

CORUS PROPERTY LIMITED
REPORT AND ACCOUNTS
FOR THE FINANCIAL YEAR
ENDING 1 JANUARY 2005



Registered No. 489735

Corus Property Limited

Report and Accounts for the year ended 1 January 2005

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Corus Property Limited

Directors

British Steel Directors (Nominees) Limited

Secretary

Mrs A L Scandrett

Registered office

30 Millbank
London
SW1P 4WY

Corus Property Limited

Directors' report for the year ended 1 January 2005

The directors submit their report and the audited financial statements for the year ending 1 January 2005.

Principal activity, review of the business and future developments

The principal activity of the Company has been that of a holding company for certain Corus Group plc (the Group) overseas investments.

No change in the Company's activities is expected in the foreseeable future.

Results and dividends

The Company's result for the year was a profit after taxation of £124,092,209 (2003: £6,019,005).

A dividend of £121,366,464 (2003: £nil) was paid during the year.

Directors and directors' interests

The directors of the Company at 1 January 2005 and who held office during the year are listed on page 2.

The directors had no interest in the ordinary shares of Corus Group plc, the Company's ultimate holding company, at 1 January 2005.

The directors had no interest, as defined by the Companies Act 1985, in the shares of any other member of the Group during the year covered by these financial statements.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By order of the Board



A L Scandrett
Secretary

30 Millbank
London
SW1P 4WY

29 June 2005

Corus Property Limited

Statement of Directors' Responsibilities in Relation to Financial Statements

The following statement, which should be read in conjunction with the statement of auditors' responsibilities set out on page 5 is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.


The directors are required by the Companies Act 1985 to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for the period then ended.

The directors consider that in preparing the financial statements on pages 7 to 12, which have been prepared on a going concern basis, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which 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 L Scandrett
Secretary

29 June 2005

Corus Property Limited

Independent auditors' report to the members of Corus Property Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the director's report.

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 Company's circumstances, consistently applied and adequately disclosed.

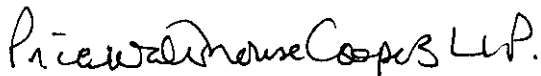
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Corus Property Limited

Independent auditors' report to the members of Corus Property Limited continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 1 January 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
29 June 2005

Corus Property Limited

Profit and Loss Account for the year ended 1 January 2005

	Note	2004 £	2003 £
Operating costs		50,014	(18,078)
Profit/(loss) on ordinary activities before interest	2	50,014	(18,078)
Net interest and investment income	5	122,788,295	8,616,656
Profit on ordinary activities before taxation		122,838,309	8,598,578
Tax on ordinary activities	6	1,253,900	(2,579,573)
Profit on ordinary activities after taxation		124,092,209	6,019,005
Dividends	7	(121,366,464)	-
Profit retained for the period		2,725,745	6,019,005

The Company has no gains or losses other than as above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period, stated above, and the historical cost equivalents.

All results are derived from continuing operations.

The notes on pages 9 to 12 form part of these accounts.

Corus Property Limited

Balance Sheet as at 1 January 2005

	Notes	2004 £	2003 £
Fixed assets			
Investments	8	1,403,554,623	1,403,554,623
Current assets			
Debtors	9	6,446,216	7,145,167
Creditors: Amounts falling due within one year	10	-	(3,424,696)
Net current assets		6,446,216	3,720,471
Total assets less current liabilities		1,410,000,839	1,407,275,094
Net assets		1,410,000,839	1,407,275,094
Capital and reserves			
Called up share capital	11	700,001,000	700,001,000
Share premium account	12	699,286,103	699,286,103
Profit and loss account	12	10,713,736	7,987,991
Equity shareholder's funds	13	1,410,000,839	1,407,275,094

The accounts on pages 7 to 12 were approved by the Board on 29 June 2005 and were signed on its behalf by:



G Bevan
Director
For British Steel Directors (Nominees) Limited

The notes on pages 9 to 12 form part of these accounts.

Corus Property Limited Report and Accounts 2004

Notes to the accounts

1 Principal Accounting Policies

The financial statements have been prepared on a going concern basis and in accordance with the Companies' Act 1985 and applicable Accounting Standards in the UK. The more important accounting policies, which have been applied consistently, are set out below.

(i) Basis of accounting

The accounts are prepared in accordance with the historical cost convention. Group accounts have not been prepared as the Company is a wholly owned subsidiary of Corus Group plc.

(ii) Fixed Assets Investments

Investments are stated at cost. Provisions are made for any permanent diminution in the value of investments.

Income from fixed asset investments comprises dividends declared up to the balance sheet date and interest receivable shown, where relevant, before deduction of overseas withholding taxes.

(iii) Cash Flow Statement

In accordance with the exemption allowed by paragraph 5(a) of Financial Reporting Standard 1 (Revised 1996), a cash flow statement for the Company has not been provided.

(iv) Related Party Disclosures

In accordance with the exemption allowed by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with other member companies of the Corus Group or investees of the Group qualifying as related parties.

(v) Foreign Currency Translations

Assets and liabilities in foreign currencies are translated into sterling at the quoted rates of exchange ruling at each balance sheet date and all gains and losses are included in arriving at the result for the period.

All exchange gains and losses on settlement, except fixed assets investments, are included in arriving at the result for the period.

(vi) Deferred taxation

An asset or provision is recognised for deferred tax arising from timing differences between the recognised gains and losses in the financial statements and their recognition in tax computations. The Company has chosen to discount deferred tax assets and liabilities.

Corus Property Limited Report and Accounts 2004

Notes to the accounts

2 Profit/(loss) on ordinary activities before interest

Profit/(loss) on ordinary activities before interest is stated after charging:

	2004 £	2003 £
Administration expenses	5,954	-
Auditors remuneration – other fees	-	2,383
Differences in exchange rates	(55,968)	13,903

Audit fees were borne by Corus UK Limited.

3 Employees

The Company has no employees (2003: nil).

4 Director's emoluments

No director received any emoluments during the period in respect of their services to the Company (2003: £nil).

5 Net interest and investment income

	2004 £	2003 £
Dividends receivable from subsidiary undertakings	122,788,295	8,616,656

6 Taxation

	2004 £	2003 £
UK Corporation tax charge in respect of the current period	43,007,006	-
Double tax relief	(43,007,006)	-
Group relief in respect of current period	-	2,579,573
Adjustment in respect of prior periods	(1,253,900)	-
Current tax (credit)/charge	(1,253,900)	2,579,573

The current tax (credit)/charge reconciles with the standard rate of corporation tax as follows:

Tax on result at standard rate 30%	36,851,493	2,579,573
Group relief surrendered for nil payment	(6,305,035)	-
Other permanent differences	(30,546,458)	-
Adjustment in respect of prior years	(1,253,900)	-
	(1,253,900)	2,579,573

Corus Property Limited Report and Accounts 2004

Notes to the accounts

7 Dividends

	2004 £	2003 £
Dividends payable to parent company (17.34p per ordinary share)	<u>121,366,464</u>	-

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 3 January 2004 and 1 January 2005	<u>1,403,554,623</u>

The Company holds investments in the share capital of the following company:

Company	Country of Incorporation	Class of Shares	Proportion held
Corus Nederland BV	Holland	Ordinary Preference	99% 33%

9 Debtors

	2004 £	2003 £
Amounts due from group company	6,445,188	7,144,139
Other debtors	1,028	1,028
	<u>6,446,216</u>	<u>7,145,167</u>

10 Creditors: Amounts falling due within one year

	2004 £	2003 £
Group relief payable	-	2,579,573
Overseas tax	-	845,123
	<u>-</u>	<u>3,424,696</u>

Corus Property Limited Report and Accounts 2004

Notes to the accounts

11 Share Capital

The share capital of the Company is shown below:

	2004 £	2003 £
Authorised:		
700,005,000 Ordinary shares of £1	700,005,000	700,005,000
Allotted, called up and fully paid:		
700,001,000 Ordinary shares of £1	700,001,000	700,001,000

12 Reserves

	Share premium account £	Profit and loss account £	Total £
Balance at 3 January 2004	699,286,103	7,987,991	707,274,094
Profit retained for the period	-	2,725,745	2,725,745
Balance at 1 January 2005	699,286,103	10,713,736	709,999,839

13 Reconciliation of movements in shareholder's funds

	2004 £	2003 £
Opening shareholder's funds	1,407,275,094	1,401,256,089
Profit for the financial period	2,725,745	6,019,005
Closing shareholder's funds	1,410,000,839	1,407,275,094

14 Ultimate holding company

The immediate and ultimate parent undertaking is Corus Group plc which is registered in England and Wales and is the largest group to consolidate these financial statements. Copies of Corus Group plc's report and accounts may be obtained from The Secretary, Corus Group plc, 30 Millbank, London SW1P 4WY.