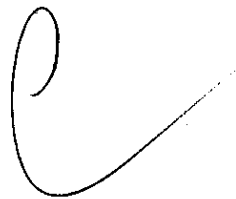


RETAIL PARKS (SCOTLAND) LIMITED

Directors' report and financial statements

31 December 2000

Registered number SC153510



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COMPANIES HOUSE 31/10/01

Directors' report and financial statements

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Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2000.

Principal activities

The principal activity of the company is that of property development.

Results and dividends

The result for the year is set out in the profit and loss account on page 4. The retained profit/(loss) for the year is £24,600 (1999: £2,345,595). The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the year were:

PH Miller
RS Barrott
DGW Stewart (resigned 10 August 2001)
P Smyth
J D Blair (appointed 10 August 2001)

The directors had no interests in shares of the company during the year.

Auditors

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



EJ Donaldson
Secretary
16th October 2001

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 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 the going concern basis unless it is inappropriate to presume that the company 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.

Report of the auditors to the members of Retail Parks (Scotland) 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 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 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 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG

24 October 2001

*Chartered Accountants
Registered Auditors*

Edinburgh

Profit and loss account
for the year ended 31 December 2000

	<i>Notes</i>	2000 £	1999 £
Turnover	2	-	4,103,642
Cost of sales		(23,487)	(1,355,338)
		<hr/>	<hr/>
Gross (loss)/profit		(23,487)	2,748,304
Interest receivable	3	48,087	139,548
Interest payable and similar charges	4	-	(26,519)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		24,600	2,861,333
Tax on profit on ordinary activities	5	-	(856,928)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		24,600	2,004,405
Equity dividends paid		-	(4,350,000)
		<hr/>	<hr/>
Retained profit/(loss) for the year		24,600	(2,345,595)
Retained profit brought forward		175,138	2,520,733
		<hr/>	<hr/>
Retained profit carried forward		199,738	175,138
		<hr/> <hr/>	<hr/> <hr/>

There have been no recognised gains or losses other than the loss for the year.

Balance sheet
at 31 December 2000

	<i>Note</i>	2000 £	1999 £
Current assets			
Debtors	7	1,298	141,244
Cash at bank and in hand		650,603	945,289
		<hr/> 651,901	<hr/> 1,086,533
Creditors: amounts falling due within one year	8	432,163	(891,395)
		<hr/>	<hr/>
Net assets		219,738	195,138
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Share capital	9	20,000	20,000
Profit and loss account		199,738	175,138
		<hr/>	<hr/>
Equity shareholders' funds	10	219,738	195,138
		<hr/> <hr/>	<hr/> <hr/>

These accounts were approved by the board of directors on 16th October 2001 and were signed on its behalf by:



PH Miller

Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Taxation

The charge for taxation is based on the profit 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 to the extent that it is probable that an actual liability will crystallise.

2. Turnover

Turnover comprises income received from property developments and arises entirely in the United Kingdom.

3.	Interest receivable	2000 £	1999 £
	Bank interest receivable	48,087	139,548
		<hr/>	<hr/>
4.	Interest payable and similar charges	2000 £	1999 £
	On shareholders' loans	-	26,519
		<hr/>	<hr/>

Notes (continued)

5.	Taxation	2000	1999
		£	£
	UK corporation tax at 0% (1999: 30.3%)	-	796,699
	Adjustment relating to an earlier year	-	60,229
		<hr/>	<hr/>
		-	856,928
		<hr/>	<hr/>
6.	Dividends	2000	1999
		£	£
	Equity dividends on ordinary shares		
	Final paid	-	435,000
		<hr/>	<hr/>
7.	Debtors	2000	1999
		£	£
	Trade debtors	-	114,245
	Other debtors	1,298	26,999
		<hr/>	<hr/>
		1,298	141,244
		<hr/>	<hr/>
8.	Creditors: amounts falling due within one year	2000	1999
		£	£
	Shareholders' loans	317,500	260,229
	Trade creditors	1,498	2,769
	Accruals and deferred income	113,164	208,610
	Corporation tax payable	-	419,787
		<hr/>	<hr/>
		432,162	891,395
		<hr/>	<hr/>
9.	Share capital	2000	1999
	Equity	£	£
	<i>Authorised, allotted, called up and fully paid</i>		
	10,000 'A' ordinary shares of £1 each	10,000	10,000
	10,000 'B' ordinary shares of £1 each	10,000	10,000
		<hr/>	<hr/>
		20,000	20,000
		<hr/>	<hr/>

The "A" and "B" shares rank pari-pasu in all respects.

Notes (continued)

10. Reconciliation of movement in shareholders' funds

	2000 £	1999 £
(Loss)profit for the year after taxation	24,600	2,004,405
Dividends paid	-	(4,350,000)
	<hr/>	<hr/>
Net addition to shareholders funds	24,600	(2,345,595)
Opening shareholders' funds	195,138	2,540,733
	<hr/>	<hr/>
Closing shareholders' funds	219,738	195,138
	<hr/>	<hr/>

11. Related party disclosures

The company is a joint venture between the Miller Group Limited and Stannifer Group Limited. At the year end the amounts owed to the shareholders totalled £317,500 (1999: £322,881). During the year the company paid management fees totalling £100,000 (1999: £200,000) and net interest of £NIL (1999: £26,519) to its shareholders.