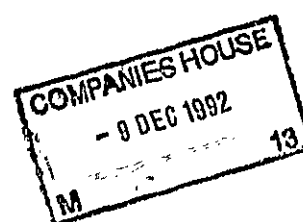


CHARTERHOUSE JAPHET FINANCE LIMITED

(Company No. 1196227)

DIRECTORS' REPORT AND ACCOUNTS

30th SEPTEMBER 1992



CHARTERHOUSE JAPHET FINANCE LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER 1992

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CHARTERHOUSE JAPHET FINANCE LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

David John McIntosh Finlayson
Michael Ian Charles Woodcock
Robert Burnet Cullen Young

SECRETARY

Michael Ian Charles Woodcock

REGISTERED OFFICE

RoyScot House
The Promenade
Cheltenham
Gloucestershire GL50 1PL

CHARTERHOUSE JAPHET FINANCE LIMITED

DIRECTORS' REPORT

The directors present their annual report, together with the audited accounts for the year ended 30th September 1992.

RESULTS

The results for the year are set out on page 7. The directors do not recommend the payment of a final dividend (1991: Nil). The retained profit for the year to 30th September 1992 to be transferred to reserves will amount to £42,497.

BUSINESS REVIEW

The company, which is a wholly owned subsidiary of Charterhouse Japhet Credit Limited, ceased taking on any new business on 1 December 1986 but continues to maintain its existing contracts to trade out its position. The directors consider that the income of the company will decline over the forthcoming year in line with these actions.

DIRECTORS

The present members of the board of directors are named on page 2.

At 30th September 1992, the members of the board of directors were:-

Mr Gordon John Hadland
Mr Michael Ian Charles Woodcock
Mr Robert Burnet Cullen Young

During the year to 30th September 1992, the following change was made in the composition of the board of directors.

Mr G J Hadland retired as a director of the company with effect from 30th September 1992.

Subsequent to the year ending 30th September 1992, the following change has been made in the composition of the board of directors:-

Mr D J M Finlayson was appointed a director of the company with effect from 21st October 1992.

DIRECTORS' INTERESTS

No director had any interest in the ordinary shares of the company on 30th September 1992 nor on 1st October 1991.

The interests of the directors at 30th September 1992 in the share or loan capital of the ultimate holding company, The Royal Bank of Scotland Group plc, or in the share or loan capital of its subsidiary companies are shown on page 5.

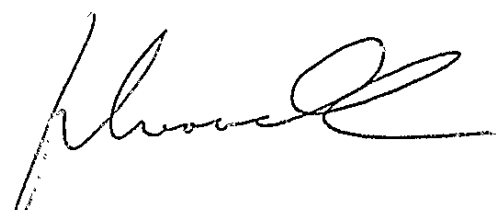
FIXED ASSETS

Changes in the fixed assets of the company are shown in note 3 on the accounts on page 10.

AUDITOR

The auditor, Coopers & Lybrand, have indicated their willingness to continue in office. Resolutions to reappoint them and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting. Until 1st June 1992 the firm practised in the name of Coopers & Lybrand Deloitte.

By order of the Board



M C Woodcock
Secretary
CHELTENHAM
17 NOV 1992

DIRECTORS' INTERESTS IN THE SHARE OR LOAN CAPITAL OF THE ROYAL BANK OF SCOTLAND GROUP plc AND SUBSIDIARY COMPANIES

The following directors were beneficially interested in the 25p ordinary shares of The Royal Bank of Scotland Group plc, the ultimate holding company.

	1st Oct 1991 (or date of appointment if later)	30th September 1992
	<u>Shares</u>	<u>Shares</u>
G J Hadland	7,573	56,602
M I C Woodcock	1,788	2,134
R B C Young	236	507

Options to subscribe for 25p ordinary shares of The Royal Bank of Scotland Group plc granted to and exercised by directors during the year to 30th September 1992 are included in the table below:

	At 1st October 1991 (or date of appointment if later)	Options granted	Price £	Options exercised	Price £	At 30th Sept 1992
G J Hadland	48,187	Nil	-	37,500 3,187 3,750 3,750	1.300 1.160 1.288 1.500	Nil
M I C Woodcock	532	Nil	-	Nil	-	532
R B C Young	532	Nil	-	Nil	-	532

No director had an interest in any of the preference shares of The Royal Bank of Scotland Group plc during the year to 30th September 1992.

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 of loan capital of any of the other subsidiaries of The Royal Bank of Scotland Group plc.

CHARTERHOUSE JAPHET FINANCE LIMITED

Accounting policies

The accounts on pages 7 to 12 are prepared in accordance with applicable accounting standards in the United Kingdom. The principal accounting policies adopted by the company are described below.

1. Accounting convention

The accounts are prepared under the historical cost convention.

2. Instalment credit agreements

Where charges on instalment credit agreements are added to the amount financed at the commencement of the agreement, income and unearned charges have been calculated in accordance with a formula known as the 'Rule of 78' after deduction of commission payable to dealers. In other transactions, charges are debited to customers' accounts as and when they fall due.

3. Turnover

Turnover consists of income receivable in the period in respect of finance charges, interest, fees and commission due to the company, and the sale proceeds of dealing assets.

4. Fixed assets

Furniture and equipment are depreciated on a straight line basis at rates of 10% and 20% per annum respectively. Leasehold property is depreciated in equal annual instalments over the period of the leases concerned.

5. Provisions for bad and doubtful debts

Provisions are made against receivables when it is considered recovery is doubtful or losses anticipated. The provisions are deducted from receivables.

Provisions made during the year are charged against profits. Receivables classified as bad debts are written off in part or in whole when the extent of the loss incurred has been confirmed.

6. Deferred taxation

Certain items of income and expenditure are accounted for in different periods for financial reporting purposes and for taxation purposes. Deferred taxation is provided on the liability method in respect of timing differences which are expected to result in a taxation liability in the foreseeable future.

CHARTERHOUSE JAPHET FINANCE LIMITED

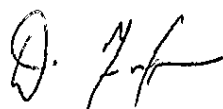
Profit and loss account
for the year ended 30th September 1992

	Note	£	1991 £
Turnover		5,492	22,331
Administrative expense credit		57,716	56,359
Other operating income		<u>-</u>	<u>531,612</u>
Profit on ordinary activities before taxation	1	63,208	610,302
Taxation	2	<u>(20,711)</u>	<u>(331,881)</u>
Retained profit for year	8	<u>42,497</u>	<u>278,421</u>

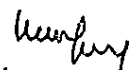
CHARTERHOUSE JAPHET FINANCE LIMITED

Balance sheet
at 30th September 1992

	Note	£	1991 £
Fixed assets			
Tangible assets	3	<u>25,171</u>	<u>35,987</u>
Current assets			
Debtors	4	1,364,479	1,508,230
Cash at bank and in hand		<u>-</u>	<u>3,799</u>
		1,364,479	1,512,029
Current liabilities			
Creditors (amounts falling due within one year)	5	<u>(102,821)</u>	<u>(303,684)</u>
Net current assets		<u>1,261,658</u>	<u>1,208,345</u>
Total assets less current liabilities		<u>1,286,829</u>	<u>1,244,332</u>
Capital and reserves			
Called-up share capital	7	1,000	1,000
Profit and loss account	8	<u>1,285,829</u>	<u>1,243,332</u>
		<u>1,286,829</u>	<u>1,244,332</u>



Director



Director

CHARTERHOUSE JAPHET FINANCE LIMITED

Notes on the accounts
for the year ended 30th September 1992

	£	1991 £
1. Profit on ordinary activities before taxation		
The profit on ordinary activities before taxation is stated after charging/(crediting) the following amounts:		
Depreciation	10,791	13,371
Auditor's remuneration	785	1,250
Hire of machinery	-	5,142
Bad debts	(104,619)	(102,814)
Release of other provisions	-	(531,612)

None of the directors received any emoluments in respect of their services to the company.

2. Taxation		1991 £
	£	
UK corporation tax at 33% (1991-33.5%)		
Based on the profit for the year:		
Group relief	18,220	200,088
Deferred taxation	<u>2,639</u>	<u>5,342</u>
	20,859	205,430
Group relief - prior year adjustment	<u>(148)</u>	<u>126,451</u>
	<u>20,711</u>	<u>331,881</u>

CHARTERHOUSE JAPHET FINANCE LIMITED

Notes on the accounts - continued

3. Tangible assets

	Short leasehold property £	Furniture & equipment £	Total £
Cost			
At 1st October 1991	5,000	275,585	280,585
Disposals	—	(113,182)	(113,182)
At 30th September 1992	<u>5,000</u>	<u>162,403</u>	<u>167,403</u>
Depreciation			
At 1st October 1991	2,422	242,176	244,598
Provisions for the year	312	9,813	10,125
Disposals	—	(112,491)	(112,491)
At 30th September 1992	<u>2,734</u>	<u>139,498</u>	<u>142,232</u>
Net book value			
At 30th September 1992	<u>2,266</u>	<u>22,905</u>	<u>25,171</u>
At 30th September 1991	<u>2,578</u>	<u>33,409</u>	<u>35,987</u>

4. Debtors

	£	1991 £
Amounts falling due within one year:		
Advances to customers less provisions	10,255	-
Amounts owed by group undertakings	1,343,286	1,494,913
Other debtors	<u>644</u>	<u>384</u>
	1,354,185	1,495,297
Amounts falling due after more than one year:		
Deferred tax (note 6)	<u>10,294</u>	<u>12,933</u>
	<u>1,364,479</u>	<u>1,508,230</u>

CHARTERHOUSE JAPHET FINANCE LIMITED

Notes on the accounts - continued

	£	1991 £
5. Creditors		
Amounts falling due within one year:		
Bank overdraft	2,912	-
Amounts owed to other group undertakings	46,502	236,577
Other creditors	48,356	65,857
Accruals and deferred income	<u>5,051</u>	<u>1,250</u>
	<u>102,821</u>	<u>303,684</u>

	<u>1992</u>		<u>1991</u>	
	Potential asset £	Amount due £	Potential asset £	Amount due £
6. Deferred taxation asset				
Accelerated depreciation	<u>10,294</u>	<u>10,294</u>	<u>12,933</u>	<u>12,933</u>

	£	1991 £
7. Called-up share capital		
Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully paid:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

8. Profit and loss account	£
At 1st October 1991	1,243,332
Retained profit for the year	<u>42,497</u>
At 30th September 1992	<u>1,285,829</u>

9. Contingent liabilities

The company has granted a guarantee, subject to a limit of £4,000,000 to support the borrowing of the parent company Charterhouse Japhet Credit Limited.

CHARTERHOUSE JAPHET FINANCE LIMITED

Notes on the accounts - continued

10. Ultimate holding company

The company is a wholly owned subsidiary of Charterhouse Japhet Credit Limited.

The company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in Scotland.

11. Approval of accounts

The accounts were approved by the board of directors on **17 NOV 1992**

CHARTERHOUSE JAPHET FINANCE LIMITED

Report of the auditor

We have audited the accounts on pages 6 to 12 in accordance with approved Auditing Standards.

In our opinion, the accounts give a true and fair view of the state of the Company's affairs at 30th September 1992 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 and Registered Auditor
Chartered Accountants

Gloucester

17 NOV 1992