

**Company Registration No: 141822**

**WEST REGISTER (LAND) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 December 2002**

**Group Secretary's Department  
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:**

**Robert Henry Beattie  
Jose Guillermo Brena  
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 2002.

### **ACTIVITIES AND BUSINESS REVIEW**

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

The retained profit for the period was £1,934,729 (2001: retained profit £574,790) and this was transferred to reserves. The directors have not recommended payment of a dividend for the year (2001: £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 2002 to date the following changes have taken place:

	<b>Appointed</b>	<b>Resigned</b>
<b>Directors</b>		
Ian David Beattie	-	6 August 2002
Grahame Taylor Whitehead	-	28 February 2003
Jose Guillermo Brena	26 February 2003	-
<b>Secretary</b>		
Mark Craig	24 February 2003	-
Shirley Margaret MacGillivray	-	6 August 2002
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.

**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:

	<b>As at 1 January 2002*</b>	<b>As at 31 December 2002</b>
R H Beattie	24,873	26,903
P A Carraro	520	771
D E Cartledge	8,380	9,190
M A Lambert	251	257
D S Sach	87,411	87,930
E M Sheavills	17,173	13,659

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:

	<b>As at 1 January 2002*</b>	<b>Granted during the period</b>		<b>Exercised During the Period</b>		<b>As at 31 December 2002</b>
		<b>Options</b>	<b>Price</b>	<b>Options</b>	<b>Price</b>	
R H Beattie	2,635	375	12.35	1,046	4.61	1,964
P A Carraro	19,897	7,500	18.18	-	-	27,397
D E Cartledge	2,106	153	12.35	191	10.06	2,068
M A Lambert	1,387	-	-	-	-	1,387
D S Sach	101,753	11,600	18.18	-	-	113,353
E M Sheavills	48,231	5,800	18.18	6,904	9.33	25,342
		307	12.35	21,707	11.18	
				385	10.06	

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

	<b>As at 1 January 2002*</b>	<b>As at 31 December 2002</b>
R H Beattie	15,753	15,753
P A Carraro	312	312
D E Cartledge	5,352	5,352
D S Sach	81,016	12,405
E M Sheavills	15,607	15,607

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

	<b>As at 1 January 2002*</b>	<b>As at 31 December 2002</b>
P A Carraro	-	300

Other than the preference shares above, no other director had an interests in any of the preference shares during the year to 31 December 2002.

\* or date of appointment if later

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

### **DIRECTORS' REPORT (Continued)**

### **DIRECTORS' INTERESTS (Continued)**

None of the directors in office at 31 December 2002 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 25 September 2002.

### **AUDITORS**

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships 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 1 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.

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



Mark Lambert  
Director

Date: 4 SEPTEMBER 2003

## 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 2002 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 2002 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

*4 September*

2003

**WEST REGISTER (LAND) LIMITED****PROFIT AND LOSS ACCOUNT**

Year ended 31 December 2002

	Note	2002 £	2001 £
<b>TURNOVER</b>	1	13,885,577	18,550,080
Cost of sales		(9,545,505)	(14,907,408)
<b>Gross profit</b>		4,340,072	3,642,672
Administrative expenses		(840,760)	(1,345,958)
Other operating income		35,603	16,379
<b>OPERATING PROFIT</b>		3,534,915	2,313,093
Interest payable and similar charges		(1,286,468)	(1,582,253)
Interest receivable and similar income		74,631	103,434
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	2,323,078	834,274
Tax charge on profit on ordinary activities	3	(388,349)	(259,484)
<b>RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	8	1,934,729	574,790

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 2002

	Note	2002 £	2001 £
<b>CURRENT ASSETS</b>			
Debtors	4	523,717	568,520
Long term contract balances		15,603,974	18,319,998
		<u>16,127,691</u>	<u>18,888,518</u>
<b>CREDITORS: amounts falling due within one year</b>			
Long term contract balances		(845,718)	(725,518)
Amounts owed to ultimate parent undertaking		(16,191,990)	(20,684,449)
Creditors	6	(706,945)	(1,030,242)
		<u>(17,744,653)</u>	<u>(22,440,209)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,616,962)</u>	<u>(3,551,691)</u>
<b>NET LIABILITIES</b>		<u>(1,616,962)</u>	<u>(3,551,691)</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	7	2	2
Profit and loss account		(1,616,964)	(3,551,693)
<b>EQUITY SHAREHOLDERS' DEFICIT</b>	8	<u>(1,616,962)</u>	<u>(3,551,691)</u>

These financial statements were approved by the Board of Directors on 4<sup>th</sup> September 2003.  
Signed on behalf of the Board of Directors



Mark Lambert  
Director

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2002**

**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.

The company has net liabilities of £1,616,962 (2001: £3,551,691). Notwithstanding, the company has prepared the accounts on the going concern basis on the grounds that the company's parent company, The Royal Bank of Scotland plc, has undertaken to provide it with continual financial support, to enable it to meet its liabilities as they fall due.

**Taxation**

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

**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.

**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.

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

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

	2002	2001
	£	£
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 (2001: nil).

# WEST REGISTER (LAND) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

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

	2002 £	2001 £
Current taxation:		
UK Corporation tax charge for the year at 30%	(708,790)	(258,497)
Under provision in respect of prior years	(36,294)	(987)
Deferred taxation	(745,084)	(259,484)
Origination and reversal of timing differences	29,138	-
Under provision in respect of prior periods	327,597	-
	<u>(388,349)</u>	<u>(259,484)</u>

The actual charge differs from the expected tax charge computed by applying the standard UK corporation tax rate of 30% (2001 – 30%) as follows:

	2002 £	2001 £
<b>Profit on ordinary activities before tax</b>	<u>2,323,078</u>	<u>834,274</u>
<b>Expected tax charge at 30% (2001 – 30%)</b>	(696,923)	(250,282)
Expenditure not deductible for tax purposes	(11,867)	(8,215)
Prior year (under) provision	(36,294)	(987)
Current tax charge for the period	<u>(745,084)</u>	<u>(259,484)</u>

### 4. DEBTORS

	2002 £	2001 £
Amount owed by fellow subsidiary	2,289	400,000
VAT receivable	125,951	119,587
Sundry debtors	38,742	48,933
Deferred taxation	356,735	-
	<u>523,717</u>	<u>568,520</u>

### 5. PROVISION FOR DEFERRED TAX

	2002 £	2001 £
Provision for deferred tax has been made as follows:		
1 January	-	-
Deferred expenditure	356,735	-
31 December	<u>356,735</u>	<u>-</u>

# WEST REGISTER (LAND) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

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

	2002 £	2001 £
Amount due to fellow subsidiary	-	50,000
Sundry creditors	592,796	396,447
Accruals and deferred income	114,149	583,795
	<u>706,945</u>	<u>1,030,242</u>

### 7. CALLED UP SHARE CAPITAL

	2002 £	2001 £
<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>2</u>	<u>2</u>

### 8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Opening shareholders' deficit	(3,551,691)	(4,126,481)
Retained profit for the year	<u>1,934,729</u>	<u>574,790</u>
Closing shareholders' deficit	<u>(1,616,962)</u>	<u>(3,551,691)</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 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.