

RT (Bridgend) Limited

Directors' report and financial statements

31 December 1999

Registered number 2910692



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

Principal activity

The principal activity of the company is that of a property investment holding company.

Business review and future developments

Profit on ordinary activities before taxation was £8,320,582 (1998: £460,559).

Through the company's interest in associates it continues to receive income from its investments in Designer Outlet Centres at Swindon, Bridgend and Mansfield. During the year the company's holdings were reduced as a result of sales of part of its investments into new Limited Partnerships. In addition a further sale of the companies interests was made to external investors, reducing the company's investment and yielding further profits.

Dividends

The directors paid an interim dividend of £7,000,000 during the year (1998: £Nil).

The directors do not recommend the payment of a final dividend (1998: £Nil).

Directors and directors' interests

The directors who served throughout the financial year and their interests in the ordinary share capital of the company are set out below:

	Number of £1 ordinary shares	
	1999	1998
RN Richardson	-	-
DB Richardson	-	-
BJ Sharples	-	-
SP Eastwood	1	1
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Year 2000

The directors undertook a comprehensive internal programme to ensure that all computer dependant systems continued to operate with the Y2K date change. Initial indications are that no major systems problems arose and that the Company's operations were unaffected as a result. Although the risk of problems now arising is low, vigilance is maintained and processes and procedures are in place to detect and rectify quickly any issues which may arise. The total cost of the programme is not expected to be material.

European Economic and Monetary Union

The directors recognise the importance of the Euro. The introduction of the Euro has had little impact on the Company's internal systems and procedures. The related financial costs are not material to the Company.

Demerger from Tarmac

On 29 July 1999 Tarmac Construction Services was demerged from Tarmac plc. This resulted in the listing of Carillion plc on the London Stock Exchange on 30 July 1999.

Directors' report *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 a going concern basis unless it is inappropriate to presume that the group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

A resolution for the re-appointment of KPMG Audit Plc as auditor of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



SP Eastwood
Director

100 Dudley Road East
Oldbury
West Midlands
B69 3DY

14 March 2000



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Report of the auditors to the members of RT (Bridgend) Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you 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.

Basis of audit 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 mis-statement, 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

14 March 2000

Profit and loss account
for the year ended 31 December 1999

	<i>Note</i>	1999 £	1998 £
Administrative expenses		(807,193)	(63,566)
Operating loss		(807,193)	(63,566)
Income from investments in associated undertakings		8,875,902	420,393
Interest receivable and similar income	3	694,876	758,362
Interest payable and similar charges	4	(443,003)	(654,630)
Profit on ordinary activities before taxation	5	8,320,582	460,559
Tax on profit on ordinary activities	6	149,300	(84,078)
Profit on ordinary activities after taxation		8,469,882	376,481
Dividends	7	(7,000,000)	-
Retained profit for the financial year		1,469,882	376,481
Retained profit brought forward		384,452	7,971
Retained profit carried forward		1,854,334	384,452

The above results are all derived from continuing operations.

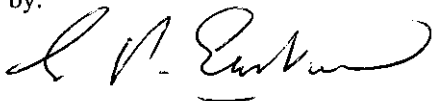
There were no recognised gains or losses in either the current or the preceding financial year other than those disclosed in the profit and loss account.

Balance sheet

at 31 December 1999

	Note	1999 £	1998 £
Fixed assets			
Investments	8	106,596	111,140
Current assets			
Debtors	9	9,095,515	9,317,707
Creditors: Amounts falling due within one year	10	(7,347,678)	(9,044,295)
Net current assets		1,747,838	273,412
Net assets		1,854,434	384,552
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		1,854,334	384,452
Equity shareholders' funds	12	1,854,434	384,552

These financial statements were approved by the board of directors on 14 March 2000 and were signed on its behalf by:



SP Eastwood
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules.

Cash flow statement

Under paragraph 5(a) of Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement.

Investments

Investments in associated undertakings are stated at cost less amounts written off.

Deferred taxation

Deferred taxation, calculated using the liability method, is included only where the effects of timing differences between results as stated in the accounts and as computed for taxation purposes are likely to crystallise in the foreseeable future.

2 Directors' emoluments

The directors, who were the only employees of the company, have neither received nor waived any emoluments during the year (1998: £Nil).

3 Interest receivable and similar income

	1999 £	1998 £
On loans to associated undertakings	677,738	757,187
Other interest receivable	17,138	1,175
	<u>694,876</u>	<u>758,362</u>

4 Interest payable and similar charges

	1999 £	1998 £
On bank loans and overdrafts	443,003	654,630
	<u>443,003</u>	<u>654,630</u>

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1999 £	1998 £
Audit fee	3,500	9,400
	<u>3,500</u>	<u>9,400</u>

Notes (continued)

6 Taxation

	1999 £	1998 £
Consortium tax relief of 30.25%	(149,300)	-
Tax charge on Franked Investment Income	-	84,078
	<u>(149,300)</u>	<u>84,078</u>

7 Dividends

	1999 £	1998 £
Interim dividend paid	7,000,000	-
	<u>7,000,000</u>	<u>-</u>

8 Investments

	Shares in associated undertakings £	Other investments £
<i>Cost and net book value</i>		
At 31 December 1998	-	111,140
Disposals	-	(4,544)
	<u>-</u>	<u>106,596</u>
At 31 December 1999	-	106,596

At 31 December 1999, the principal trading associated undertakings (all of which are incorporated in Great Britain and registered in England and Wales) in which the company had a beneficial interest were as follows:

Name of company	Identity of shares held	Proportion of nominal value of issued shares of that class beneficially held
BAA-McArthur Glen (Swindon) Limited	Ordinary shares of £1 each	21%
BAA-McArthur Glen (Bridgend) Limited	Ordinary shares of £1 each	25%
BAA-McArthur Glen (Mansfield) Limited	Ordinary shares of £1 each	25%

These undertakings were engaged in property investment.

In addition, the limited partnerships in which the company had a beneficial interest are as follows:

Name of limited partnership	Beneficial share
The BAA-McArthur/Glen (Bridgend) Limited Partnership	3.125%
The BAA-McArthur/Glen (Bridgend phases II and III) Limited Partnership	25%
The BAA-McArthur/Glen (Swindon) Limited Partnership	3.9375%
The BAA-McArthur/Glen (Swindon phases II and III) Limited Partnership	21%
The BAA-McArthur/Glen (Mansfield phases II and III) Limited Partnership	25%

Notes (continued)

9 Debtors

	1999	1998
	£	£
Amounts falling due within one year:		
Amounts due from parent undertakings	100	100
Amounts due from associated undertakings	8,620,575	9,020,550
Other debtors	474,841	297,057
	<hr/>	<hr/>
	9,095,516	9,317,707
	<hr/>	<hr/>

Amounts due from associates represent development loans which yield interest at 2% over LIBOR.

10 Creditors: amounts falling due within one year

	1999	1998
	£	£
Bank loans and overdrafts	6,458,371	8,899,374
Loans from shareholder (see note 13)	66,307	66,307
Corporation tax	-	1,643
Accruals	823,000	76,971
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	7,347,678	9,044,295
	<hr/>	<hr/>

11 Share capital

	1999	1998
	£	£
<i>Authorised, issued, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

12 Reconciliation of movements in shareholders' funds

	1999	1998
	£	£
Profit for the financial year	1,469,882	376,481
Opening shareholders' funds	384,552	8,071
Shares issued in the year	-	-
	<hr/>	<hr/>
Closing shareholders' funds	1,854,434	384,552
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13 Related party disclosures

V&P Midlands Limited

V&P Midlands Limited, in which two of the directors - RN and DB Richardson - are significant shareholders, owns 50% of the ordinary share capital of the company. At the year end, the company owed V&P Midlands Limited £66,307 (1998: £66,307). There are no set interest or repayment terms attached to the loan.

14 Parent and controlling companies

The company is jointly owned and controlled by Carillion Construction Limited and V&P Midlands Limited, both of which are incorporated in Great Britain.

Copies of both company's financial statements are available from Companies House, Cardiff, CF4 3YA.