

TRAFFORD CENTRE DEVELOPMENTS LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2001**

COMPANY NUMBER 1231559



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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 2001

The directors submit their report together with the audited financial statements of the company for the year ended 31st March 2001.

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

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 had no interest in the ordinary share capital of Peel Holdings p.l.c. (2000: 668 Ordinary shares of 25p each).

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.

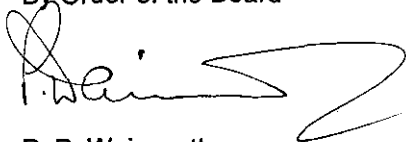
TRAFFORD CENTRE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS (continued)
for the year ended 31st March 2001

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.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'P. P. Wainscott', followed by a long, sweeping horizontal stroke.

P. P. Wainscott
Secretary

29th June 2001

TRAFFORD CENTRE DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31st March 2001

	Note	2001 £	2000 £
Operating profit	2	-	75,661
Profit on ordinary activities before interest and taxation	3	-	75,661
Net interest receivable	4	4,969	11,831
Profit on ordinary activities before taxation		4,969	87,492
Tax on profit on ordinary activities	5	(1,491)	(27,928)
Retained profit for the financial year	12	3,478	59,564

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 10 form an integral part of these financial statements.

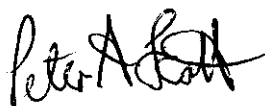
TRAFFORD CENTRE DEVELOPMENTS LIMITED

BALANCE SHEET as at 31st March 2001

	Note	2001 £	2000 £
Fixed assets			
Investments	7	4	4
Current assets			
Stocks	8	85,076	85,076
Debtors	9	83,280,306	96,467,083
Cash at bank and in hand		55,964	160,227
		83,421,346	96,712,386
Creditors (amounts falling due within one year)	10	(74,863,484)	(88,158,002)
Net current assets		8,557,862	8,554,384
Net assets		8,557,866	8,554,388
Financed by capital and reserves			
Called up share capital	11	6,100,000	6,100,000
Share premium account		2,365,000	2,365,000
Profit and loss account	12	92,866	89,388
Shareholders' funds		8,557,866	8,554,388
Analysis of shareholders' funds			
Equity		2,557,866	2,554,388
Non-equity		6,000,000	6,000,000
		8,557,866	8,554,388

The financial statements on pages 4 to 10 were approved by the board of directors on 29th June 2001 and signed on its behalf by

P. A. Scott



Director

The statement of accounting policies and the notes on pages 7 to 10 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 2001

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 2001

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 2001

	Note	2001 £	2000 £
Profit for the financial year		3,478	59,564
Net movement in shareholders' funds		3,478	59,564
Shareholders' funds at 1st April 2000/1st April 1999		8,554,388	8,494,824
Shareholders' funds at 31st March 2001/31st March 2000		8,557,866	8,554,388

The statement of accounting policies and the notes on pages 7 to 10 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.

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.

TRAFFORD CENTRE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

2. Segmental Analysis of Turnover and Operating Profit

	2001	2000
Direct costs		
Trading property credit/(costs)	-	90,000
Other costs	-	(14,339)
	<u>-</u>	<u>75,661</u>
Operating profit	<u>-</u>	<u>75,661</u>

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

3. Profit on Ordinary Activities before Interest and Taxation

	2001 £	2000 £
Profit on ordinary activities before interest and taxation is stated after charging:		
- Auditors' remuneration	<u>-</u>	<u>2,000</u>

Fees paid to auditors in the financial year ended 31st March 2001 for non-audit services amounted to £Nil (2000: £2,000)

4. Net Interest Receivable

	2001 £	2000 £
Interest payable on bank loans and overdrafts	(345)	(1,723)
Interest receivable and similar income	<u>5,314</u>	<u>13,554</u>
	<u>4,969</u>	<u>11,831</u>

5. Tax on Profit on Ordinary Activities

	2001 £	2000 £
Group relief	1,491	26,248
Adjustment relating to prior years	-	1,680
	<u>1,491</u>	<u>27,928</u>

6. Particulars of Staff

The company has no employees other than the directors. No director received any emoluments for their services to the company (2000: £Nil).

TRAFFORD CENTRE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

7. Fixed Asset Investments

Subsidiary
undertakings
£
4

At 1st April 2000 and 31st March 2001

Details of investments of the company in its principal subsidiary undertakings are given on page 11.

8. Stocks

	2001 £	2000 £
Land held for development	<u>85,076</u>	<u>85,076</u>

9. Debtors

	2001 £	2000 £
Trade debtors	68,223	75,385
Amounts owed by group undertakings	83,210,573	96,363,794
Other debtors	1,510	27,904
	<u>83,280,306</u>	<u>96,467,083</u>

10. Creditors (amounts falling due within one year)

	2001 £	2000 £
Unsecured bank loans and overdrafts	-	61,552
Trade creditors	431	21,664
Anticipated development costs to site completion	1,830,710	12,280,486
Amounts owed to group undertakings	65,683,566	68,445,523
Other creditors	7,348,777	7,348,777
	<u>74,863,484</u>	<u>88,158,002</u>

11. Called up Share Capital

Authorised Allotted and Fully Paid Number		2001 £	2000 £
100,000	Equity share capital		
	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>

TRAFFORD CENTRE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

11. Called Up Share Capital (continued)

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 2001, 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.

12. Reserves

	Profit and loss account £
At 1st April 2000	89,388
Retained profit for the year	3,478
At 31st March 2001	<u>92,866</u>

13. 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 2001 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 2001 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.

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.

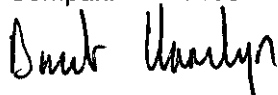
Basis of opinion

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 2001 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

29th June 2001