KNIGHT & CO (SERVICES) LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2006

COMPANY NUMBER 617618

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DIRECTORS AND REGISTERED OFFICE

Directors:	John Whittaker (Chairman) Peter A. Scott F.C.C.A. Paul P. Wainscott A.C.I.S. Peter J. Hosker LL.B
Secretary:	Paul P. Wainscott A.C.I.S.
Registered Office:	Peel Dome The Trafford Centre Manchester M17 8PL
Registered Number:	617618

DIRECTORS REPORT

for the year ended 31st March 2006

The directors submit their report together with the financial statements for the year ended 31st March 2006.

Activities and Business Prospects

The company has remained dormant throughout the financial year the directors expect the company to remain dormant for the foreseeable future.

Directors and their Interests in Shares

The directors who held office during the financial year were:

J. Whittaker
P.A. Scott
P.P. Wainscott
P.J. Hosker

None of the above directors held any interests in shares of the company during the financial year.

John Whittaker is also a director of the intermediate holding company, Peel Holdings (Land and Property) Limited, in whose accounts their beneficial interests in the shares and financial instruments of that company, companies within the Peel Holdings (Land and Property) Limited group and the ultimate holding company, Tokenhouse Holdings Limited, are disclosed.

Directors' Responsibilities

United Kingdom 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at anytime 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

P.A. Scott
Director

15th January 2007

BALANCE SHEET
as at 31st March 2006

	Note	2006 £	2005 £
Current liabilities			
Amount owed to group undertakings		(1,752,402)	(1,752,402)
Financed by Capital and Reserves			
Called-up share capital	3	50,000	50,000
Profit and loss account		(1,802,402)	(1,802,402)
Shareholders' funds		(1,752,402)	(1,752,402)

Shareholders' funds comprise amounts attributable to equity interests.

The Company did not trade during the current year or preceding period and has made neither profit nor loss, nor any other recognised gain or loss.

For the year ended 31st March 2006 the company has been dormant and is entitled to exemption under Section 249 AA(1) of the Companies Act 1985.

The directors acknowledge their responsibility for:

i) ensuring the company keeps accounting records which comply with Section 221, and

ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Members have not required the company to obtain an audit in accordance with Section 249B (2) of the Companies Act 1985.

Approved by the board of directors on 15th January 2007.

P.A. Scott
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. The 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 (except as stated).

Compliance with Accounting Standards

The financial statements have been prepared in accordance with applicable United Kingdom Law and Accounting Standards.

As the company has remained dormant throughout the financial year there have been no profits or losses or other gains or losses during the year. Consequently, a Statement of Total Recognised Gains and Losses, a Note of Historical Cost Profits and Losses and a Reconciliation of Movements in Shareholders' Funds as required by Financial Reporting Standard No.3 are not applicable and therefore, have not been included within the financial statements.

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 (Land and Property) 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 and Property) Limited group of companies. Peel Holdings (Land and 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.

2. Particulars of Staff and Directors' Emoluments

The company has no employees other than the directors. No directors received any emoluments for their services to the company in the year (2005: £nil).

3. Called-up Share Capital

	Number	2006 £	2005 £
Authorised, Allotted and Fully Paid:			
Ordinary shares of £1 each	50,000	50,000	50,000

NOTES TO THE ACCOUNTS *(continued)*

4. Ultimate Holding Company

The ultimate holding company throughout the year was Tokenhouse Holdings Limited, a company incorporated in Guernsey. On 12th October 2005, Tokenhouse Investments (Guernsey) Limited, a company incorporated in Guernsey, became the ultimate holding company. Both Tokenhouse Holdings Limited and Tokenhouse Investments (Guernsey) Limited are controlled by the 1997 Billown Settlement Trust.

The largest 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.

The smallest group of undertakings, of which the company is a member, that produces consolidated accounts is Peel Land and Property Holdings 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.