

Company Registration No: 141822

WEST REGISTER (LAND) 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**

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.

WEST REGISTER (LAND) LIMITED

DIRECTORS' REPORT

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

ACTIVITIES AND BUSINESS REVIEW

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

The retained profit for the period was £1,427,744 (2003: retained profit £3,500,814) and this was transferred to reserves. The directors have not recommended payment of a dividend for the year (2003: £nil).

Ownership of the company transferred from West Register (Property Investments) Limited to The Royal Bank of Scotland plc on 2 November 2004.

The directors do not anticipate any material change in either the type or level of activities of the 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 the following changes have taken place:

	Appointed	Resigned
Directors		
Rory Malcolm Cullinan	-	21 July 2004

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 2004*	As at 31 December 2004
P A Carraro	1,016	1,310
D E Cartledge	10,645	11,235
M A Lambert	482	676
D S Sach	90,566	90,924
E M Sheavills	14,712	15,635

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	
P A Carraro	27,397	-	-	-	-	27,397
D E Cartledge	4,421	-	-	-	-	4,421
M A Lambert	4,087	2,595	17.34	-	-	6,682
D S Sach	129,617	13,841	17.34	-	-	143,458
E M Sheavills	34,182	155	12.09	142	13.64	34,195

The following directors were beneficially interested in Non-Cumulative Dollar Preference Shares, Series G of The Royal Bank of Scotland Group plc:

	As at 1 January 2004*	As at 31 December 2004
P A Carraro	300	300

Other than the preference shares above, no other 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.

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 passed Elective Resolutions electing to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and reappointment of auditors annually.

* or date of appointment if later

WEST REGISTER (LAND) LIMITED

DIRECTORS' REPORT (Continued)

AUDITORS

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

A handwritten signature in black ink that reads "Mark Lambert". The signature is written in a cursive, slightly slanted style.

Mark Lambert
Director

Date: 25 OCTOBER 2005

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 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 2004 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

26 October

2005

WEST REGISTER (LAND) LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2004

	Notes	2004 £	2003 £
TURNOVER	1	6,793,674	23,091,303
Cost of sales		(4,611,078)	(17,335,079)
Gross profit		2,182,596	5,756,224
Administrative expenses		(148,127)	(581,902)
Other operating income		223,409	315,738
OPERATING PROFIT		2,257,878	5,490,060
Interest payable and similar charges	2	(300,806)	(542,962)
Interest receivable and similar income		82,562	78,738
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	2,039,634	5,025,836
Tax charge on profit on ordinary activities	4	(611,890)	(1,525,022)
RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	10	1,427,744	3,500,814

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.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 2004

	Notes	Year ended 31 December 2004 £	Year ended 31 December 2003 £
Retained profit for the year	10	1,427,744	3,500,814
Unrealised profit on revaluation of investment properties	5	841,572	-
Total recognised profit for the year		2,269,316	3,500,814

WEST REGISTER (LAND) LIMITED

BALANCE SHEET
At 31 December 2004

	Notes	2004 £	2003 £
FIXED ASSESTS			
Investment properties	5	3,355,000	-
CURRENT ASSETS			
Debtors	6	114,235	506,616
Amounts due from ultimate parent undertaking		503,645	-
Development assets		425,223	4,075,890
		<u>1,043,103</u>	<u>4,582,506</u>
CREDITORS: amounts falling due within one year			
Amounts owed to ultimate parent undertaking		-	(2,035,414)
Creditors	8	(244,935)	(663,240)
		<u>(244,935)</u>	<u>(2,698,654)</u>
NET CURRENT ASSETS		<u>798,168</u>	<u>1,883,852</u>
NET ASSETS		<u>4,153,168</u>	<u>1,883,852</u>
CAPITAL AND RESERVES			
Share capital	9	2	2
Revaluation reserve		841,572	-
Profit and loss account		3,311,594	1,883,850
EQUITY SHAREHOLDERS' FUNDS	10	<u>4,153,168</u>	<u>1,883,852</u>

These financial statements were approved by the Board of Directors on 25 October 2005.
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 2004

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.

Other operating income

Other operating income represents rent receivable on a straight-line basis under operating leases, 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.

Investment properties

At acquisition, the investment properties are carried at cost and the directors review the amount capitalised to confirm that cost approximates to open market value. Cost comprises the purchase price of land and building developments and initial costs of purchase.

In subsequent periods, investment properties are carried at open market value in accordance with Statement of Standard Accounting Practice No. 19 and this valuation is reviewed on an annual basis. No depreciation is provided in respect of investment properties in accordance with Statement of Standard Accounting Practice No. 19. The directors consider that this accounting policy is necessary for the accounts to give a true and fair view. Depreciation is only one of many factors reflected in the valuation of investment properties and the amount attributable to this factor cannot be separately identified or quantified.

Development assets

Development asset comprises development properties, which are stated at the lower of cost and net realisable value. Cost comprises the purchase cost of land and building development.

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 TO THE ACCOUNTS

For the year ended 31 December 2004

2. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges relate to transactions with the parent company.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2004	2003
	£	£
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 (2003: nil).

4. TAX CHARGE ON PROFITS ON ORDINARY ACTIVITIES

	2004	2003
	£	£
Current taxation:		
UK Corporation tax charge for the year at 30%	(419,340)	(1,433,154)
Over/ (under) provision in respect of prior years	11,065	(17,590)
	(408,275)	(1,450,744)
Deferred taxation:		
Origination and reversal of timing differences	(192,550)	(74,597)
(Over)/ under provision in respect of prior periods	(11,065)	319
	(611,890)	(1,525,022)

The actual charge differs from the expected tax charge computed by applying the standard UK corporation tax rate of 30% (2003 – 30%) as follows:

	2004	2003
	£	£
Profit on ordinary activities before tax	2,039,634	5,025,836
Expected tax charge at 30% (2003 – 30%)	(611,890)	(1,507,751)
Expenditure not deductible for tax purposes	(19,096)	(117,131)
Non taxable items	211,646	191,728
Prior year over/ (under) provision	11,065	(17,590)
Current tax charge for the period	(408,275)	(1,450,744)

WEST REGISTER (LAND) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

5. INVESTMENT PROPERTIES

	2004 £	2003 £
At 1 January	-	-
Transferred from development assets	2,513,428	-
Revaluations	841,572	-
	<u>3,355,000</u>	<u>-</u>
At 31 December	<u>3,355,000</u>	<u>-</u>

The investment property has been valued as at 01 February 2005 by DTZ Debenham Tie Leung – International Property Advisers on an open market basis, and approved by the directors. The valuation was carried out in accordance with the International Valuation Standards Committee. The valuation equated to £3,355,000 and therefore a revaluation has been made.

6. DEBTORS

	Note	2004 £	2003 £
VAT receivable		30,326	47,133
Sundry debtors		5,067	177,026
Deferred taxation	7	78,842	282,457
		<u>114,235</u>	<u>506,616</u>

7. PROVISION FOR DEFERRED TAX

	2004 £	2003 £
Provision for deferred tax has been made as follows:		
1 January	282,457	356,735
Deferred expenditure	(203,585)	(74,278)
	<u>78,872</u>	<u>282,457</u>
31 December	<u>78,872</u>	<u>282,457</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.

8. CREDITORS: amounts falling due within one year

	2004 £	2003 £
Amount due to fellow subsidiary	-	607,000
Sundry creditors	185,145	3,757
Accruals and deferred income	59,790	52,483
	<u>244,935</u>	<u>663,240</u>

WEST REGISTER (LAND) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

9. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	2	2

10. COMBINED STATEMENT OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF RECONCILIATION OF SHAREHOLDERS' FUNDS

	Issued share capital £	Profit and loss account £	2004 Total £	2003 Total £
At beginning of the year	2	1,883,850	1,883,852	(1,616,962)
Profit attributable to members of the company	-	1,427,744	1,427,744	3,500,814
Revaluations during the year			841,572	-
At the end of the year	2	3,311,594	4,153,168	1,883,852

12. IMMEDIATE AND 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 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.

13. 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. There were no other related party transactions requiring disclosure.