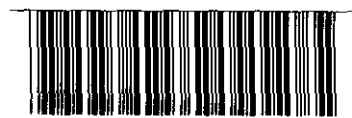


Company Registration No:143950

WEST REGISTER (INVESTMENTS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the period 1 October 1999 to 31 December 2000



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

Robert Henry Beattie
Philip Andrew Carraro
Simon Jonathan Chrispin
Thomas Peter Kennedy
Jonathan Mark Penfold
Derek Stephen Sach
Grahame Taylor Whitehead
John Donald Black Workman
Mark Andrew Lambert

JOINT SECRETARIES:

Shirley Margaret MacGillivray
Carolyn Smith

REGISTERED OFFICE:

42 St Andrew Square
Edinburgh
EH2 2YE
Scotland

AUDITORS:

Deloitte & Touche
Stonecutter Court
1 Stonecutter Street
London
EC4A 4TR
England

West Register (Investments) Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the fifteen month period ended 31 December 2000.

RESULTS AND DIVIDENDS

The retained loss for the period was £776,882 (1999: retained profit £613,635) and this was transferred from reserves. An interim dividend of £4,000,000 was proposed during the period.

ACTIVITIES AND BUSINESS REVIEW

The principle activity of the Company is that of acquiring, holding and disposing of investment assets.

ACCOUNTING REFERENCE PERIOD

On 14 June 2000 the accounting reference period of the Company was extended from 30 September to 31 December.

DIRECTORS

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

On 19 March 2001 Mark Andrew Lambert and John Donald Black Workman were appointed as directors of the Company.

SECRETARY

On 11 December 2000 Carolyn Smith was appointed as Joint Secretary of the Company.

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 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;
- 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 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 (Cont'd)

DIRECTORS' INTERESTS

No director had an interest in the shares of the Company.
The following directors were beneficially interested in:

The Royal Bank of Scotland Group plc Ordinary shares of £0.25 each

Shareholdings			Share Options						
	As at 1 October 1999*	As at 31 December 2000	As at 1 October 1999*	Post AVS adjustment	Granted during the period		Exercised During the Period		As at 31 December 2000
					Options	Price	Options	Price	
R H Beattie	21,714	22,837	2,918	3,143	150	12.40	-	-	3,293
P A Carraro	-	314	9,954	10,732	150	12.40	-	-	
					1,865	9.85	-	-	12,747
S J Chrispin	1,670	935	357	385	150	12.40	-	-	
					590	9.85	-	-	1,125
T P Kennedy	17,329	17,696	3,461	3,728	150	12.40	255	2.97	
					75	9.85	-	-	3,698
J M Penfold	3,471	5,887	4,287	4,618	150	12.40	1,951	2.97	
					393	9.85	-	-	3,210
D S Sach	76,635	86,857	98,164	105,847	7,500	12.87	5,807	2.97	
					150	12.40	-	-	
					1,713	9.85	-	-	109,403
G T Whitehead	45,234	65,129	160,641	173,152	21,446	7.81	9,701	3.98	
					150	12.40	7,548	3.70	
					411	9.85	50,695	4.96	
							70,008	5.58	
							1,393	2.97	55,814

*(or date of appointment, if later)

No director had an interest in any of the preference shares of The Royal Bank of Scotland plc during the period to 31 December 2000.

As at 31 December 2000 the following directors also held Additional Value Shares ('AVS'):

Director	AVS
R H Beattie	6,922
P A Carraro	312
S J Chrispin	928
T P Kennedy	18,413
J M Penfold	4,122
D S Sach	81,016
G T Whitehead	46,470

CHARITABLE AND POLITICAL DONATIONS

During the period the Company made neither charitable nor political donations.

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

DIRECTORS' REPORT (Cont'd)

giving of an undertaking by the Company to pay suppliers within 30 days of receipt of a correctly prepared invoice submitted in accordance with the terms of the contract.

AUDITORS

PricewaterhouseCoopers resigned as auditors on 21 March 2000 and the directors appointed Deloitte & Touche in their place. Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

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



Carolyn Smith
Secretary

26 March 2001

AUDITORS' REPORT TO THE MEMBERS OF WEST REGISTER (INVESTMENTS) LIMITED

We have audited the financial statements on pages 6 to 9 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 2000 and of its profit for the fifteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Stonecutter Court
1 Stonecutter Street
London
EC4A 4TR

23 March 2001

**PROFIT AND LOSS ACCOUNT
FOR THE FIFTEEN MONTH PERIOD ENDED 31 DECEMBER 2000**

	Note	15 Months to 31 December 2000	12 Months to 30 September 1999
		£	£
Gain on sale of investments		4,534,544	594,887
Investment Income		<u>905,991</u>	<u>589,477</u>
		5,440,535	1,184,364
Expenses		(19,182)	(5,968)
Write-off of investment		<u>(525,000)</u>	<u>(148,988)</u>
		(544,182)	(154,956)
Operating Profit		4,896,353	1,029,408
Interest Receivable		2,204	13,125
Interest Payable		<u>(682,221)</u>	<u>(301,515)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	4,216,336	741,018
Tax Charge on Ordinary Activities	3	<u>(993,218)</u>	<u>(127,383)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,223,118	613,635
Dividend proposed	4	<u>(4,000,000)</u>	—
Retained (Loss)/ Profit for the year		<u>(776,882)</u>	<u>613,635</u>


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

The Company has no recognised gains and losses in the period ended 31 December 2000 other than the profit for the period. Therefore a separate statement of total recognised gains and losses has not been presented.

BALANCE SHEET
AS AT 31 DECEMBER 2000

	Note	31 December 2000 £	30 September 1999 £
FIXED ASSETS			
Investments	5	8,432,796	10,594,909
CURRENT ASSETS			
Other Debtors		6,251	82,200
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Due to Ultimate Parent Undertaking		(4,017,680)	9,448,168
Other creditors		(71,857)	102,549
Proposed dividends	4	(4,000,000)	-
		(8,089,537)	9,550,717
NET CURRENT LIABILITIES		(8,083,286)	9,468,517
NET ASSETS		349,510	1,126,392
CAPITAL AND RESERVES			
Share Capital	6	2	2
Profit and Loss Account		349,508	1,126,390
Equity shareholders' funds	7	349,510	1,126,392

The financial statements on pages 6 to 9 were approved by the Board of Directors on 26 March 2001 and signed on its behalf by:

Director : Director : 

Notes to the Financial Statements

For the period 1 October 1999 to 31 December 2000

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.

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 the current rates on taxable profits.

Turnover

Turnover represents the gross proceeds of realised investments and dividend income.

Investments

Investments are included in the balance sheet at cost. Any impairment in the value of investments is charged to the profit and loss account.

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 holding company. Consequently the Company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>15 Months ended at</u> <u>2000</u> £	<u>Year ended at</u> <u>1999</u> £
Auditors' Remuneration	<u>3,213</u>	<u>5,865</u>

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

The Company has no employees.

3. TAXATION

	<u>15 Months ended</u> <u>31 December</u> <u>2000</u> £	<u>Year ended 30</u> <u>September</u> <u>1999</u> £
Taxation charge based on profit for the period of the Company:		
Group relief at 30% (30.24% in 1999)	(1,038,611)	(90,337)
Tax on Franked Investment Income	-	(53,846)
Over accrual in prior year	45,393	16,800
	<u>(993,218)</u>	<u>(127,383)</u>

Notes to the Financial Statements

For the period 1 October 1999 to 31 December 2000

4. DIVIDEND

	15 Months ended 31 December 2000 £	Year ended 30 September 1999 £
Dividend Proposed £2,000,000 per ordinary share (1999 Nil)	<u>4,000,000</u>	=

5. INVESTMENTS

	31 December 2000 £	30 September 1999 £
Cost of minority share holdings in Quoted companies:-	<u>8,283,120</u>	<u>8,283,120</u>
Market Value	<u>8,015,923</u>	<u>7,977,752</u>
Cost of minority share holdings in Unquoted companies:-	<u>149,676</u>	<u>2,311,789</u>

In addition, the Company owns options to acquire equity in companies and similar instruments which are carried in the books at nil cost. This is the value at which the Company's parent undertaking transferred them to the Company.

6. SHARE CAPITAL

	Authorised	Share capital allotted, Called up and fully paid
At 31 December 2000 and 30 September 1999		
Ordinary Shares of £1 each	<u>1,000</u>	<u>2</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	15 Months ended 31 December 2000 £	Year ended 30 September 1999 £
Opening shareholders' funds	1,126,392	512,757
Retained (loss) profit for the period	(776,882)	613,635
Closing shareholders' funds	<u>349,510</u>	<u>1,126,392</u>

8. ULTIMATE AND IMMEDIATE PARENT COMPANY

The Company's ultimate parent company 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 has as its parent company 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.

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.