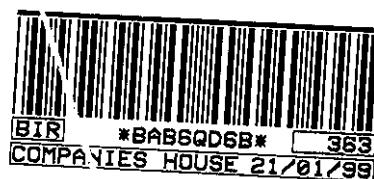


RT (Bridgend) Limited

Directors' report and financial statements

For the year ended 31 December 1997

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 1997.

Principal activity and business review

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

It continues to be the policy of the company to expand its activities when the opportunity arises.

The results for the year are set out on page 4.

During the year, the company issued 98 ordinary shares of £1 each, at par, to broaden the ownership base of the company.

Dividends

The directors do not recommend the payment of a dividend (1996: £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	
	1997	1996
RN Richardson	-	-
DB Richardson	-	-
BJ Sharples	-	-
SP Eastwood	1	-
	<hr/>	<hr/>

Auditors

During the year, KPMG were appointed as the first auditors of the company.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



DB Richardson
Director

100 Dudley Road East
Oldbury
West Midlands
B69 3DY

4 January 1999

Statement of 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 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.



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 7.

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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

4 January 1999

Profit and loss account

for the year ended 31 December 1997

	<i>Note</i>	1997 £	Unaudited 1996 £
Other interest receivable and similar income	3	7,560	2,713
Profit on ordinary activities before taxation		7,560	2,713
Tax on profit on ordinary activities	4	1,398	904
Profit on ordinary activities after taxation retained for the year		6,162	1,809
Retained profit brought forward		1,809	-
Retained profit carried forward		7,971	1,809

There were no material acquisitions during the year and no operations were discontinued either in the current or the preceding financial year.

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 1997

	<i>Note</i>	1997 £	Unaudited 1996 £
Current assets			
Debtors	5	4,233,021	2,064
Creditors: Amounts falling due within one year	6	(4,224,950)	(253)
Net assets		<u>8,071</u>	<u>1,811</u>
Capital and reserves			
Called up share capital	7	100	2
Profit and loss account		7,971	1,809
Equity shareholders' funds	8	<u>8,071</u>	<u>1,811</u>

These financial statements were approved by the board of directors on 4 January 1999 and were signed on its behalf by:



DB Richardson
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.

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

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Directors' emoluments

Other than the four directors, the company had no employees during the financial year.

The directors received no emoluments for their services.

3 Other interest receivable and similar income

	1997 £	1996 £
On loans	7,560	2,713
	<hr/>	<hr/>

4 Taxation

	1997 £	1996 £
Corporation tax at 21.75%	1,644	904
Adjustment relating to an earlier year	(246)	-
	<hr/>	<hr/>
	1,398	904
	<hr/>	<hr/>

5 Debtors

	1997 £	1996 £
Amounts falling due within one year:		
Other debtors	4,232,921	-
Due from shareholders	100	2,064
	<hr/>	<hr/>
	4,233,021	2,064
	<hr/>	<hr/>

Other debtors represent development loans which yield interest at 2% over LIBOR.

Notes (continued)

6 Creditors: amounts falling due within one year

	1997 £	1996 £
Loans from shareholder (see note 9)	4,223,299	-
Corporation tax	1,651	253
	<u>4,224,950</u>	<u>253</u>

7 Share capital

	1997 £	1996 £
<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	2	2
Issued during the year	98	-
	<u>100</u>	<u>2</u>

8 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	6,162	1,809
Opening shareholders' funds	1,811	2
Shares issued in the year	98	-
	<u>8,071</u>	<u>1,811</u>
Closing shareholders' funds	<u>8,071</u>	<u>1,811</u>

9 Related party transactions

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, made a loan to the company of £4,223,299. There are no set interest or repayment terms attached to the loan. This loan was repaid in January 1998.