

CORUS PROPERTY LIMITED
REPORT AND ACCOUNTS
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2005

THURSDAY



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COMPANIES HOUSE

Registered No. 489735

Corus Property Limited

Report and Accounts for the year ended 31 December 2005

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Corus Property Limited

Directors

British Steel Directors (Nominees) Limited

Secretary

A L Scandrett

Registered office

30 Millbank
London
SW1P 4WY

Corus Property Limited

Directors' report for the year ended 31 December 2005

The directors submit their report and the audited financial statements for the year ended 31 December 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 £441,951,510 (2004: £124,092,209).

A dividend of £441,999,646 (2004: £121,366,464) was paid during the year.

Directors and directors' interests

The directors of the Company at 31 December 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 31 December 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.

Creditors payment policy and practice

Since operating expenses are borne by the parent undertaking, the Company does not have any trade creditors. It is therefore not appropriate to make a statement of its policy and practice on the payment of creditors under the Companies Act 1985 (Directors' Report) (Statement of Payment Practice) Regulations 1997.

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
26 June 2006

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

26 June 2006

Corus Property Limited

Independent auditors' report to the members of Corus Property Limited

We have audited the financial statements of Corus Property Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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.

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
26 June 2006

Corus Property Limited

Profit and Loss Account for the year ended 31 December 2005

	Note	2005 £	2004 £
Operating costs		(51,024)	50,014
(Loss)/profit on ordinary activities before interest	2	(51,024)	50,014
Net interest and investment income	5	442,002,534	122,788,295
Profit on ordinary activities before taxation		441,951,510	122,838,309
Tax on ordinary activities	6	-	1,253,900
Profit on ordinary activities after taxation		441,951,510	124,092,209
Dividends	7	(441,999,646)	(121,366,464)
(Loss)/profit retained for the period		(48,136)	2,725,745

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 result 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 31 December 2005

	Note	2005 £	2004 £
Fixed assets			
Investments	8	1,403,554,623	1,403,554,623
Current assets			
Debtors	9	6,398,180	6,446,216
Net current assets		6,398,180	6,446,216
Total assets less current liabilities		1,409,952,803	1,410,000,839
Creditors: amounts falling due after more than one year	10	(100)	-
Net assets		1,409,952,703	1,410,000,839
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	10,665,600	10,713,736
Equity shareholder's funds	13	1,409,952,703	1,410,000,839

The accounts on pages 7 to 12 were approved by the Board on 26 June 2006 and were signed on its behalf by:



P R Strickland
Director of British Steel Directors (Nominees) Limited

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

Corus Property Limited Report and Accounts 2005

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.

Corus Property Limited Report and Accounts 2005

Notes to the accounts

2 Profit/(loss) on ordinary activities before interest

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

	2005 £	2004 £
Administration expenses	(4,575)	(5,954)
Differences in exchange rates	(46,449)	55,968

Audit fees were borne by Corus UK Limited.

3 Employees

The Company has no employees (2004: nil).

4 Director's emoluments

No director received any emoluments during the period in respect of their services to the Company (2004: £nil).

5 Net interest and investment income

	2005 £	2004 £
Dividends received and receivable from subsidiary undertakings	442,002,534	122,788,295

6 Taxation

	2005 £	2004 £
UK Corporation tax charge in respect of the current period	-	43,007,006
Double tax relief	-	(43,007,006)
Adjustment in respect of prior periods	-	(1,253,900)
Current tax credit	-	(1,253,900)

The current tax credit reconciles with the standard rate of corporation tax as follows:

Tax on result at standard rate 30%	132,585,453	36,851,493
Group relief surrendered for nil payment	15,307	(6,305,035)
Other permanent differences	(132,600,760)	(30,546,458)
Adjustment in respect of prior years	-	(1,253,900)
	-	(1,253,900)

Corus Property Limited Report and Accounts 2005

Notes to the accounts

7 Dividends

	2005 £	2004 £
Dividends payable to parent company (63.14p per ordinary share; 2004: 17.34p per ordinary share)	<u>441,999,646</u>	<u>121,366,464</u>

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2005 and 31 December 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	The Netherlands	Ordinary Preference	99% 33%

9 Debtors

	2005 £	2004 £
Amounts due from group company	6,397,152	6,445,188
Other debtors	1,028	1,028
	<u>6,398,180</u>	<u>6,446,216</u>

10 Creditors: amounts falling due after more than one year

	2005 £	2004 £
Other Loans	100	-
	<u>100</u>	<u>-</u>

The bank loan above is part of a € 800 million banking facility signed by Corus Group plc the parent company, which has a final maturity date of 31 December 2008. The Company made this nominal draw down as part of the terms of the facility agreement.

Corus Property Limited Report and Accounts 2005

Notes to the accounts

11 Share Capital

The share capital of the Company is shown below:

	2005 £	2004 £
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 start of period	699,286,103	10,713,736	709,999,839
Loss retained for the period	-	(48,136)	(48,136)
Balance at end of period	699,286,103	10,665,600	709,951,703

13 Reconciliation of movements in shareholder's funds

	2005 £	2004 £
Opening shareholder's funds	1,410,000,839	1,407,275,094
(Loss)/profit for the financial period	(48,136)	2,725,745
Closing shareholder's funds	1,409,952,703	1,410,000,839

14 Post Balance Sheet Event

In April 2006 the Corus Nederland BV supervisory board endorsed the proposal of the board of management to repurchase a total of €100 million of it's €136 million preference share capital from its parent companies, Corus Property Ltd (33% holding) and CNBV Investments Ltd (67% holding). The repurchase of the 5 million preference shares held by Corus Property Ltd was completed on the 24 May 2006 for proceeds of €45.4 million, being the nominal value. The timing of the remaining proposal is uncertain.

15 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.