

TRAFFORD CENTRE DEVELOPMENTS LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000**

COMPANY NUMBER 1231559



TRAFFORD CENTRE DEVELOPMENTS LIMITED

DIRECTORS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE

Directors: John Whittaker
Robert E. Hough D.L., LL.B
Peter A. Scott F.C.C.A.
Paul P. Wainscott A.C.I.S.
Michael G. Butterworth

Secretary: Paul P. Wainscott A.C.I.S.

Registered Office: Peel Dome
The Trafford Centre
Manchester M17 8PL

Auditors: Binder Hamlyn

Bankers: Barclays Bank

TRAFFORD CENTRE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

for the year ended 31st March 2000

The directors submit their report together with the audited financial statements of the company for the year ended 31st March 2000.

Principal Activities

The principal activity of the company is property development.

Review of Business, Developments and Prospects

The directors expect the current level of business activity to continue for the foreseeable future.

Results and Dividends

The company's results and financial position are set out in the profit and loss account and balance sheet on pages 4 and 5.

The directors do not recommend the payment of a dividend.

Directors and their interests in shares and financial instruments

The directors who held office during the year were:

- # J. Whittaker
- # R.E. Hough
- # P.A. Scott
- # P.P. Wainscott
- M.G. Butterworth
- N.M. Blake (resigned 1st October 1999)

The directors had no interests in the share capital of the company.

- # The above directors are also directors of the intermediate holding company, Peel Holdings p.l.c., in whose accounts their beneficial interests in the shares and financial instruments of that company, companies within the Peel Holdings p.l.c. group and the ultimate holding company, Tokenhouse Holdings Limited, are disclosed.

M.G. Butterworth has an interest in the share capital of Peel Holdings p.l.c. of 668 ordinary shares of 25p each (1999: 668).

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

TRAFFORD CENTRE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS (continued)
for the year ended 31st March 2000

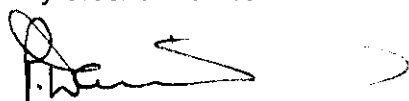
Directors Responsibilities (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Year 2000

The Company completed its Year 2000 programme and has experienced no significant problems in this area to date. The costs associated with achieving Year 2000 Compliance were not material and were charged to the profit and loss account as they were incurred.

By Order of the Board

A handwritten signature in black ink, appearing to read 'P.P. Wainscott', with a long horizontal stroke extending to the right.

P.P. Wainscott
Secretary

1st June 2000

TRAFFORD CENTRE DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st March 2000

	Note	2000 £	1999 £
Turnover	2	-	272,079,044
Operating profit	2	75,661	153,269
Profit on sale of fixed assets	3	-	1,731
Profit on ordinary activities before interest and taxation	4	75,661	155,000
Net interest receivable	5	11,831	-
Profit on ordinary activities before taxation		87,492	155,000
Tax on profit on ordinary activities	6	(27,928)	(210,372)
Profit/(loss) on ordinary activities after taxation		59,564	(55,372)
Dividends on equity share capital	7	-	(400,000)
Retained profit/(absorbed loss) for the financial year	14	59,564	(455,372)

All the above results derive from continuing activities and there were no acquisitions in the year.

The statement of accounting policies and the notes on pages 7 to 11 form an integral part of these financial statements.

TRAFFORD CENTRE DEVELOPMENTS LIMITED

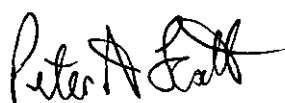
BALANCE SHEET

as at 31st March 2000

	Note	2000 £	1999 £
Fixed assets			
Investments	9	4	4
Current assets			
Stocks	10	85,076	85,076
Debtors	11	96,467,083	96,663,803
Cash at bank and in hand		160,227	25,227
		<u>96,712,386</u>	<u>96,774,106</u>
Creditors (amounts falling due within one year)	12	(88,158,002)	(88,279,286)
Net current assets		<u>8,554,384</u>	<u>8,494,820</u>
Net assets		<u>8,554,388</u>	<u>8,494,824</u>
Financed by capital and reserves			
Called up share capital	13	6,100,000	6,100,000
Share premium account		2,365,000	2,365,000
Profit and loss account	14	89,388	29,824
Shareholders' funds		<u>8,554,388</u>	<u>8,494,824</u>
Analysis of shareholders' funds			
Equity		2,554,388	2,494,824
Non-equity		<u>6,000,000</u>	<u>6,000,000</u>
		<u>8,554,388</u>	<u>8,494,824</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 1st June 2000 and signed on its behalf by

P.A. Scott



Director

The statement of accounting policies and the notes on pages 7 to 11 form an integral part of these financial statements.

TRAFFORD CENTRE DEVELOPMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31st March 2000

There have been no recognised gains and losses other than the result for the year.

NOTE OF HISTORICAL COST PROFITS

for the year ended 31st March 2000

There is no material difference between the result as reported and on an historical cost basis.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the year ended 31st March 2000

	Note	2000 £	1999 £
Profit/(loss) for the financial year		59,564	(55,372)
Dividend paid	7	-	(400,000)
Net movement in shareholders' funds		<u>59,564</u>	<u>(455,372)</u>
Shareholders' funds at 1st April 1999/1st April 1998		<u>8,494,824</u>	<u>8,950,196</u>
Shareholders' funds at 31st March 2000/31st March 1999		<u><u>8,554,388</u></u>	<u><u>8,494,824</u></u>

The statement of accounting policies and the notes on pages 7 to 11 form an integral part of these financial statements.

TRAFFORD CENTRE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

1. Accounting Policies

Accounting Convention

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

Group accounts have not been prepared as permitted by Section 228 of the Companies Act 1985 as the company itself is a wholly owned subsidiary of a body corporate incorporated in the United Kingdom. The financial statements thus provide information about the company as a single entity and not about its group.

Related party disclosures

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No. 8 "Related party disclosures" and has not disclosed details of transactions with fellow wholly-owned undertakings within the Peel Holdings p.l.c. group of companies.

Cash Flow Statement

The financial statements do not include a cash flow statement as the holding company is a wholly owned subsidiary undertaking of the Peel Holdings p.l.c. group of companies. Peel Holdings p.l.c. is a company incorporated and registered in England which produces group financial statements in accordance with the Companies Act 1985, which include a consolidated group cash flow statement.

Interest

Interest attributable to property trading and development activities and investment properties in the course of development is included in the cost thereof provided the directors consider it prudent having regard to the prevailing market conditions. Interest is capitalised on a simple interest basis without allowing for any tax relief thereon.

Depreciation

Plant and vehicles are depreciated by equal annual instalments over their expected useful economic lives at rates varying between 15% and 25% per annum.

Fixed Asset Investments in Subsidiary Undertakings

Fixed asset investments in subsidiary undertakings are stated at cost less amounts provided for permanent diminutions in value. Cost represents the aggregate cash consideration, costs incurred and either the fair value or the nominal value of shares issued.

Stocks

Stocks are stated at the lower of cost, including attributable overheads, to the group or estimated net realisable value. Land for development and properties acquired are accounted for with effect from the date of legal completion of the contract to purchase.

Deferred Taxation

Provision is made for deferred taxation only to the extent that, in the opinion of the directors, a liability is expected to arise in the foreseeable future.

TRAFFORD CENTRE DEVELOPMENTS LIMITED**NOTES TO THE ACCOUNTS (continued)****1. Accounting Policies (continued)****Turnover**

Property trading and development turnover comprises property disposals (which are accounted for on a legal completion basis) together with rental income, including rental premiums, and development fees.

Turnover excludes sales related taxes.

2. Segmental Analysis of Turnover and Operating Profit

	2000 £	1999 £
Turnover		
Gross rental income	-	9,831
Trading property sales	-	272,069,213
	<u>-</u>	<u>272,079,044</u>
Direct costs		
Trading property credit/(costs)	90,000	(271,919,213)
Other costs	(14,339)	(6,562)
	<u>75,661</u>	<u>(271,925,775)</u>
Operating profit	<u>75,661</u>	<u>153,269</u>

All of the company's turnover and operating profit arose in the United Kingdom on its property development activities.

3. Profit on Disposal of Fixed Assets

	2000 £	1999 £
Other fixed assets	<u>-</u>	<u>1,731</u>

4. Profit on Ordinary Activities before Interest and Taxation

	2000 £	1999 £
Profit on ordinary activities before interest and taxation is stated after charging:		
Auditors' remuneration	2,000	2,000
Depreciation - owned assets	-	4,089
Hire of plant under operating leases	-	22,323

Fees paid to auditors in the financial year ended 31st March 2000 for non-audit services amounted to £2,000 (1999: £Nil).

TRAFFORD CENTRE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

5. Net Interest Receivable

	2000	1999
	£	£
Interest payable on bank loans and overdrafts	(1,723)	(3,382)
Interest receivable and similar income	13,554	333,451
Less : Transferred to work in progress	-	(330,069)
	<u>11,831</u>	<u>-</u>

6. Tax on Profit on Ordinary Activities

	2000	1999
	£	£
Group relief	26,248	213,402
Deferred taxation - current year	-	(1,251)
Deferred taxation - prior years	-	(1,779)
Adjustment relating to prior years	1,680	-
	<u>27,928</u>	<u>210,372</u>

7. Dividends

	2000	1999
	£	£
Equity		
Paid ordinary dividend of Nilp per share (1999: 400p per share)	-	400,000

The immediate holding company, Peel Holdings p.l.c., has waived its rights to the current year redeemable preference dividend.

8. Particulars of Staff

The company has no employees other than the directors. No director received any emoluments for their services to the company (1999: £Nil).

9. Fixed Asset Investments

	Subsidiary undertakings
	£
At 1st April 1999 and 31st March 2000	<u>4</u>

Details of investments of the company in its principal subsidiary undertakings are given on page 12.

10. Stocks

	2000	1999
	£	£
Land held for development	<u>85,076</u>	<u>85,076</u>

TRAFFORD CENTRE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

11. Debtors

	2000 £	1999 £
Trade debtors	75,385	378,179
Amounts owed by group undertakings	96,363,794	96,284,915
Other debtors	27,904	709
	<u>96,467,083</u>	<u>96,663,803</u>

12. Creditors (amounts falling due within one year)

	2000 £	1999 £
Unsecured bank loans and overdrafts	61,552	100,140
Trade creditors	21,664	126,042
Anticipated development costs to site completion	12,280,486	32,505,870
Amounts owed to group undertakings	68,445,523	47,978,169
Other creditors	7,348,777	7,569,065
	<u>88,158,002</u>	<u>88,279,286</u>

13. Called up Share Capital

Authorised Allotted and Fully Paid Number	2000 £	1999 £
Equity share capital		
100,000 Ordinary shares of £1 each	100,000	100,000
Non-equity share capital		
6,000,000 Preference shares of £1 each	6,000,000	6,000,000
<u>6,100,000</u>	<u>6,100,000</u>	<u>6,100,000</u>

The holders of 10% net Cumulative Redeemable preference shares ('Preference Shares') are entitled to be paid, in priority to any other class of share, a fixed cumulative preference dividend at the rate of 10% (net) per annum on the amount for the time being paid up or credited as paid up thereon, payable half yearly in equal amounts.

The holders of preference shares are entitled to receive notice of and attend any General Meeting, but are not entitled to vote on any resolution (other than a resolution to wind up the company or to reduce its share capital or to vary the rights attaching to such shares) unless at the date of the notice convening such meeting, the preferential dividend is 12 months or more in arrears.

On winding up of the company, or other return of capital, the holders of preference shares are entitled to receive, ranking in priority to any other class of shares of the company, the capital paid up on such preference shares together with a sum equal to any arrears or accruals of the fixed dividend.

The company shall redeem all or any of the unredeemed preference shares on 31st December 2000, and shall be entitled to redeem any preference shares earlier at the option of the company in tranches of 500,000 shares. On redemption the holders are entitled to receive any accrual or arrears of preference dividend.

TRAFFORD CENTRE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

14. Reserves

	Profit and loss account £
At 1st April 1999	29,824
Retained profit for the year	59,564
At 31st March 2000	<u>89,388</u>

15. Holding Companies

The ultimate holding company is Tokenhouse Holdings Limited, a company incorporated in Guernsey.

The largest group of undertakings, of which the group is a member, that produces consolidated accounts is Peel Holdings p.l.c., a company registered in England. Its group accounts are available from the Company Secretary, Peel Holdings p.l.c. at Peel Dome, The Trafford Centre, Manchester M17 8PL.

TRAFFORD CENTRE DEVELOPMENTS LIMITED

SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings as at 31st March 2000 which were wholly-owned were:

Incorporated, registered and operating in:	Company	Principal activities
United Kingdom	Peel Developments (Cambuslang) Limited	Dormant
United Kingdom	Maxstar Securities Limited	Dormant

Shares in the subsidiary undertakings at 31st March 2000 represented ordinary shares.

TRAFFORD CENTRE DEVELOPMENTS LIMITED

AUDITORS' REPORT

to the shareholders of Trafford Centre Developments Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost accounting convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on pages 2 and 3, 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.

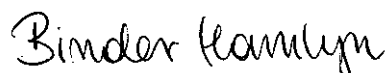
Basis of opinion

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 circumstances of the company, 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 affairs of the company as at 31st March 2000 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Binder Hamlyn
Chartered Accountants and Registered Auditors
Bank House
9 Charlotte Street
Manchester
M1 4EU

1st June 2000