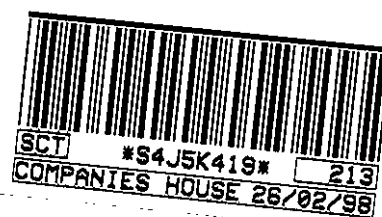


**WEST REGISTER (INVESTMENTS) LIMITED****DIRECTORS' REPORT AND ACCOUNTS****30 SEPTEMBER 1997**

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**WEST REGISTER (INVESTMENTS)LIMITED**

**DIRECTORS:**

Robert Henry Beattie  
Alan Peter Dickinson  
Jonathan Mark Penfold  
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 143950

## **WEST REGISTER (INVESTMENTS) LIMITED**

### **1. Report of the Directors**

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

### **2. Business Review**

The principal activity of the Company is that of acquiring, holding and disposing of investment assets. The level of activity has increased during the year and the directors expect this investment to continue.

### **3. Dividend**

The Company made a profit of £62,920 during the year (1996 - profit of £19,055). The directors do not recommend the payment of a dividend (1996 - nil).

### **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. Jonathan Mark Penfold was appointed as a director on 30 September 1997. Cecilia Ann McAnulty resigned as a director on 21 August 1997.

### **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 basis unless it is inappropriate to presume that the Company will continue in business.

## **WEST REGISTER (INVESTMENTS) 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
A P Dickinson	14,934	15,688
J M Penfold	1,983	1,983
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
A P Dickinson	157,737	40,000	6.01	5,080	1.55	
		1,457	4.97	109,000	2.65	85,114
J M Penfold	4,287	-	-	-	-	4,287
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 (INVESTMENTS) 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. 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 (INVESTMENTS) LIMITED**

We have audited the accounts on pages 6 to 10 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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand.*

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

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

	<u>Note</u>	<u>Year ended 30 September</u>	
		<u>1997</u>	<u>1996</u>
		£	£
Turnover		157,934	31,000
Expenses		<u>(2,075)</u>	<u>(1,527)</u>
Operating Profit		155,859	29,473
Interest Payable		<u>(107,443)</u>	<u>(1,062)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	48,416	28,411
Tax Credit / (Charge) on Ordinary Activities	3	<u>14,504</u>	<u>(9,356)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>62,920</u>	<u>19,055</u>

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

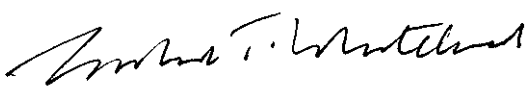
The Company has no recognised gains and losses in the period ended 30 September 1997 other than the profit for the period. Therefore a separate statement of total recognised gains and losses has not been presented. There is no difference between the profit on ordinary activities before taxation and the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

**WEST REGISTER (INVESTMENTS) LIMITED**  
**BALANCE SHEET**  
**AT 30 SEPTEMBER 1997**

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
<b>CURRENT ASSETS</b>			
Other Debtors		102,750	2,752
Investments	4	2,103,818	8,416
Due from Ultimate Parent Undertaking		-	5,533
		<hr/>	<hr/>
		2,206,568	16,701
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Due to Ultimate Parent Undertaking		2,110,637	9,356
Other creditors		27,406	1,740
		<hr/>	<hr/>
		2,138,043	11,096
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		68,525	5,605
		<hr/>	<hr/>
<b>NET ASSETS</b>		<u>68,525</u>	<u>5,605</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital	5	2	2
Profit and Loss Account		68,523	5,603
		<hr/>	<hr/>
Equity shareholders' funds	6	<u>68,525</u>	<u>5,605</u>

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

Director : 

Director : 



**WEST REGISTER (INVESTMENTS) 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) Turnover

Turnover represents the gross proceeds of realised investments and dividends exclusive of value added tax.

(d) 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.

(e) Investments

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

**WEST REGISTER (INVESTMENTS) 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:

	<u>Year to 30 September</u>	
	<u>1997</u>	<u>1996</u>
	£	£
Auditors' Remuneration	<u>1,575</u>	<u>1,527</u>

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

The Company has no employees.

3. TAXATION

	<u>Year to 30 September</u>	
	<u>1997</u>	<u>1996</u>
	£	£
Taxation (charge) / credit based on profit for the year of the Company:		
Group relief at 32% (33% in 1996)	23,041	(9,356)
Tax on Franked Investment Income	(7,287)	-
Under accrual in prior year	<u>(1,250)</u>	<u>-</u>
	<u>14,504</u>	<u>(9,356)</u>

4. INVESTMENTS

	<u>As at 30 September</u>	
	<u>1997</u>	<u>1996</u>
	£	£
Cost of minority share holdings in:-		
unquoted companies	2,103,818	8,416
companies listed on UK stock exchange	<u>-</u>	<u>-</u>
	<u>2,103,818</u>	<u>8,416</u>
Market Value of listed investments	<u>48,651</u>	<u>27,997</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.

**WEST REGISTER (INVESTMENTS) LIMITED**  
**NOTES ON THE FINANCIAL STATEMENTS**

5. SHARE CAPITAL

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

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>Year ended 30 September</u>	
	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Opening shareholders' funds	5,605	(13,450)
Retained profit for the year	62,920	19,055
Closing shareholders' funds	<u>68,525</u>	<u>5,605</u>

7. ULTIMATE PARENT UNDERTAKING

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