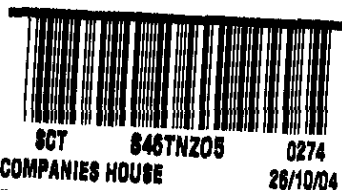


Company Registration No: 141822

**WEST REGISTER (LAND) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 December 2003**



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

# **WEST REGISTER (LAND) LIMITED**

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**WEST REGISTER (LAND) LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

**Philip Andrew Carraro  
David Edmund Cartledge  
Mark Andrew Lambert  
Derek Stephen Sach  
Ernest Michael Sheavills**

**SECRETARY:**

**Mark Craig**

**REGISTERED OFFICE:**

**42 St Andrew Square  
Edinburgh EH2 2YE**

**AUDITORS:**

**Deloitte & Touche LLP  
London**

**Registered in Scotland.**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2003.

## **ACTIVITIES AND BUSINESS REVIEW**

The company's principal activity is that of acquiring and developing property assets.

The retained profit for the period was £3,500,814 (2002: retained profit £1,934,729) and this was transferred to reserves. The directors have not recommended payment of a dividend for the year (2002: £nil).

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

## **DIRECTORS and SECRETARY**

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

From 1 January 2003 to date the following changes have taken place:

	<b>Appointed</b>	<b>Resigned</b>
<b>Directors</b>		
Rory Malcolm Cullinan	5 November 2003	21 July 2004
Robert Henry Beattie		5 November 2003
Grahame Taylor Whitehead	-	28 February 2003
Jose Guillermo Brena	26 February 2003	12 December 2003
<b>Secretary</b>		
Mark Craig	24 February 2003	-
Maria Marchant	-	24 February 2003

## **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;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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, 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.

# WEST REGISTER (LAND) LIMITED

## DIRECTORS' REPORT (Continued)

### 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 2003*	As at 31 December 2003
P A Carraro	771	1,016
D E Cartledge	9,190	10,645
M A Lambert	257	487
D S Sach	87,930	90,566
E M Sheavills	13,659	14,712

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 members of their immediate family are:

	As at 1 January 2003*	Granted during the period		Exercised During the Period		As at 31 December 2003
		Options	Price	Options	Price	
P A Carraro	27,397	-	-	-	-	27,397
D E Cartledge	2,068	3000	16.26	930	7.41	
		283	13.07			4,421
R M Cullinan	79,293	-	-	-	-	79,293
M A Lambert	1,387	2,700	16.26	-	-	4,087
D S Sach	113,353	18,600	12.37	150	12.40	
				2,186	12.87	129,617
E M Sheavills	25,342	9,100	12.37	150	12.40	
		283	13.07	393	9.85	34,182

No director had an interest in any of the preference shares during the year to 31 December 2003.

The following directors were beneficially interested in the Additional Value Shares of The Royal Bank of Scotland Group plc:

	As at 1 January 2003*	As at 31 December 2003
P A Carraro	312	-
D E Cartledge	5,352	-
D S Sach	12,405	-
E M Sheavills	15,607	-

On 31 December 2003, the Additional Value Shares were de-listed from the London Stock Exchange, converted to Non-Voting Deferred Shares and transferred to RBS NVDS Nominees Limited. None of the directors has an interest in the Non-Voting Deferred Shares.

\* or date of appointment if later

## WEST REGISTER (LAND) LIMITED

### DIRECTORS' REPORT (Continued)

### DIRECTORS' INTERESTS (Continued)

The following director was beneficially interested in the Non-cumulative Dollar Preference Shares, Series G of The Royal Bank of Scotland Group plc:

	As at 1 January 2003	As at 31 December 2003
P A Carraro	300	300

Other than the preference shares above, no other director had any interests in any of the preference shares during the year to 31 December 2003.

None of the directors in office at 31 December 2003 held any interests in the loan capital of the company or any other group company.

### ELECTIVE RESOLUTIONS

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 were passed on 5 September 2002.

### AUDITORS

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 14 August 2003 under the provisions of Section 26(5) of the Companies Act 1989. The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of Section 386(2) of the Companies Act 1985.

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



Mark Lambert  
Director

Date: 22 OCTOBER 2004

## **WEST REGISTER (LAND) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST REGISTER (LAND) LIMITED**

We have audited the financial statements of West Register (Land) Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements 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 an 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 statement of directors' responsibilities, 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 year 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte + Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

22 October

2004

**WEST REGISTER (LAND) LIMITED****PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2003**

	Note	2003 £	2002 £
<b>TURNOVER</b>	1	23,091,303	13,885,577
Cost of sales		(17,335,079)	(9,545,505)
<b>Gross profit</b>		5,756,224	4,340,072
Administrative expenses		(581,902)	(840,760)
Other operating income		315,738	35,603
<b>OPERATING PROFIT</b>		5,490,060	3,534,915
Interest payable and similar charges		(542,962)	(1,286,468)
Interest receivable and similar income		78,738	74,631
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	5,025,836	2,323,078
Tax charge on profit on ordinary activities	3	(1,525,022)	(388,349)
<b>RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	8	3,500,814	1,934,729

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

The company has no recognised gains and losses other than the profit for the current year and prior years, therefore a separate statement of total recognised gains and losses has not been presented.



# WEST REGISTER (LAND) LIMITED

## BALANCE SHEET At 31 December 2003

	Note	2003 £	2002 £
<b>CURRENT ASSETS</b>			
Debtors	4	506,616	523,717
Long term contract balances		4,075,890	15,603,974
		<u>4,582,506</u>	<u>16,127,691</u>
<b>CREDITORS: amounts falling due within one year</b>			
Long term contract balances		-	(845,718)
Amounts owed to ultimate parent undertaking		(2,035,414)	(16,191,990)
Creditors	6	(663,240)	(706,945)
		<u>(2,698,654)</u>	<u>(17,744,653)</u>
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		<u>1,883,852</u>	<u>(1,616,962)</u>
<b>NET ASSETS/ (LIABILITIES)</b>		<u>1,883,852</u>	<u>(1,616,962)</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	7	2	2
Profit and loss account		1,883,850	(1,616,964)
<b>EQUITY SHAREHOLDERS' FUNDS/ (DEFICIT)</b>	8	<u>1,883,852</u>	<u>(1,616,962)</u>

These financial statements were approved by the Board of Directors on **22 OCTOBER** 2004.  
Signed on behalf of the Board of Directors



Mark Lambert  
Director

## **WEST REGISTER (LAND) LIMITED**

### **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2003**

#### **1. 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.

##### **Basis of accounting**

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

##### **Taxation**

Provision is made for taxation at current enacted rates on taxable profits taking into account relief for overseas taxation where appropriate. Timing differences arise where gains and losses are accounted for in different years for financial reporting purposes and for taxation purposes. Deferred taxation is accounted for in full for all such timing differences, except in relation to revaluations of fixed assets where there is no commitment to dispose of the asset, gains on sales of fixed assets that are rolled over into replacement assets, and the remittance of overseas earnings. Deferred tax assets are only recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax amounts are not discounted.

##### **Turnover**

Turnover represents the total value of sales of properties exclusive of value added tax.

##### **Profit recognition**

Profit on the sale of development properties is not taken until the substantial completion of each development phase. Profit is stated after the provision for known losses and contingencies.

##### **Accounting for contracts**

Long term contract balances represent costs incurred on specific development property contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover and less foreseeable losses. No profit is recognised until the contract has advanced to a stage where the total profit can be assessed with reasonable certainty. Income arising from settlement of contract claims is recorded when final negotiations have been completed and the amount of settlement is considered to be collectable. Full provision is made for any foreseeable losses.

##### **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.

##### **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 group as its results are included in the Consolidated Financial Statements of The Royal Bank of Scotland Group plc.

# WEST REGISTER (LAND) LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2003

### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2003 £	2002 £
Auditors' remuneration – audit fees	4,000	4,000

The directors received no emoluments for their qualifying services to the company during the current year or prior period.

The company has no employees (2002: nil).

### 3. TAX CHARGE ON PROFITS ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current taxation:		
UK Corporation tax charge for the year at 30%	(1,433,154)	(708,790)
Under provision in respect of prior years	(17,590)	(36,294)
	(1,450,744)	(745,084)
Deferred taxation:		
Origination and reversal of timing differences	(74,597)	29,138
Under provision in respect of prior periods	319	327,597
	(1,525,022)	(388,349)

The actual charge differs from the expected tax charge computed by applying the standard UK corporation tax rate of 30% (2002 – 30%) as follows:

	2003 £	2002 £
Profit on ordinary activities before tax	5,025,836	2,323,078
Expected tax charge at 30% (2002 – 30%)	(1,507,751)	(696,923)
Expenditure not deductible for tax purposes	(117,131)	(106,112)
Non taxable items	191,728	94,245
Prior year under provision	(17,590)	(36,294)
Current tax charge for the period	(1,450,744)	(745,084)

### 4. DEBTORS

	2003 £	2002 £
Amount owed by fellow subsidiary	-	2,289
VAT receivable	47,133	125,951
Sundry debtors	177,026	38,742
Deferred taxation	282,457	356,735
	506,616	523,717

**WEST REGISTER (LAND) LIMITED**

**NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2003**

**5 PROVISION FOR DEFERRED TAX**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Provision for deferred tax has been made as follows:		
1 January	356,735	-
Deferred expenditure	<u>(74,278)</u>	<u>356,735</u>
31 December	<u><u>282,457</u></u>	<u><u>356,735</u></u>

The deferred tax asset is in respect of legal & professional fees incurred in developing property assets. As per prior agreement with the Inland Revenue, these fees are deductible for tax purposes when all the properties on the development site are sold.

**6. CREDITORS: amounts falling due within one year**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Amount due to fellow subsidiary	607,000	-
Sundry creditors	3,757	592,796
Accruals and deferred income	<u>52,483</u>	<u>114,149</u>
	<u><u>663,240</u></u>	<u><u>706,945</u></u>

**7. CALLED UP SHARE CAPITAL**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid:</b>		
2 ordinary shares of £1 each	<u><u>2</u></u>	<u><u>2</u></u>

**8. COMBINED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF RECONCILIATION OF SHAREHOLDERS' FUNDS**

	<b>Issued share capital £</b>	<b>Profit and loss account £</b>	<b>2003 Total £</b>	<b>2002 Total £</b>
At beginning of the year	2	(1,616,964)	(1,616,962)	(3,551,691)
Profit attributable to members of the company	-	3,500,814	3,500,814	1,934,729
At the end of the year	<u><u>2</u></u>	<u><u>1,883,850</u></u>	<u><u>1,883,852</u></u>	<u><u>(1,616,962)</u></u>

## **WEST REGISTER (LAND) LIMITED**

### **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2003**

**9. IMMEDIATE PARENT UNDERTAKING**

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

**10. ULTIMATE PARENT COMPANY**

The company's ultimate parent 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 company's immediate parent and 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, 42 St Andrew Square, Edinburgh, EH2 2YE.