

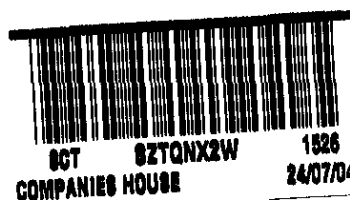
Company Registration No: 143950

WEST REGISTER (INVESTMENTS) 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 (INVESTMENTS) LIMITED

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WEST REGISTER (INVESTMENTS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**Philip Andrew Carraro
Rory Malcolm Cullinan
Thomas Peter Kennedy
Mark Andrew Lambert
Jonathan Mark Penfold
Derek Stephen Sach**

SECRETARY:

Mark Craig

REGISTERED OFFICE:

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

AUDITORS:

**Deloitte & Touche LLP
London**

Registered in Scotland.

WEST REGISTER (INVESTMENTS) LIMITED

DIRECTORS' REPORT

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

ACTIVITIES AND BUSINESS REVIEW

The principal activity is that of an equity investment company.

The retained loss for the year was £1,037,553 (2002: retained profit £872,351) and this was transferred to reserves. The directors recommend that a final dividend of £13,500,000 be paid (2002: £1,000,000).

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:

	Appointed	Resigned
Directors		
Rory Malcolm Cullinan	5 November 2003	
Robert Henry Beattie		5 November 2003
Jose Guillermo Brena	26 February 2003	12 December 2003
Grahame Taylor Whitehead	-	28 February 2003
Secretary		
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 year. 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 the applicable accounting standards have been followed; 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 (INVESTMENTS) 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
T P Kennedy	21,653	22,869
M A Lambert	257	482
J M Penfold	8,401	9,048
D S Sach	87,930	90,566

Options to subscribe for ordinary shares of 25p each in The Royal Bank of Scotland Group plc granted to and exercised during the year by the following directors of the Company and members of their immediate family are:

	As at 1 January 2003*	Granted during the year		Exercised During the Year		As at 31 December 2003
		Options	Price	Options	Price	
P A Carraro	27,397	-	-	-	-	27,397
R M Cullinan	79,293	-	-	-	-	79,293
T P Kennedy	9,762	6,300	12.37	269	7.41	15,934
		141	13.07			4,087
M A Lambert	1,387	2,700	16.26	-	-	
J M Penfold	1000	731	13.07	393	9.85	1,338
D S Sach	113,353	18,600	12.37	150	12.40	
				2,186	12.87	129,617

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	-
T P Kennedy	18,413	-
J M Penfold	4,122	-
D S Sach	12,405	-

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 (INVESTMENTS) 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 an interest 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 interest in the share or 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, 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: 29 JUNE 2004

WEST REGISTER (INVESTMENTS) LIMITED

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

We have audited the financial statements of West Register (Investments) Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 loss 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

29 June

2004

WEST REGISTER (INVESTMENTS) LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2003

	Note	2003 £	2002 £
TURNOVER	1,2	16,509,076	2,926,101
Administrative expenses		(88,844)	(9,628)
OPERATING PROFIT		16,420,232	2,916,473
Interest receivable from group undertaking		283,929	1,000
Interest payable to group undertaking		(298)	(1,318)
Amount written off investments		-	(436,826)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	16,703,863	2,479,329
Tax charge on profit on ordinary activities	4	(4,241,416)	(606,978)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		12,462,447	1,872,351
Dividend proposed	5	(13,500,000)	(1,000,000)
RETAINED (LOSS)/ PROFIT FOR THE YEAR	9	(1,037,553)	872,351

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

The company has no recognised gains or losses other than those disclosed above. Therefore a separate statement of total recognised gains and losses has not been presented.

WEST REGISTER (INVESTMENTS) LIMITED

BALANCE SHEET

As at 31 December 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Investments	6	5,711,360	5,722,775
CURRENT ASSETS			
Amounts due from ultimate parent undertaking		14,866,083	-
CREDITORS: amounts falling due			
Within one year	7	(19,725,378)	(3,833,157)
NET CURRENT LIABILITIES		(4,859,295)	(3,833,157)
TOTAL ASSETS LESS LIABILITIES		852,065	1,889,618
CAPITAL AND RESERVES			
Share capital	8	2	2
Profit and loss account	9	852,063	1,889,616
EQUITY SHAREHOLDERS' FUNDS	9	852,065	1,889,618

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

2004.

Mark Lambert

Mark Lambert
Director

Date: 29 JUNE 2004

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable United Kingdom law and accounting standards.

Basis of accounting

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

Certain limited format changes have been made to prior year amounts to conform to current presentation. These limited changes are described in note 2.

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 profit on disposal of 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 parent undertaking. Consequently the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

2. COMPARATIVE FIGURES

Comparative figures have been reclassified to reflect the profit on disposal of fixed asset investments and income from fixed asset investment as turnover.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2003 £	2002 £
Auditors' remuneration	2,500	2,500

The directors received no emoluments from the company during the year. (2002 : £nil)

The company had no employees during the current and prior year (2002 : nil).

WEST REGISTER (INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

4 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
Current taxation:		
UK Corporation tax charge for the year at 30%	4,567,335	746,036
Over provision in respect of prior years	(325,919)	(139,058)
	<u>4,241,416</u>	<u>606,978</u>

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 £
Expected tax charge	5,011,159	743,799
UK Dividend Income	(414,452)	(125,436)
Non deductible items	23,905	(430,367)
Chargeable gains	(53,277)	558,040
Current tax charge for the year	<u>4,567,335</u>	<u>746,036</u>

5. DIVIDEND PROPOSED

	2003 £	2002 £
Dividend proposed £6,750,000 (2002: £500,000) per ordinary share	<u>13,500,000</u>	<u>1,000,000</u>

6. INVESTMENTS

	Quoted	Unquoted	Total
Cost			
1 January 2003	10,255	6,171,238	6,181,493
Additions		905,035	905,035
Disposals	(10,255)	(906,195)	(916,450)
31 December 2003	<u>-</u>	<u>6,170,078</u>	<u>6,170,078</u>

PROVISION FOR IMPAIRMENT IN VALUE

	Quoted	Unquoted	Total
1 January 2003	-	458,718	458,718
Write offs	-	-	-
31 December 2003	<u>-</u>	<u>458,718</u>	<u>458,718</u>
Net book Value at 31 December 2003	-	5,711,360	5,711,360
Net book Value at 31 December 2002	10,255	5,712,520	5,722,775

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2003

7. CREDITORS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Amount owed to group undertakings	-	(2,079,456)
Other creditors	(1,979,216)	(165)
Proposed dividends	(13,500,000)	(1,000,000)
Taxation	(4,242,162)	(746,036)
Accruals	(4,000)	(7,500)
	<u>(19,725,378)</u>	<u>(3,833,157)</u>

8. CALLED UP SHARE CAPITAL

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

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

	Issued share capital £	Profit and loss account £	2003 Total £	2002 Total £
At beginning of the year	2	1,889,616	1,889,618	1,017,267
(Loss)/ profit attributable to members of the company	-	(1,037,553)	(1,037,553)	872,351
At the end of the year	<u>2</u>	<u>852,063</u>	<u>852,065</u>	<u>1,889,618</u>

10. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's ultimate holding 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 that 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.

11. 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.