TRAFFORD CENTRE DEVELOPMENTS LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2008

COMPANY NUMBER 1231559

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Directors, Professional Advisers and Registered Office

Directors:	John Whittaker Peter A. Scott F.C.C.A. Paul P. Wainscott A.C.I.S. Michael G. Butterworth F.R.I.C.S. Peter J. Hosker L.L.B. Andrew C. Simpson A.C.A. Neil Lees A.C.I.S.
Secretary:	Neil Lees A.C.I.S.
Registered Office:	Peel Dome The Trafford Centre Manchester M17 8PL
Registered Number:	1231559
Auditors:	Deloitte & Touche LLP Chartered Accountants and Registered Auditors Manchester United Kingdom
Bankers:	Barclays Bank

Report of the Directors
for the year ended 31st March 2008

The directors submit their annual report together with the audited financial statements of the Company for the year ended 31st March 2008.

This directors' report has been prepared in accordance with the special provision relating to small companies under section 246(4) of the Companies Act 1985. Accordingly, no enhanced business review has been prepared.

Principal activities

The principal activity of the Company is intercompany property development on which commissions are received.

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 7 and 8.

The directors have not declared a dividend for the current year (2007: £nil).

Directors and their interests in shares

Except as stated, the directors who held office during the year and thereafter are:

J. Whittaker
P. A. Scott
P. P. Wainscott
P. J. Hosker
A. C. Simpson
M. G. Butterworth
N. Lees (appointed 21st December 2007)

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

The above directors are directors of the holding company, Peel Holdings (Land & Property) Limited, in whose accounts their beneficial interests in the shares and financial instruments of that company, and the ultimate holding company, Tokenhouse Investments (Guernsey) Limited are disclosed.

Statement of disclosure to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Report of the Directors *(continued)*
for the year ended 31st March 2008

Auditors

The Company has elected to dispense with the obligation to appoint auditors annually. Accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

On behalf of the Board

N. Lees
Secretary

11 November 2008

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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.

The directors are responsible for keeping proper accounting records that 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.

Independent Auditors' Report to the members of Trafford Centre Developments Limited

We have audited the financial statements of Trafford Centre Developments Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Directors, Professional Advisers and Registered Office page and the disclosure related to Subsidiary undertakings. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent Auditors' Report to the members of Trafford Centre Developments Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester
United Kingdom

20 November 2008

Profit and Loss Account
for the year ended 31st March 2008

	Note	2008 £	2007 £
Turnover	2	312,963	277,650
Direct costs		(3,230)	(15,895)
Gross profit		309,733	261,755
Other income		3,125	-
Operating profit	3	312,858	261,755
Net interest receivable and similar income	4	1,321,227	1,048,505
Profit on ordinary activities before taxation	5	1,634,085	1,310,260
Tax on profit on ordinary activities	6	(490,226)	(393,055)
Retained profit for the financial year	13, 14	1,143,859	917,205

All the above results derive from continuing activities.

There are no recognised gains or losses other than the profit for the year and the preceding year. Accordingly, no separate statement of total recognised gains and losses has been prepared.

There is no material difference between the results as reported and on a historical cost basis.

The accompanying notes form an integral part of these financial statements.

Balance Sheet
as at 31st March 2008

	Note	2008 £	2007 £
Fixed assets			
Investments	8	4	4
Current assets			
Debtors	9	20,229,967	19,436,590
Cash at bank and in hand		951,503	1,742,000
		21,181,470	21,178,590
Creditors (amounts falling due within one year)	10	(8,811,944)	(9,952,919)
Net current assets		12,369,526	11,225,671
Creditors (amounts falling due after more than one year)	11	(6,000,000)	(6,000,000)
Net assets		6,369,530	5,225,671
Capital and reserves			
Called-up share capital	12	100,000	100,000
Share premium account	13	2,365,000	2,365,000
Profit and loss account	13	3,904,530	2,760,671
Equity Shareholders' funds	14	6,369,530	5,225,671

Approved by the board of directors on 11 November 2008

Director

The accompanying notes form an integral part of these financial statements.

Notes to the Accounts

1. Accounting policies

The principal accounting policies are summarised below. These policies have been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and 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 Limited (formerly Peel Holdings (Guernsey) Limited) group of companies.

Cash Flow Statement

As permitted by Financial Reporting Standard No. 1 (revised) "Cash Flow Statements", the Company has not prepared a cash flow statement as the Company is a wholly owned subsidiary undertaking of the Peel Holdings (Land & Property) Limited group of companies. Peel Holdings (Land & Property) Limited 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.

Fixed asset investments

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

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or the right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

Notes to the Accounts *(continued)*

1. Accounting Policies *(continued)*

Financial instruments

The Company's financial instruments are in respect of 10% Fixed Rate Cumulative Preference shares. No interest is accrued on the Preference shares as the rights to a dividend have previously been waived.

Turnover

Turnover comprises development fees recharged to other group companies, which are accounted for on an accruals basis as the services are provided.

Turnover excludes sales related taxes.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3. Analysis of operating profit

	2008 £	2007
Turnover	312,963	277,650
Direct costs	(3,230)	(15,895)
Gross profit	309,733	261,755
Other income	3,125	-
Operating profit	312,858	261,755

All of the Company's operating profit arose on the United Kingdom from its principal activity.

4. Net interest receivable and similar income

	2008 £	2007 £
Interest payable and similar charges:		
On bank loans and overdrafts	(1,281)	(1,434)
Interest receivable and similar income:		
On bank and other deposits	19,913	35,777
Other interest payable	1,302,595	1,014,162
Net interest receivable and similar income	1,321,227	1,048,505

Notes to the Accounts *(continued)*

5. Profit on ordinary activities before taxation

The auditors' remuneration for audit work of £1,000 was borne by Peel Holdings (Land & Property) Limited with no recharge made (2007: same).

There was no remuneration for non-audit services in the year (2007: £nil).

6. Tax on profit on ordinary activities

	2008 £	2007 £
Current tax :		
Group relief	(490,226)	(393,078)
Adjustments in respect of prior year:		
Group relief	-	23
Total current tax charge	(490,226)	(393,055)

	2008 £	2007 £
Reconciliation of current tax charge:		
Profit on ordinary activities before taxation at 30% (2007: 30%)	(490,226)	(393,078)
Adjustment in respect of prior years	-	23
	(490,226)	(393,055)

There is no provided or unprovided deferred taxation in either year.

7. Particulars of staff and directors' remuneration

The company has no employees other than the directors (2007: same).

No director received any remuneration for their services to the Company (2007: £nil).

8. Fixed asset investments

	Subsidiary undertakings £
At 1st April 2007 and 31st March 2008	4

Details of investments of the company in its principal subsidiary undertakings are given on page 15.

Notes to the Accounts *(continued)*

9. Debtors

	2008 £	2007 £
Trade debtors	280,860	-
Amounts owed by group companies	19,946,331	19,425,738
Other debtors	76	10,852
Prepayments	2,700	-
	20,229,967	19,436,590

10. Creditors (amounts falling due within one year)

	2008 £	2007 £
Bank loans and overdrafts	-	361,189
Trade creditors	211,246	376,756
Development costs to site completion	669,776	651,572
Amounts owed to group companies	490,228	393,057
Other creditors	7,379,679	7,348,777
Accruals and deferred income	61,015	821,568
	8,811,944	9,952,919

The other creditor is in respect of amount payable on demand to the Olayan Group which is a minority shareholder of the intermediate parent company, Peel Holdings Limited. There is no interest accrued on this balance.

11. Creditors (amounts falling due after more than one year)

	2008 £	2007 £
Preference Shares (note 12)	6,000,000	6,000,000

12. Called-up share capital

	Number	2008 £	2007 £
Authorised, Allotted and Fully Paid			
Equity Share Capital			
Ordinary shares of £1 each	100,000	100,000	100,000
Other share capital			
Preference shares of £1 each	6,000,000	6,000,000	6,000,000
	6,100,000	6,100,000	6,100,000

The holders of 10% net Cumulative Redeemable preference shares ('Preference Shares') were 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. No interest is accrued as the rights to dividend have previously been waived.

Notes to the Accounts *(continued)*

12. Called-up share capital (continued)

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 preference shares are classified as debt in accordance with FRS 25.

13. Reserves

	Share premium account £	Profit and loss account £
At 1st April 2007	2,365,000	2,760,671
Retained profit for the year	-	1,143,859
At 31st March 2008	2,365,000	3,904,530

14. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	1,143,859	917,205
Shareholders' funds at 1st April 2007/1st April 2006	5,225,671	4,308,466
Shareholders' funds at 31st March 2008/31st March 2007	6,369,530	5,225,671

15. Contingent Liability

At 31st March 2008 the company's banks had provided road bonds and guarantees amounting to £1,502,145 (2006: £1,002,145).

16. Capital Commitments

	2008 £	2007 £
Capital expenditure contracted for but not provided for in these accounts	250,000	250,000

Notes to the Accounts *(continued)*

17. Ultimate Holding Company

The ultimate holding company is Tokenhouse Investments (Guernsey) Limited, a company incorporated in Guernsey. Tokenhouse Investments (Guernsey) Limited is controlled by the 1997 Billown Settlement Trust.

The largest and smallest group of undertakings, of which the Company is a member, that produces consolidated accounts is Peel Holdings (Land and Property) Limited, a company registered in England. Its group accounts are available from the Company Secretary, Peel Holdings (Land and Property) Limited at Peel Dome, The Trafford Centre, Manchester, M17 8PL.

Subsidiary Undertakings

The subsidiary undertakings as at 31st March 2008 which were wholly owned were:

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

Shares in the subsidiary undertakings at 31st March 2008 represented ordinary shares.