

VECTOR TRADING LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2007

WEDNESDAY



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06/08/2008

COMPANIES HOUSE

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Registered No. 3099427

Directors

A L Howard FCA
R B Corser

Secretary

A L Howard FCA

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office

Highlands
15 Vernon Road
Leigh-on-Sea
Essex
SS9 2NG

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2007

Results and dividends

The loss for the year, after taxation, is £448,735 (2006 profit of £22,461) which results principally from the settlement of outstanding tax liabilities from previous years. The directors have not recommended a dividend be paid.

Principal activity and review of business

The company's principal activity was the letting of commercial property within the Victoria Station complex, (Manchester) up to 27 September 2004 at which time, the property was sold. The company does not engage in commercial trading activity.

Where appropriate, movements on reserves and net assets are set out in the financial statements. The directors, having made enquiries, consider that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they consider it appropriate to adopt the going concern basis in preparing the financial statements.

The company is a wholly owned subsidiary of Vector Investments Limited which, in turn, is wholly owned by P&O Property Holdings Limited. On 24 December 2007, ownership of P&O Property Holdings Limited was transferred from P&O Steam Navigation Company to Istithmar P&O Estates (UK) Limited.

Principal risks and uncertainties

The directors do not foresee any significant risks and uncertainties.

Directors

The directors of the company who held office during the year and up to the date of this report were as follows:

A L Howard FCA
R B Corser

DIRECTORS' REPORT

Directors' Indemnity Insurance

All directors are entitled to contractual indemnification from the Company to the extent permitted by law against claims and legal expenses incurred in the course of their duties

Such qualifying third party indemnity insurance is provided and remains in force as at the date of approving the directors' report

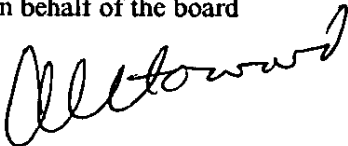
Disclosure of information to the auditors

So far as each person who was a director at the date of approving the audit report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

Ernst & Young LLP were appointed auditors to the Company, and a resolution is to be proposed at the Annual General Meeting that they be re-appointed

On behalf of the board



A L Howard
Secretary

27 July 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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 judgements 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,
- 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 to 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 SHAREHOLDERS OF VECTOR TRADING LIMITED

We have audited the financial statements of Vector Trading Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 6. 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 the 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 auditor's 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 (UK 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VECTOR TRADING LIMITED

Basis of audit opinion

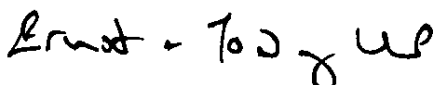
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss 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



Ernst & Young LLP
Registered Auditor
London

28 July 2008

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

| | Notes | 2007 £ | 2006 £ |
|---|----------|------------------|-----------------|
| Sundry income | | - | 49,537 |
| Interest receivable - bank | | 4,146 | 17,290 |
| Interest payable and similar charges | | (29) | - |
| Profit on ordinary activities before taxation | 2 | 4,117 | 66,827 |
| Tax on profit on ordinary activities | 3 | (452,852) | (44,366) |
| (Loss)/profit on ordinary activities after taxation and for the financial year | | (448,735) | 22,461 |

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2007**

There were no recognised gains and losses other than the loss of £448,735 attributable to the shareholders for the year ended 31 December 2007 (2006 profit of £22,461).

BALANCE SHEET
AT 31 DECEMBER 2007

| | Notes | 2007 £ | 2007 £ | 2006 £ | 2006 £ |
|---|-------|-----------|-----------------------|-----------|-------------------------|
| Current assets | | | | | |
| Debtors. | | | | | |
| Amounts owed by parent undertaking | | | 1,349,210 | | 1,349,210 |
| Cash at bank and in hand | | | 120,408 | | 116,292 |
| | | | <u>1,469,618</u> | | <u>1,465,502</u> |
| Creditors: amounts falling due within one year | | | | | |
| Amounts due to group undertakings | | 434,192 | | - | |
| Group relief payable | | 96,836 | | 44,366 | |
| Trade creditors | | - | | 33,810 | |
| | | | <u>531,028</u> | | <u>78,176</u> |
| Net assets | | | <u><u>938,591</u></u> | | <u><u>1,387,326</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 4 | | 100 | | 100 |
| Profit and loss account | 5 | | 938,491 | | 1,387,226 |
| | | | <u><u>938,591</u></u> | | <u><u>1,387,326</u></u> |



A L Howard
Director

27 July 2008

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2007

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements of Vector Trading Limited were approved for issue by the Board of Directors on 27 July 2008

The financial statements are prepared under the historical cost convention

The financial statements are prepared in accordance with applicable UK accounting standards

Cash flow statement

The company has taken advantage of the exemption available to it under FRS1 (Revised) "Cash Flow Statements" not to prepare a statement of cash flows

Related party transactions

The company has taken advantage of the exemption available to it under FRS8 "Related Party Disclosures" not to disclose transactions with other group companies. There were no other related party transactions during the year.

2 OPERATING (LOSS)/PROFIT

- (a) The company's business is organised in the United Kingdom
- (b) The basis of charging intra-group interest is agreed between the parties from time to time
- (c) The directors are also directors/employees of, and were paid by, other group undertakings. The directors do not believe that it is practicable to apportion these emoluments between their services as directors of the company and their services as director
- (d) Fees for audit and non-audit services provided by Ernst & Young LLP to the company have been borne by other group undertakings. It is not practicable to ascertain what proportion of such fees relates to the company

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2007**

3 TAX

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

| | 2007 | 2006 |
|---|------------------|-----------------|
| | £ | £ |
| <i>Current tax:</i> | | |
| UK corporation tax at 30% (2006: 30%) | (30,001) | (44,366) |
| Prior year underprovision for taxation | (422,851) | - |
| Total current tax and tax on profit on ordinary activities (note 3(b)) | <u>(452,852)</u> | <u>(44,366)</u> |

(b) Factors affecting the tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006: 30%). The differences are reconciled below

| | 2007 | 2006 |
|---|------------------|-----------------|
| | £ | £ |
| Profit on ordinary activities before tax | <u>4,117</u> | <u>66,827</u> |
| Profit on ordinary activities multiplied by the current rate of corporation tax in the UK of 30% (2006: 30%) | (1,235) | (20,048) |
| Assessable imputed interest | (28,766) | (24,318) |
| Prior year underprovision for taxation | (422,851) | - |
| Total current tax (note 3(a)) | <u>(452,852)</u> | <u>(44,366)</u> |

(c) Factors that may affect future tax charges

The UK corporation tax rate decreased from 30% to 28% from 1 April 2008. This rate change will affect the amount of future cash tax payments to be made by the Company.

NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2007

4 AUTHORISED AND ISSUED SHARE CAPITAL

| Authorised | 2007 | 2006 |
|---|----------------|----------------|
| | £ | £ |
| 100,000 ordinary shares at £1 each | 100,000 | 100,000 |
| | | |
| Allotted, called up and fully paid | 2007 | 2006 |
| | £ | £ |
| 100 ordinary shares at £1 each | 100 | 100 |

5 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

| | <i>Share capital</i> | <i>Profit and loss account</i> | <i>Total share- holders' funds</i> |
|---------------------|--------------------------|------------------------------------|--|
| | £ | £ | £ |
| At 1 January 2006 | 100 | 1,364,765 | 1,364,865 |
| Profit for the year | - | 22,461 | 22,461 |
| At 31 December 2006 | 100 | 1,387,226 | 1,387,326 |
| Loss for the year | - | (448,735) | (448,735) |
| At 31 December 2007 | 100 | 938,491 | 938,591 |

NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2007

6 PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking at 31 December 2007 is Vector Investments Limited, a company incorporated in the United Kingdom. Vector Investments Limited is owned by P&O Property Holdings Limited. On 24 December 2007, the ownership of P&O Property Holdings Limited was transferred from P&O Steam Navigation Company to Istithmar P&O Estates (UK) Limited.

The smallest group of companies for which consolidated financial statements are prepared and in which the company is consolidated is Istithmar Buildings FZE, a company incorporated in Dubai, whose accounts are filed with the Dubai International Finance Exchange.

The largest group of companies for which consolidated financial statements are prepared and in which the company is consolidated is Istithmar Private Joint Stock Company, whose accounts are filed with the Dubai International Financial Exchange. The consolidated financial statements of this group are available to the public and may be obtained from Emirates Towers, Floor 4, Sheikh Zayed Road, PO Box 17000, Dubai, United Arab Emirates.