

Report and Accounts

*Road Management Group
Limited*

31 December 1998



Road Management Group Limited

Registered No. 02804119

DIRECTORS

Dr F Lazaro (Chairman)
R M Clampett
P A Evans
A P Jackson
P Smith
D G Hawkins
P F Simpson

SECRETARY

D G Hawkins

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

BANKERS

Lloyds Bank Plc
St George's House
6-8 Eastcheap
London EC3M 1LL

SOLICITORS

Freshfields
65 Fleet Street
London EC4Y 1HS

REGISTERED OFFICE

Sandiway House
Hartford
Northwich
Cheshire CW8 2YA

Road Management Group Limited

DIRECTORS' REPORT

The directors present their report and group accounts for the year ended 31 December 1998.

RESULTS AND DIVIDENDS

The results of the group are set out on page 6. The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

On 8 February 1996, two subsidiaries of Road Management Group Limited entered into separate contracts with the Secretary of State for Environment, Transport and the Regions to design, build, finance, operate and maintain sections of the A1(M) and the A419/A417 trunk roads respectively. The A1(M) project is an upgrade to motorway standard of existing stretches of the A1 trunk road between Alconbury and Peterborough. The A419/A417 project involves upgrading the existing road to all-purpose dual carriageway standard, including the construction of three new bypass schemes and the operation and maintenance of the existing stretch of the road between Swindon and Gloucester. The finance for the two projects was raised by the issue of £165,000,000 guaranteed secured bonds due 2000-2021 issued by Road Management Consolidated PLC, a special purpose company which is also a subsidiary of Road Management Group Limited. The bonds are listed on the London Stock Exchange and guaranteed by a monoline insurer. Further funds were raised by means of a £111,000,000 loan facility provided by the European Investment Bank. Both the bond and European Investment Bank loan proceeds are being on-lent to the project companies. Financial close on the two projects was achieved on 28 March 1996 and progress has been satisfactory on all aspects of the Design, Build, Finance and Operate contracts since that time. The construction phase of the A419/A417 project was successfully completed on 1 July 1998 whilst the A1(M) construction phase was completed on 18 December 1998.

It is the intention of the group to bid for further projects of a similar nature and it is currently actively pursuing this policy, however as a consequence of recent government policy three projects which were being bid have been postponed and subsequently cancelled.

As from June 1998, as set out in the contractual funding arrangements, the four shareholders have subscribed for a total of 25,285,000, £1 shares fully paid in Road Management Group Limited in equal proportions and provided to the group subordinated loans to a value of £25,285,000 on which a rate of interest of 12% per annum is applicable. The subordinated loans will be repaid as soon as sufficient surplus funds become available after allowing for working capital requirements. On receipt of each instalment of the equity and subordinated debt Road Management Group Limited acquired shares in or loaned the subordinated debt to Road Management Services (Peterborough) Limited and Road Management Services (Gloucester) Limited. The purposes of these funds was to finance the completion of construction of the two roadways and for working capital requirements.

FIXED ASSETS

The movements in fixed assets during the year are shown in note 8 to the accounts.

SUPPLIER PAYMENT POLICY

The group recognise the importance of good relationships with its suppliers, therefore its established payment policy is to:

- (a) agree payment terms in advance of any commitment being entered into;
- (b) ensure suppliers are made aware of these terms by inclusion of the terms of payment on the order or contract; and
- (c) ensure that payments are made in accordance with the terms of the contract or order providing that the presented documentation is complete and accurate.

At 31 December 1998 trade creditors represented 50 days of purchases.

Road Management Group Limited

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors at 31 December 1998 were as follows:

D Williams (Chairman)
R M Clampett
P A Evans
A P Jackson
L Sanchez-Salmeron
D G Hawkins
P F Simpson

None of the directors has any personal or beneficial interest in the shares of the company.

D Williams was appointed as a director on 21 July 1998 as an alternate to P F Simpson who was on a long term overseas assignment and P Smith was appointed as a director on 20 January 1999. L Oleaga resigned as a director on 28 May 1998, A Matthews resigned as a director on 24 June 1998 and L Sanchez-Salmeron resigned as a director on 24 May 1999.

D Williams subsequently resigned on 8 June 1999 as P F Simpson resumed his post. Dr F Lazaro was appointed Chairman on 9 June 1999.

YEAR 2000

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to future risk in event that there is a failure by other parties to remedy their own year 2000 issues.

A company wide programme, designed to address the impact of the Year 2000 on our business has been commissioned by the Board and the resultant plan is close to completion. A consultant has been retained to carry out the plan and the Board receives regular reports on progress.

All of the cost of implementing the action plan will be subsumed into the recurring activities of the organisation and it is not expected to be substantial.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board


Secretary

21 OCT 1999

Road Management Group Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the 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 group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the members of Road Management Group Limited

We have audited the accounts on pages 6 to 19, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

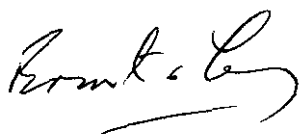
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 December 1998 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

21 OCT 1999

Road Management Group Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 1998

	<i>Notes</i>	<i>1998 £000</i>	<i>1997 £000</i>
TURNOVER	2	17,471	3,042
Other external charges		2,774	2,937
Staff costs	5	—	—
Depreciation and amortisation		1,143	(5)
Other operating charges		604	254
		4,521	3,186
OPERATING PROFIT/(LOSS)	3	12,950	(144)
Bank interest receivable		2,254	144
Finance charges payable	7	(13,400)	—
		(11,146)	144
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,804	—
Tax on profit on ordinary activities	6	572	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED FOR THE FINANCIAL YEAR	16	1,232	—

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the year.

Road Management Group Limited

GROUP BALANCE SHEET at 31 December 1998

	<i>Notes</i>	<i>1998 £000</i>	<i>1997 £000</i>
FIXED ASSETS			
Tangible assets	8	315,317	228,819
CURRENT ASSETS			
Debtors	10	15,154	3,123
Short term investments		13,193	12,219
Cash at bank and in hand		5,356	11,098
		33,703	26,440
CREDITORS: amounts falling due within one year	11	13,452	3,725
NET CURRENT ASSETS		20,251	22,715
TOTAL ASSETS LESS CURRENT LIABILITIES		335,568	251,534
CREDITORS: amounts falling due after more than one year			
Loans	12	289,017	235,637
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	572	–
ACCRUALS AND DEFERRED INCOME			
Deferred shadow tolls	14	19,412	15,847
		309,001	251,484
		26,567	50
CAPITAL AND RESERVES			
Called up share capital	15	25,335	50
Profit and loss account	16	1,232	–
Equity shareholders' funds		26,567	50

Director



Road Management Group Limited

COMPANY BALANCE SHEET at 31 December 1998

	<i>Notes</i>	<i>1998 £000</i>	<i>1997 £000</i>
FIXED ASSETS			
Investments	9	25,335	50
CURRENT ASSETS			
Debtors	10	26,064	—
CREDITORS: amounts falling due within one year	11	3,757	—
NET CURRENT ASSETS		22,307	—
TOTAL ASSETS LESS CURRENT LIABILITIES		47,642	50
CREDITORS: amounts falling due after more than one year			
Loans	12	22,307	—
		25,335	50
CAPITAL AND RESERVES			
Called up share capital	15	25,335	50
Profit and loss account		—	—
Equity shareholders funds		25,335	50

Director



21 OCT 1999.

Road Management Group Limited

GROUP STATEMENT OF CASH FLOWS for the year ended 31 December 1998

	<i>Notes</i>	<i>1998 £000</i>	<i>1997 £000</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	17(a)	9,750	7,042
RETURNS FROM INVESTMENTS AND SERVICING OF FINANCE	17(b)	(23,412)	(15,105)
TAXATION	17(b)	(88)	—
CAPITAL EXPENDITURE	17(b)	(73,291)	(108,245)
MANAGEMENT OF LIQUID RESOURCES	17(b)	255	(2,643)
FINANCING	17(b)	81,044	80,526
DECREASE IN CASH		<u>(5,742)</u>	<u>(38,425)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
		<i>1998 £000</i>	<i>1997 £000</i>
Decrease in cash		(5,742)	(38,425)
Cash inflow from increase in loans		(55,759)	(80,526)
Cash outflow from increase in liquid resources		974	2,643
Other non cash movements		(599)	(11)
MOVEMENT IN NET DEBT	17(c)	<u>(61,126)</u>	<u>(116,319)</u>
NET DEBT AT 1 JANUARY	17(c)	<u>(212,320)</u>	<u>(96,001)</u>
NET DEBT AT 31 DECEMBER	17(c)	<u>(273,446)</u>	<u>(212,320)</u>

Road Management Group Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of Road Management Group Limited and all its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for Road Management Group Limited as permitted by section 230 of the Companies Act 1985. The group profit after tax includes £nil contributed by the parent company.

Fixed assets

All fixed assets are initially recorded at cost. Cost related to road concessions represents expenditure on the construction of the roadways. This includes the direct cost of financing the construction until the assets come into use.

Depreciation

Depreciation of the road concessions asset is calculated on the annuity basis over the remaining period of concession contract after completion of the roadway. All other fixed assets are depreciated at rates calculated to write off the cost or revaluation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life as follows:

Plant and machinery – over 5 to 15 years

Recognition of income

Shadow tolls receivable from the Highways Agency prior to the completion of the roadways which were in excess of net operating, maintenance, depreciation costs and income are deferred until completion of roadway improvements. Subsequent to the completion of the roadway improvements, all income earned has been recognised in the profit and loss account and the deferred shadow tolls are being amortised over the remaining life of the concession in line with the depreciation charge.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Investments

Investments held as current assets are stated at market value at the balance sheet date and the difference between cost and market value is taken to the profit and loss account. This treatment is a departure from UK accounting rules which stipulate that unrealised profits be credited to a revaluation reserve. In the opinion of the Board members, the treatment adopted is necessary to present a true and fair view. All such investments are readily marketable Government securities. The accounting treatment adopted represents a fairer reflection of the investment return.

Road Management Group Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

2. TURNOVER

Turnover, which is stated excluding VAT, represents amounts earned from the Highways Agency in the form of shadow tolls as follows:

- Prior to completion of the roadway improvements, shadow tolls earned, net of the excess of tolls over net operating, maintenance and depreciation costs and income.
- Subsequent to the completion of the roadway improvements – all shadow tolls earned.

Turnover is attributable to one class of business, and one geographical market, the United Kingdom.

3. OPERATING PROFIT/(LOSS)

This is stated after charging/(crediting):

	1998 £000	1997 £000
Depreciation of owned fixed assets	1,245	(5)
Auditors' remuneration – audit services	22	16
– non audit services	32	16
	<u> </u>	<u> </u>

4. DIRECTORS' EMOLUMENTS

	1998	1997
Emoluments (including pension contributions)	196,034	363,258
	<u> </u>	<u> </u>
	No.	No.
Members of defined benefit pension schemes	3	3
	<u> </u>	<u> </u>

The emoluments of the highest paid director were £95,044.

The directors receive their emoluments directly from shareholder companies.

5. STAFF COSTS

The group does not have any direct employees. Staff are seconded from the shareholder companies of Road Management Group Limited.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £000	1997 £000
Deferred taxation (note 13)	572	–
	<u> </u>	<u> </u>

Road Management Group Limited

NOTES TO THE ACCOUNTS at 31 December 1998

7. FINANCE CHARGES PAYABLE

Group

	<i>1998</i> <i>£000</i>	<i>1997</i> <i>£000</i>
Bank loans	9,858	3,719
Other loans	15,966	11,948
Unrealised profit on investments	(1,229)	(443)
Issue expenses amortised	599	454
	<u>25,194</u>	<u>15,678</u>
Less amounts capitalised	(11,794)	(15,678)
	<u>13,400</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

Group

	<i>Cost related to road concessions</i> <i>£000</i>	<i>Plant and machinery</i> <i>£000</i>	<i>Total</i> <i>£000</i>
Cost:			
At 1 January 1998	228,769	235	229,004
Additions	75,896	108	76,004
Interest capitalised	11,794	-	11,794
Disposals	-	(9)	(9)
At 31 December 1998	<u>316,459</u>	<u>334</u>	<u>316,793</u>
Depreciation:			
At 1 January 1998	-	185	185
Provided during the year	1,143	102	1,245
Disposals, write off, of fixed assets	-	46	46
At 31 December 1998	<u>1,143</u>	<u>333</u>	<u>1,476</u>
Net book value:			
At 31 December 1998	<u>315,316</u>	<u>1</u>	<u>315,317</u>
At 31 December 1997	<u>228,769</u>	<u>50</u>	<u>228,819</u>

The concessions to operate the roadways have been acquired from the Highways Agency for a period of thirty years. Improvements to both roadways were completed during 1998. The cost of the expenditure to date is reflected in the roadway asset and includes capitalised interest of £34,511,000 (1997 – £22,717,000).

Road Management Group Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

9. INVESTMENTS

Company

	£000	
Shares in unlisted subsidiary undertakings at cost:		
At 1 January 1998	50	
Additions	25,285	
	<hr/>	
At 31 December 1998	25,335	
	<hr/>	
	<i>% holding of ordinary shares</i>	
Road Management Services (Peterborough) Limited	100	
Road Management Services (Gloucester) Limited	100	
Road Management Limited	100	
Road Management Consolidated Public Limited Company	100	

Road Management Services (Peterborough) Limited and Road Management Services (Gloucester) Limited were established as the project companies to enter into DBFO contracts with the Secretary of State for Environment, Transport and the Regions. Under these contracts they were granted the right, and undertook the obligation to design, build, finance and, for the 30 year contract term, operate and maintain a 21 kilometre section of the A1(M) between Alconbury and Peterborough and a 52 kilometre section of the A419/A417 between Swindon and Gloucester respectively.

Road Management Consolidated PLC was established as a special purpose company to be the financing vehicle for the funding of the two projects through the issue of £165,000,000, guaranteed secured bonds and a loan facility with the European Investment Bank of £111,000,000. Both the bond and European Investment Bank loan proceeds are being on-lent to the project companies.

Road Management Limited was set up for the purpose of the general administration of the Road Management Group companies and to enable them to bid for additional contracts of a similar nature.

10. DEBTORS

<i>Group</i>	<i>1998 £000</i>	<i>1997 £000</i>
Trade debtors	1,150	1,293
Other debtors	1,380	1,830
Amounts owed on loans to shareholder companies	12,624	—
	<hr/>	<hr/>
	15,154	3,123
	<hr/>	<hr/>
<i>Company</i>		
Accrued interest	779	—
Loan to group undertakings, due after more than one year	25,285	—
	<hr/>	<hr/>
	26,064	—
	<hr/>	<hr/>

Road Management Group Limited

NOTES TO THE ACCOUNTS

at 31 December 1998

11. CREDITORS: amounts falling due within one year

Group

	1998 £000	1997 £000
Trade creditors	6,095	2,437
Other creditors	1,596	26
Accruals	1,363	—
Current element of shareholders' loan (see note 12)	2,978	—
Current interest due on loans	1,420	1,262
	<u>13,452</u>	<u>3,725</u>

Company

Interest payable	779	—
Current element of shareholders' loan (see note 12)	2,978	—
	<u>3,757</u>	<u>—</u>

12. LOANS

Group

	1998 £000	1997 £000
Not wholly repayable within five years:		
£165,000,000 of 9.18% Guaranteed Secured Bonds repayable in six monthly instalments commencing 10 December 2000	155,710	155,111
EIB loan of £111,000,000 at 9.10% per annum repayable in six monthly instalments commencing 10 June 2003	111,000	80,526
	<u>266,710</u>	<u>235,637</u>
Wholly repayable within five years:		
Loan from shareholders of £25,285,000 at 12% per annum	22,307	—
	<u>289,017</u>	<u>235,637</u>

Company

Wholly repayable within five years:		
Loan from shareholders of £25,285,000 at 12% per annum	22,307	—
	<u>22,307</u>	<u>—</u>

The current element of the shareholder's loan is shown in note 11.

Road Management Group Limited

NOTES TO THE ACCOUNTS at 31 December 1998

12. LOANS (continued)

The maturity of loans may be analysed as follows:

	1998 £000	Group 1997 £000	1998 £000	Company 1997 £000
Within one year	2,978	—	2,978	—
In more than one year but not more than two years	5,605	—	5,605	—
In more than two years but not more than five years	27,739	7,431	16,702	—
	36,322	7,431	25,285	—
In more than five years	264,963	238,095	—	—
	301,285	245,526	25,285	—
Less: unamortised issue expenses	(9,290)	(9,889)	—	—
	291,995	235,637	25,285	—

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

Group

	1998 £000	1997 £000
At 1 January	—	—
Charge for the year	572	—
At 31 December	572	—

Deferred taxation has been provided in full in the accounts as follows:

Interest and capital allowances in advance of depreciation	5,164	4,156
Tax losses	(4,592)	(4,156)
	572	—

Road Management Group Limited

NOTES TO THE ACCOUNTS at 31 December 1998

14. ACCRUALS AND DEFERRED INCOME

Group

	<i>Deferred shadow tolls 1998 £000</i>	<i>Deferred shadow tolls 1997 £000</i>
Balance as at 1 January	15,847	6,494
Received during the year	3,657	9,353
Released during the year	(92)	—
Balance as at 31 December	<u>19,412</u>	<u>15,847</u>

15. SHARE CAPITAL

	<i>1998 £000</i>	<i>1997 £000</i>
Authorised: 50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid: 25,335,004 ordinary shares of £1 each	<u>25,335</u>	<u>50</u>

During the year 25,285,000 ordinary shares of £1 each with an aggregate nominal value of £25,285,000, were issued, fully paid at par for cash.

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
<i>Group</i>			
At 1 January 1997	50	—	50
Result for the year	—	—	—
At 31 December 1997	<u>50</u>	<u>—</u>	<u>50</u>
Proceeds from share issue	25,285	—	25,285
Profit for the year	—	1,232	1,232
At 31 December 1998	<u>25,335</u>	<u>1,232</u>	<u>26,567</u>

Road Management Group Limited

NOTES TO THE ACCOUNTS at 31 December 1998

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES (continued)

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
<i>Company</i>			
At 1 January 1997	50	—	50
Result for the year	—	—	—
At 31 December 1997	50	—	50
Proceeds from share issue	25,285	—	25,285
Result for the year	—	—	—
At 31 December 1998	25,335	—	25,335

17. NOTES TO THE STATEMENT OF GROUP CASH FLOWS

(a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	<i>1998 £000</i>	<i>1997 £000</i>
Operating profit/(loss)	12,950	(144)
Increase in deferred shadow tolls	3,565	9,353
Increase in debtors	(11,943)	(1,027)
Increase/(decrease) in creditors	3,878	(1,135)
Depreciation	1,245	(5)
Disposal of fixed assets	55	—
Net cash inflow from operating activities	9,750	7,042

(b) Analysis of cash flows for headings netted in the statement of cash flows:

	<i>1998 £000</i>	<i>1997 £000</i>
Returns on investments and servicing of finance:		
Interest received	2,254	3,427
Interest paid	(25,666)	(18,532)
	(23,412)	(15,105)
Taxation:		
Income tax paid	88	—

Road Management Group Limited

NOTES TO THE ACCOUNTS at 31 December 1998

17. NOTES TO THE STATEMENT OF GROUP CASH FLOWS (continued)

	1998 £000	1997 £000
Capital expenditure:		
Payments to acquire tangible fixed assets	(73,291)	(108,245)
Management of liquid resources:		
Purchase of fixed rate securities	(8,035)	(2,643)
Sale of fixed rate securities	8,290	—
	255	(2,643)
Financing:		
Issue of ordinary share capital	25,285	—
Debt due beyond a year:		
Guaranteed Secured Bonds due 2000 – 2021	30,474	—
EIB loan due 2003 – 2020	—	80,526
Shareholders' loan	25,285	—
	81,044	80,526

Liquid resources include government securities held in the balance sheet as current asset investments.

(c) Analysis of changes in net debt:

	1 January 1998 £000	Cash flow £000	Other non-cash movements £000	At 31 December 1998 £000
Cash at bank and in hand	11,098	(5,742)	—	5,356
Current asset investments	12,219	974	—	13,193
Debt due within one year	—	(2,978)	—	(2,978)
Debt due after one year	(235,637)	(52,781)	(599)	(289,017)
	(212,320)	(60,527)	(599)	(273,446)

Road Management Group Limited

NOTES TO THE ACCOUNTS at 31 December 1998

18. CAPITAL COMMITMENTS

Group

	<i>1998</i> <i>£000</i>	<i>1997</i> <i>£000</i>
Contracted	—	75,896

19. CONTROLLING PARTIES

Road Management Group Limited is jointly owned in equal shares by AMEC plc, Alfred McAlpine PLC, Brown & Root Limited and Dragados Limited.

20. RELATED PARTY TRANSACTIONS

During the year the group was charged by RMG Construction J.V., a joint venture, the members of which are subsidiaries of the controlling parties noted above, £75,861,000 in respect of the construction of the roadway. Included in trade creditors is an amount of £3,062,814 due to RMG Construction J.V.

In addition the group had transactions with Amec Civil Engineering Limited, Alfred McAlpine Construction, Brown & Root Projects Limited and Dragados y Construcciones S.A., as detailed below:

The group was charged salary costs totalling £318,270 during the year and had a balance due to the above related parties at the year end of £154,345.

Included in trade creditors is an amount of £1,698,000 due to the company's joint venture partners. Any repayment will be set-off against an amount of £764,000 due from these partners included in other debtors.