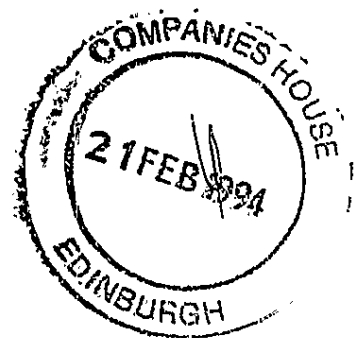


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WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

30 SEPTEMBER 1993



WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

DIRECTORS:

Robert Henry Beattie
Kennedy Campbell Foster
Derek Stephen Sach
Ernest Michael Sheavills
Grahame Taylor Whitehead

SECRETARY:

Alan Ewing Mills

REGISTERED OFFICE:

42 St Andrew Square
EDINBURGH
EH2 2YE

TELEPHONE:

031 556 8555

Registered in Scotland No 140588

WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts for the first accounting period from 7 October 1992 to 30 September 1993.

1. Incorporation

The Company was incorporated on 7 October 1992.

2. Share Capital

The Company was incorporated with an authorised share capital of 1,000 Ordinary Shares of £1 each and 2 Ordinary Shares of £1 each were issued to the Subscribers fully paid.

3. Business Review

The Company had been set up to act as a property investment company. The year end financial position is satisfactory and the directors expect an increased level of income in the foreseeable future.

4. Dividends

The directors do not recommend the payment of a dividend. The loss for the period of £2,010 will be transferred to reserves.

5. Directors

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

The following were appointed as first directors of the Company on 7 October 1992.

Name of Director

Robert Henry Beattie
Kennedy Campbell Foster
Miller Roy McLean
John Thomas Henry Miller
Grahame Taylor Whitehead

Miller Roy McLean and John Thomas Henry Miller resigned as directors of the Company on 24 May 1993.

The following were appointed as directors of the Company on 24 May 1993.

Name of Director

Derek Stephen Sach
Ernest Michael Sheavills

WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

6. 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 judgments 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.

7. 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 30 <u>September 1993</u>	At 7 October 1992 (or date of appointment <u>if later</u>)
R H Beattie	7,461	14,184
K C Foster	12,092	10,065
D S Sach	13,000	Nil
G T Whitehead	29,044	4,099

WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

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 1993 are included in the table below:-

	At 7 October 1992 (or date of appointment if later)	<u>Options Granted</u>		<u>Options Exercised</u>		At 30 September 1993
		Number	Price £	Number	Price £	
R H Beattie	6,495	2,441	2.12	-	-	8,936
K C Foster	9,032	1,822	2.12	1,912	1.16	7,875
				1,067	1.212	
E M Sheavills	Nil	30,000	2.65	-	-	30,000
G T Whitehead	92,460	105,000	2.65	45,000	1.288	
		813	2.12	5,000	1.344	148,273

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 1993. 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.

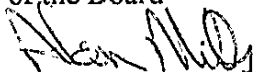
8. Secretary

Alan Ewing Mills was appointed as first Secretary of the Company on 7 October 1992.

9. Auditors

Messrs Coopers & Lybrand were appointed auditors of the Company on 8 October 1992. They 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

23 November 1993

REPORT OF THE AUDITORS
TO THE MEMBERS OF WEST REGISTER (PROPERTY 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 3 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 judgments 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 1993 and of its loss, and total recognised losses for the period since incorporation and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

23 November 1993

WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FROM 7 OCTOBER 1992 TO 30 SEPTEMBER 1993

	<u>Note</u>	<u>1993</u>
Rental Receivable		0
Interest Payable		0
Administration Expenses		3,000
Loss on Ordinary Activities		<u>3,000</u>
Interest Receivable and Similar Income		0
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>3,000</u>
Tax on Ordinary Loss	3	990
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>2,010</u>

The notes on pages 8 to 10 form part of these accounts.

Statement of Total Recognised Gains and Losses

The company has no recognised gains and losses in the period ended 30 September 1993 other than the loss for the period. Therefore a separate statement of total recognised gains and losses has not been presented. There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and the historical cost equivalents.

<u>Reconciliation of Movements in Shareholders' Funds</u>	<u>1993</u>
	£
Opening shareholders' funds	0
Retained loss for the year	<u>(2,010)</u>
Closing shareholders' funds	<u>(2,010)</u>

WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

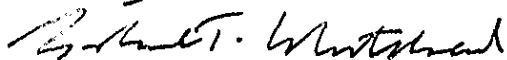
BALANCE SHEET

AT 30 SEPTEMBER 1993

	<u>Note</u>	<u>1993</u> £	£
FIXED ASSETS			
Investment Properties	4		6,522,001
CURRENT ASSETS			
Due from group companies		149,375	
Other Debtors	5	<u>990</u>	150,365
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR			
Due to group companies		6,650,000	
Other creditors		<u>24,374</u>	6,674,374
NET CURRENT LIABILITIES			(6,524,009)
TOTAL NET LIABILITIES			<u>(2,008)</u>
CAPITAL AND RESERVES			
Share Capital	6		2
Profit and Loss Account			<u>(2,010)</u>
			<u>(2,008)</u>

The accounts were approved by the board of directors on 23 November 1993 and signed on its behalf by:

Director : 

Director : 

The notes on pages 8 to 10 form part of these accounts.

WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

NOTES OF THE ACCOUNTS

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) Investment Properties

All of the investment properties have been acquired in the period under review and are stated at cost at 30 September 1993.

In future accounting periods investment properties will be stated at open market value.

No depreciation is provided in respect of freehold and leasehold (with over 20 years to run) investment properties. The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

(d) Rental Receivable

Rental receivable represents the total value of rents receivable, exclusive of value added tax.

(e) 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.

WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

NOTES ON THE ACCOUNTS

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1993</u>
	£
Auditors' Remuneration	2,000

The directors received no emoluments from the company during the period
The company has no employees.

3. TAXATION

	<u>1993</u>
	£
Taxation credit based on loss for the period of the company:	
Group relief at 33%	<u>990</u>

4. INVESTMENT PROPERTIES

Additions at cost	6,522,001
At 30 September 1993	<u>6,522,001</u>

The directors consider that the current market value is not less than the cost.

5. OTHER DEBTORS

Other debtors comprise:	
Taxation credit	<u>990</u>

WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

NOTES ON THE ACCOUNTS

6. SHARE CAPITAL

	<u>Authorised</u>	Share capital allotted, called up and <u>fully paid</u>
At 30 September 1993		
Ordinary Shares of £1 each	1,000	2

7. FUTURE EXPENDITURE

	<u>1993</u>
	£
Contracts not provided for in the accounts	0
Authorised by the directors but not contracted for.	0

8. SUBSIDIARY COMPANY

The company has one subsidiary company West Register (Land) Ltd, which is wholly owned, has share capital consisting solely of ordinary shares which is engaged in holding and managing assets on behalf of The Royal Bank of Scotland Group plc.

West Register (Land) Ltd generated a loss on ordinary activities after taxation for the period of £34,156 and has total share capital and negative reserves of £34,154.

Consolidated accounts have not been submitted as the company is a wholly owned subsidiary of the The Royal Bank of Scotland Group plc which itself prepares consolidated accounts.

9. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in 36 St. Andrew Square, Edinburgh.