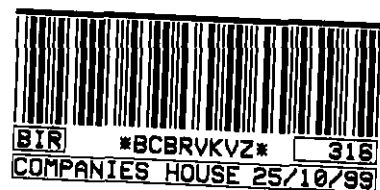


**RT (Bridgend) Limited**

**Directors' report and financial statements**

31 December 1998

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 1998.

### 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 £460,559 (1997: £7,560).

Through the company's interest in associates, two new schemes were opened during the year. Phase I of the Welsh Designer Outlet Centre at Bridgend was opened to the public in May 1998 and the Junction 28 Outlet centre at Mansfield, Derbyshire was opened in October 1998. Phase II of the Great Western Designer Outlet Centre at Swindon together with Phase II at Bridgend are both planned to commence construction in 1999. It continues to be the policy of the company to expand its activities when the opportunity arises.

### Dividends

The directors do not recommend the payment of a dividend (1997: £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 |       |
|---------------|------------------------------|-------|
|               | 1998                         | 1997  |
| RN Richardson | -                            | -     |
| DB Richardson | -                            | -     |
| BJ Sharples   | -                            | -     |
| SP Eastwood   | 1                            | -     |
|               | <hr/>                        | <hr/> |

### Year 2000

The directors and the company's shareholders, Tarmac Construction Limited ("Tarmac") and V&P Midlands Limited recognise the importance of the Year 2000 problem and have established a programme to ensure that the related risks are mitigated.

The programme, which is monitored regularly at Tarmac Board level covers five main areas: business systems and associated hardware, embedded chips in buildings and production facilities, key suppliers, joint ventures and client solutions.

In each area an analysis of the risks has been performed, from which corrective action plans have been developed. These plans are designed to address all key issues well in advance of 31 December 1999, without disruption to the underlying business processes.

The total cost of the programme is not expected to be material.

## 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

16 March 1999



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*

As described on page 2, 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 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 1998 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

16 March 1999

## **Profit and loss account**

*for the year ended 31 December 1998*

|  | <i>Note</i> | 1998<br>£ | 1997<br>£ |
|--|-------------|-----------|-----------|
| Administrative expenses                              |             | (63,566)  | -         |
| <b>Operating loss</b>                                |             | (63,566)  | -         |
| Income from investments in associated undertakings   |             | 420,393   | -         |
| Interest receivable and similar income               | 3           | 758,362   | 7,560     |
| Interest payable and similar charges                 | 4           | (654,630) | -         |
| <b>Profit on ordinary activities before taxation</b> |             | 460,559   | 7,560     |
| Tax on profit on ordinary activities                 | 5           | (84,078)  | (1,398)   |
| <b>Retained profit for the financial year</b>        |             | 376,481   | 6,162     |
| Retained profit brought forward                      |             | 7,971     | 1,809     |
| <b>Retained profit carried forward</b>               |             | 384,452   | 7,971     |

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 1998

|   | Note | £                  | 1998<br>£      | £                  | 1997<br>£    |
|---|------|--------------------|----------------|--------------------|--------------|
| <b>Fixed assets</b>                                   |      |                    |                |                    |              |
| Investments   | 7    |                    | 111,140        |                    | -            |
| <b>Current assets</b>                                 |      |                    |                |                    |              |
| Debtors   | 8    | 9,317,707          |                | 4,233,021          |              |
| <b>Creditors: Amounts falling due within one year</b> | 9    | <u>(9,044,295)</u> |                | <u>(4,224,950)</u> |              |
| <b>Net current assets</b>                             |      |                    | <u>273,412</u> |                    | <u>8,071</u> |
| <b>Net assets</b>                                     |      |                    | <u>384,552</u> |                    | <u>8,071</u> |
| <b>Capital and reserves</b>                           |      |                    |                |                    |              |
| Called up share capital                               | 10   |                    | 100            |                    | 100          |
| Profit and loss account                               |      |                    | <u>384,452</u> |                    | <u>7,971</u> |
| <b>Equity shareholders' funds</b>                     | 11   |                    | <u>384,552</u> |                    | <u>8,071</u> |

These financial statements were approved by the board of directors on 16 March 1999 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 (1997: £Nil).

### 3 Interest receivable and similar income

|                                     | 1998           | 1997         |
|-------------------------------------|----------------|--------------|
|                                     | £              | £            |
| On loans to associated undertakings | 757,187        | -            |
| Other interest receivable           | 1,175          | 7,560        |
|                                     | <u>758,362</u> | <u>7,560</u> |

### 4 Interest payable and similar charges

|                              | 1998           | 1997     |
|------------------------------|----------------|----------|
|                              | £              | £        |
| On bank loans and overdrafts | 654,630        | -        |
|                              | <u>654,630</u> | <u>-</u> |

### 5 Profit on ordinary activities

|   |              |          |
|---|--------------|----------|
| Profit on ordinary activities is stated after charging: | 1998         | 1997     |
|   | £            | £        |
| Audit fee (including VAT)                               | 9,400        | -        |
|   | <u>9,400</u> | <u>-</u> |



## Notes (continued)

### 6 Taxation

|   | 1998<br>£     | 1997<br>£    |
|---|---------------|--------------|
| Corporation tax at 31% (1997: 21.75%)   | -             | 1,644        |
| Tax charge on Franked Investment Income | 84,078        |              |
| Adjustment relating to an earlier year  | -             | (246)        |
|   | <u>84,078</u> | <u>1,398</u> |

### 7 Investments

|                                | Shares in<br>associated<br>undertakings<br>£ | Other<br>investments<br>£ |
|--------------------------------|--|---------------------------|
| <i>Cost and net book value</i> |  |                           |
| At 31 December 1997            | -  | -                         |
| Additions                      | -  | 111,140                   |
|                                | <u>-</u>                                     | <u>111,140</u>            |
| <b>At 31 December 1998</b>     | <u>-</u>                                     | <u>111,140</u>            |

At 31 December 1998, 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<br>issued shares of that class<br>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.

The company together with its partners restructured the way in which it held its beneficial interests in the three Outlet Centres at Swindon, Bridgend and Mansfield. In December 1998, Limited Partnership Liability entities were established called Swindon Phase I; Swindon Phase II; Bridgend Phase I; Bridgend Phase II and Mansfield. In addition external investors acquired interests in Swindon Phase I and Bridgend Phase I resulting in a gain on disposal in the BMG companies which will be available for distribution to the company in due course.

### 8 Debtors

|  | 1998<br>£        | 1997<br>£        |
|--|------------------|------------------|
| Amounts falling due within one year:     |                  |                  |
| Amounts due from parent undertakings     | 100              | 100              |
| Amounts due from associated undertakings | 9,020,550        | -                |
| Other debtors                            | 297,057          | 4,232,921        |
|  | <u>9,317,707</u> | <u>4,233,021</u> |

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

## Notes (continued)

### 9 Creditors: amounts falling due within one year

|                                      | 1998<br>£        | 1997<br>£        |
|--------------------------------------|------------------|------------------|
| Bank loans and overdrafts            | 8,899,374        | -                |
| Loans from shareholder (see note 12) | 66,307           | 4,223,299        |
| Corporation tax                      | 1,643            | 1,651            |
| Accruals                             | 76,971           | 1,651            |
|                                      | <u>9,044,295</u> | <u>4,224,950</u> |

### 10 Share capital

|  | 1998<br>£  | 1997<br>£  |
|--|------------|------------|
| <i>Authorised:</i>                                 |            |            |
| Ordinary shares of £1 each                         | 100        | 100        |
|  | <u>100</u> | <u>100</u> |
| <i>Issued, allotted, called up and fully paid:</i> |            |            |
| Ordinary shares of £1 each                         | 100        | 100        |
|  | <u>100</u> | <u>100</u> |

### 11 Reconciliation of movements in shareholders' funds

|                               | 1998<br>£      | 1997<br>£    |
|-------------------------------|----------------|--------------|
| Profit for the financial year | 376,481        | 6,162        |
| Opening shareholders' funds   | 8,071          | 1,811        |
| Shares issued in the year     | -              | 98           |
|                               | <u>384,552</u> | <u>8,071</u> |
| Closing shareholders' funds   | <u>384,552</u> | <u>8,071</u> |

### 12 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 and, during the year, had £4,156,992 of a loan of £4,223,299 repaid by the company. There are no set interest or repayment terms attached to the loan.

### 13 Parent and controlling companies

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

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