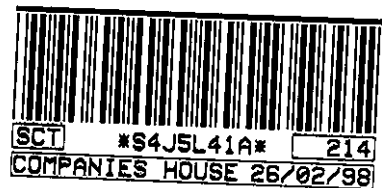


WEST REGISTER (LAND) LIMITED
DIRECTORS' REPORT AND ACCOUNTS
30 SEPTEMBER 1997



WEST REGISTER (LAND) LIMITED

DIRECTORS:

Robert Henry Beattie
David Edmund Cartledge
Ernest Michael Sheavills
Robert Speirs
Grahame Taylor Whitehead

SECRETARY:

Alan Ewing Mills

REGISTERED OFFICE:

42 St Andrew Square
EDINBURGH
EH2 2YE

TELEPHONE:

0131 556 8555

Registered in Scotland No 141822

WEST REGISTER LAND LIMITED

1. Report of the Directors

The directors present their annual report and the audited accounts for the year ended 30 September 1997.

2. Business Review

The Company continues to acquire and develop assets. The year end financial position is satisfactory and the directors expect that the level of activity will continue for the foreseeable future.

3. Dividends

The directors do not recommend the payment of a dividend (1996: Nil). The loss for the year was £563,742 (1996: £680,725).

4. Directors

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

On 13 March 1997, Derek Stephen Sach resigned as a director and was replaced by Robert Speirs.

5. Directors Responsibilities

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 of the Company for that period. In preparing those 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

WEST REGISTER (LAND) LIMITED

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.

6. **Directors Interests**

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

The following directors were beneficially interested in the 25p ordinary shares of The Royal Bank of Scotland Group plc, the ultimate holding company.

	At 1 October 1996 (or date of appointment if later)	At 30 September 1997
R H Beattie	14,167	16,155
D E Cartledge	1,206	2,472
E M Sheavills	12,543	13,369
R Speirs	25,024	25,276
G T Whitehead	89,805	75,008

Options to subscribe for ordinary shares of 25p each in The Royal Bank of Scotland Group plc granted to and exercised by directors during the year to 30 September 1997 are included in the table below:-

	At 1 October 1996 (or date of appointment if later)	Options Granted		Options Exercised		At 30 September 1997
		Number	Price £	Number	Price £	
R H Beattie	7,709	971	4.97	3,387	1.55	5,293
D E Cartledge	2,156	-	-	-	-	2,156
E M Sheavills	72,986	19,000	6.01	-	-	91,986
R Speirs	121,000	-	-	-	-	121,000
G T Whitehead	70,728	65,000	6.01	4,112	1.55	
		1,180	4.97	-	-	132,796

WEST REGISTER (LAND) LIMITED

No director had an interest in any of the preference shares of The Royal Bank of Scotland Group plc during the year to 30 September 1997. In addition, during that period, none of the directors held a beneficial interest in the loan capital of The Royal Bank of Scotland Group plc or in the share or loan capital of any of the other subsidiaries of The Royal Bank of Scotland Group plc, including the Company.

7. Supplier Payment Policy

The Company is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is the Company's policy to negotiate and agree terms and conditions with its suppliers which includes the giving of an undertaking by the Company to pay suppliers within 30 days of the date of invoice or other agreed payment period. The proportion which the amount owed to trade creditors at 30 September 1997 bears to the amounts invoiced by suppliers during the year then ended equated to a 3 days proportion of 365 days.

8. Auditors

Messrs Coopers & Lybrand, the Auditors of the Company, have indicated their willingness to continue in office and resolutions to re-appoint them and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



A E Mills
Secretary
10 November 1997

REPORT OF THE AUDITORS
TO THE MEMBERS OF WEST REGISTER (LAND) LIMITED

We have audited the accounts on pages 6 to 11 in accordance with Auditing Standards.

Respective responsibilities of Directors and Auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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 at 30 September 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants & Registered Auditors
London
10 November 1997

WEST REGISTER (LAND) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		£	£
Turnover		18,620,629	5,786,431
Cost of Sales		(18,511,846)	(5,521,388)
		<hr/>	<hr/>
Gross Profit		108,783	265,043
Administrative Expenses		(460,912)	(706,594)
Interest Payable and Similar Charges		(546,498)	(611,042)
Interest Receivable and Similar Income		69,595	36,585
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(829,032)	(1,016,008)
Tax Credit on Loss on Ordinary Activities	3	265,290	335,283
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(563,742)</u>	<u>(680,725)</u>

All items on the profit and loss account relate to continuing operations.

The Company has no recognised gains and losses in the year ended 30 September 1997 other than the loss for the period. Therefore a separate statement of total recognised gains and losses has not been presented. There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

WEST REGISTER (LAND) LIMITED
BALANCE SHEET
AT 30 SEPTEMBER 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS			
Due from Ultimate Parent Undertaking		265,290	335,282
Other Debtors	4	533,786	538,251
Development Properties	5	9,869,241	18,091,056
		<hr/>	<hr/>
		10,668,317	18,964,589
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Due to Ultimate Parent Undertaking		11,078,110	18,574,134
Other creditors	6	367,086	603,592
		<hr/>	<hr/>
		11,445,196	19,177,726
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(776,879)	(213,137)
		<hr/>	<hr/>
NET LIABILITIES		<u>(776,879)</u>	<u>(213,137)</u>
CAPITAL AND RESERVES			
Share Capital	7	2	2
Profit and Loss Account		(776,881)	(213,139)
		<hr/>	<hr/>
Equity shareholders' funds	8	<u>(776,879)</u>	<u>(213,137)</u>

The financial statements on pages 6 to 11 were approved by the Board of Directors on 10 November 1997 and signed on its behalf by:

Director : 

Director : 

WEST REGISTER (LAND) LIMITED
NOTES ON THE FINANCIAL STATEMENTS

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 is set out below.

(a) Basis of Accounting

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

(b) Taxation

Provision is made for taxation at the current rates on taxable profits.

(c) Deferred Taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

(d) Turnover

Turnover represents the total value of sales exclusive of value added tax. Profit on house sales is not taken until the completion of each development phase.

(e) Development properties

Development properties are stated at the lower of cost and net realisable value. Cost comprises the purchase cost of land and building developments.

(f) Cash Flow Statement

The Company is a wholly owned subsidiary of The Royal Bank of Scotland plc and 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 undertaking. Consequently the Company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

WEST REGISTER (LAND) LIMITED
NOTES ON THE FINANCIAL STATEMENTS

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following:

	1997	1996
	£	£
Auditors' Remuneration	<u>6,400</u>	<u>6,200</u>

The directors received no emoluments from the Company during the period.

The Company has no employees.

3. TAXATION

	<u>1997</u>	<u>1996</u>
	£	£
Taxation credit based on loss for the year of the Company:		
Group relief at 32% (1996: 33%)	<u>265,290</u>	<u>335,283</u>

4. OTHER DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Amounts Falling Due Within One Year		
Other Debtors comprise:		
Trade Debtors	26,394	46,940
VAT Receivable	96,973	-
Sundry Debtors	410,419	491,311
	<u>533,786</u>	<u>538,251</u>

WEST REGISTER (LAND) LIMITED
NOTES ON THE FINANCIAL STATEMENTS

5. DEVELOPMENT PROPERTIES

	<u>1997</u> £	<u>1996</u> £
At 1 October	18,091,056	17,622,127
Additions at cost	10,290,031	5,962,265
Disposals at cost	(18,511,846)	(5,493,336)
At 30 September	<u>9,869,241</u>	<u>18,091,056</u>

6. OTHER CREDITORS

	<u>1997</u> £	<u>1996</u> £
Trade Creditors	91,736	21,571
Sundry Creditors, Accruals & deferred income	275,350	414,747
VAT	-	167,274
	<u>367,086</u>	<u>603,592</u>

7. SHARE CAPITAL

	<u>Authorised</u>	Share capital allotted, called up and fully paid
At 30 September 1997 and 1996		
Ordinary Shares of £1 each	<u>1,000</u>	<u>2</u>

WEST REGISTER (LAND) LIMITED
NOTES ON THE FINANCIAL STATEMENTS

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Opening shareholders' funds	(213,137)	467,588
Retained Loss for the year	(563,742)	(680,725)
Closing shareholders' funds	<u>(776,879)</u>	<u>(213,137)</u>

9. IMMEDIATE PARENT UNDERTAKING

The Company's immediate parent undertaking is West Register (Property Investments) Limited a company registered in Scotland.

10. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking is The Royal Bank of Scotland Group plc, a company incorporated in Great Britain and registered in Scotland. Copies of the ultimate parent's consolidated financial statements may be obtained from The Secretary, The Royal Bank of Scotland Group plc, 36 St. Andrew Square Edinburgh.