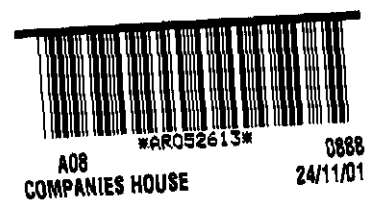


**BAA-MCARTHUR/GLEN (BRIDGEND)
LIMITED**

Report and Financial Statements

Year ended 31 March 2001

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 2001

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B A Beckett
J Calabrese
L Coppock
J W Kaempfer
P Nash
J Nicolosi
R N Richardson
D P Sayers
R W Waddell
J R F Walls

SECRETARY

M Lewis

REGISTERED OFFICE

130 Wilton Road
London
SW1V 1LQ

BANKERS

Barclays Bank PLC
London Corporate Banking Group
54 Lombard Street
P O Box 544
London EC3V 9EX

SOLICITORS

Nabarro Nathanson
Lacon House
84 Theobalds Road
London WC1X 8RW

AUDITORS

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for BAA-McArthur/Glen (Bridgend) Limited ("the Company") for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The Company is engaged principally in the acquisition and development of sites in order to hold the resulting properties for investment purposes.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Company was not actively involved in trading during the year and the future of the Company will be considered in due course by the directors.

RESULTS AND DIVIDENDS

The Company made a profit of £137,776 after taxation for the year (2000 - profit of £4,512,079).

During the year a dividend of £nil was paid (2000 - £21,668,604). The directors do not recommend the payment of a final dividend for the year (2000 - £nil).

BOARD OF DIRECTORS

The directors who served throughout the year (except as noted) and since the year end are as follows:

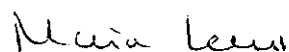
B A Beckett	
G M Bennett	(resigned 1 June 2000)
J Calabrese	
L Coppock	(appointed 1 May 2001)
P J Jones	(resigned 1 May 2001)
J W Kaempfer	
J B Murphy	(resigned 20 June 2000)
P Nash	(appointed 1 June 2000)
J Nicolosi	
R N Richardson	
D P Sayers	(appointed 1 May 2001)
B Soller	(resigned 1 May 2001)
R W Waddell	
J R F Walls	

None of the directors had any beneficial interests at any time during the year in the share capital of the Company or any other group company.

AUDITORS

A resolution for reappointment of Deloitte & Touche as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



M Lewis
Secretary

15/11 2001

130 Wilton Road
London
SW1V 1LQ

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 as at the end of the financial year 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enables them to ensure that the financial statements comply with the Companies Act 1985. They are responsible for taking such steps as are reasonably open to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF BAA-MCARTHUR/GLEN (BRIDGEND) LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 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 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 March 2001 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors
Hill House
1 Little New Street London
EC4A 3TR

16 November 2001

BAA-MCARTHUR/GLEN (BRIDGEND) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2001

	Note	Year ended 31 March 2001 £	Year ended 31 March 2000 £
Turnover	1	-	221,437
Property costs		(4,299)	(19,588)
GROSS (LOSS)/PROFIT		(4,299)	201,849
Administrative expenses		(16,487)	(248,301)
OPERATING LOSS		(20,786)	(46,452)
Profit on disposal of fixed assets	2	-	6,847,249
Net interest receivable	3	331,639	2,008,149
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	310,853	8,808,946
Tax on profit on ordinary activities	5	(173,077)	(4,296,867)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		137,776	4,512,079
Dividends	6	-	(21,668,604)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11	137,776	(17,156,525)

There are no recognised gains or losses for the current or the prior year other than as stated in the profit and loss account.

All results are derived from continuing operations in the United Kingdom.


BAA-MCARTHUR/GLEN (BRIDGEND) LIMITED

BALANCE SHEET 31 March 2001


	Note	2001 £	2000 £
FIXED ASSETS			
Investments	7	<u>1</u>	<u>1</u>
CURRENT ASSETS			
Debtors	8	5,200	194,584
Cash		<u>2,746,942</u>	<u>9,665,703</u>
		2,752,142	9,860,287
CREDITORS: amounts falling due within one year	9	<u>(648,191)</u>	<u>(7,894,112)</u>
NET CURRENT ASSETS		<u>2,103,951</u>	<u>1,966,175</u>
NET ASSETS		<u>2,103,952</u>	<u>1,966,176</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account		<u>2,103,852</u>	<u>1,966,076</u>
EQUITY SHAREHOLDERS' FUNDS	11	<u>2,103,952</u>	<u>1,966,176</u>

These financial statements were approved by the Board of Directors on 15/11 2001.

Signed on behalf of the Board of Directors



P Nash
Director



DP Sayers
Director

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable Accounting Standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment properties.

Turnover

Turnover represents amounts receivable from tenants in the UK, excluding value added tax.

Consolidated financial statements

The Company is exempt from the requirement to produce group accounts under s228 of the Companies Act 1985, since it is itself a subsidiary undertaking. The financial statements present information about the Company as an individual entity, and not as a group.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements to the extent that it is probable that an asset or liability will crystallise in the future.

2. PROFIT ON DISPOSAL OF PROPERTY

The profit on the disposal of property in the prior year arises on the sales of the Company's beneficial interest in the Bridgend Designer Outlet Village to The Bridgend Limited Partnership and The BAA-McArthur/Glen (Bridgend Phases 2 and 3) Limited Partnership for a total consideration of £66.1m.

3. NET INTEREST RECEIVABLE

	Year ended 31 March 2001 £	Year ended 31 March 2000 £
Interest receivable	343,543	1,869,085
Intergroup interest receivable	-	139,771
Intergroup interest payable	(11,904)	-
Other interest payable	-	(707)
	<u>331,639</u>	<u>2,008,149</u>

BAA-MCARTHUR/GLEN (BRIDGEND) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2001

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is after charging:

	Year ended 31 March 2001 £	Year ended 31 March 2000 £
Auditors' remuneration – audit fee	4,300	5,078

No staff were employed by the Company during the year (2000 – none).

The remuneration of the directors in both the current and preceding year is borne by another group company, BAA McArthur/Glen UK Limited. It is not possible to produce an accurate apportionment of remuneration applicable to this company. The financial statements of BAA McArthur/Glen UK Limited are available from 130 Wilton Road, London, SW1V 1LQ.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 March 2001 £	Year ended 31 March 2000 £
Corporation tax at 30% on activities	87,834	11,824
Tax on disposal of property	-	4,285,043
Adjustment relating to prior years	85,243	-
	<u>173,077</u>	<u>4,296,867</u>

6. DIVIDENDS

	Year ended 31 March 2001 £	Year ended 31 March 2000 £
Equity dividends paid	-	21,668,604

7. INVESTMENTS

	2001 £	2000 £
Share at cost in subsidiary undertaking: 1 £1 ordinary share	<u>1</u>	<u>1</u>

The 100% owned subsidiary is BAA-McArthur/Glen (Bridgend Phases II and III) General Partner Limited, a company incorporated in Great Britain, which was acquired on 24 July 1998. The share capital of BAA-McArthur/Glen (Bridgend Phases II and III) General Partner Limited is 1 ordinary share of £1.

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

8. DEBTORS

	2001 £	2000 £
Trade debtors	-	9,278
Group relief receivable	-	85,243
Other debtors	5,200	100,063
	<u>5,200</u>	<u>194,584</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade creditors	-	27,715
Amounts owed to group companies	35,566	199,169
Corporation tax	488,756	7,541,168
Other creditors	29,830	681
Accruals	94,039	125,379
	<u>648,191</u>	<u>7,894,112</u>

10. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised:		
1,000,000 ordinary shares at £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Called up, allotted and fully paid:		
100 ordinary shares at £1 each	<u>100</u>	<u>100</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2001

11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit/(loss) for the financial year	137,776	(17,156,525)
Net addition to/(reduction in) shareholders' funds	137,776	(17,156,525)
Opening equity shareholders' funds	1,966,176	19,122,701
Closing equity shareholders' funds	2,544,481	1,966,176

12. RELATED PARTY TRANSACTIONS

The Company has a credit balance with BAA McArthur/Glen UK Limited at the year end of £35,566 (2000 - £199,168). This balance comprises expense recharges and interest charged on outstanding balances. BAA McArthur/Glen UK Limited is a fellow undertaking of the BAA-McArthur/Glen Europe Limited group and as such is a related party, as defined by FRS8, Related Party Disclosures.

13. ULTIMATE PARENT COMPANY

In the opinion of the directors the ultimate controlling entity and parent company is BAA-McArthur/Glen Europe Limited, a company registered and incorporated in Jersey. The financial statements of BAA-McArthur/Glen Europe Limited can be obtained from the registered office of the company from Mourant & Co. Secretaries Limited, 22 Grenville Street, St Helier, Jersey, JE4 8PX, Channel Islands.

14. GUARANTEES AND CHARGES

Where BAA Plc has provided direct or indirect financial support it has the benefit of charges over the assets of the Company.