTORDirector

J. Barkley

The Director submits his report and the audited accounts of the Company for the year ended 29th February, 2000.

Results and review of operations

The Company was dormant throughout the year and in the previous year, accordingly no Profit and Loss account has been prepared.

Directors and their interests

The sole Director at the date of this report is stated above.

The Director had no interest in the shares of the Company, nor in the Preference Stocks of The Governor and Company of the Bank of Scotland ("Bank of Scotland"), the Company's parent undertaking nor in the shares of any other undertakings in the Bank of Scotland Group, at any time during the year.

Director's beneficial interests in the ordinary stock of Bank of Scotland were as follows:

	<u>At 28th February, 1999</u>	<u>At 29th February, 2000</u>
	<u>Ordinary Stock Units of 25p each</u>	<u>Ordinary Stock Units of 25p each</u>
J. Barkley	89,650	84,521

Options to subscribe for Ordinary Stock of Bank of Scotland were granted to or exercised by the Director during the year to 29th February, 2000 as follows:-

Executive Stock Options held by Directors

	<u>#Options</u> <u>held as at</u> <u>1st March</u> <u>1999</u>	<u>#Options</u> <u>granted</u>	<u>#Options</u> <u>exercised</u>	<u>#Options</u> <u>held as at</u> <u>29th February</u> <u>2000</u>
J. Barkley	64,500	10,000	21,500	53,000

Ordinary Stock units of 25p each

Bank of Scotland policy is to make an annual grant of options over the ten year life of the Executive Stock Option Scheme.

Directors and their interests (Continued)Savings Related Stock Options held by Directors

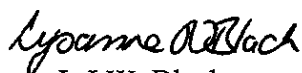
	<u>#Options held as at 1st March 1999</u>	<u>#Options granted</u>	<u>#Options exercised</u>	<u>#Options held as at 29th February 2000</u>
J. Barkley	4,273	203	952	3,524

Ordinary Stock units of 25p each

Auditors

In accordance with the provisions of Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually. Accordingly, KPMG Audit Plc will continue in office as auditors.

By Order of the Board


L.J.W. Black,
Secretary.

Registered Office

30th March, 2000

The Mound,
EDINBURGH,
EH1 1YZ

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

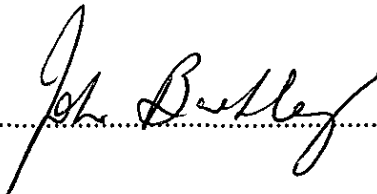
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- 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;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors have responsibility 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

BALANCE SHEETAs at 29th February, 2000

	<u>Notes</u>	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
<u>Current Assets</u>			
Amount due from parent undertaking		100	100
		<hr/>	<hr/>
 <u>Total Assets less Current Liabilities</u>		 <hr/> <hr/>	 <hr/> <hr/>
 <u>Share Capital</u>			
Authorised, allotted, called up and fully paid			
'A' ordinary shares of £1 each	3	49	49
'B' ordinary shares of £1 each	3	51	51
		<hr/>	<hr/>
<u>Equity Shareholders' Funds</u>		<hr/> <hr/>	<hr/> <hr/>


.....Director

30th March, 2000

The notes on page 5 form part of these accounts.

NOTES TO THE ACCOUNTS1. Accounting policiesBasis of preparation

The accounts have been prepared on a going concern basis under the historical cost convention and in accordance with currently applicable accounting standards.

2. Operating Expenses

The audit fee is borne by the parent undertaking and is therefore not included in these accounts. The Company has no employees and none of the Directors receive any emoluments from the Company.

3. Share Capital.

The 'A' ordinary shares carry 100% of the voting rights. The 'A' and 'B' ordinary shares rank pari passu in all other respects.

4. Parent undertaking

The Company's parent undertaking is The Governor and Company of the Bank of Scotland, incorporated by Act of the Scottish Parliament in 1695. The Company is included in the group accounts of Bank of Scotland and copies of its Annual Report and Accounts are available from its Head Office at The Mound, Edinburgh, EH1 1YZ.

REPORT OF THE AUDITORS TO THE MEMBERS OF
STANDARD PROPERTY INVESTMENT (1987) LIMITED

We have audited the accounts on pages 4 to 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 29th February, 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Edinburgh.

30 March 2000