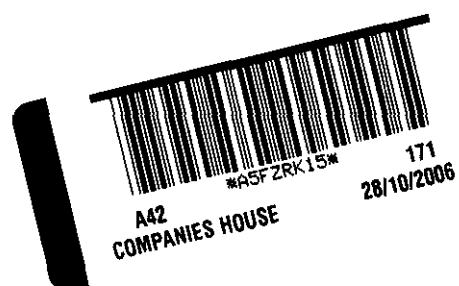


CAPITAL AND LANHAM LIMITED

Report and Financial Statements

31 December 2005



CAPITAL AND LANHAM LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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CAPITAL AND LANHAM LIMITED

OFFICERS

DIRECTORS

M Barber
X Pullen
A Lewis-Pratt
W Sunnucks

SECRETARY

G Inglis

REGISTERED OFFICE

10 Lower Grosvenor Place
London
SW1W 0EN

CAPITAL AND LANHAM LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES, TRADING REVIEW AND FUTURE PROSPECTS

The principal activity of the company is commercial property development. The company did not trade during the year. There has been no profit or loss, or recognised gains or losses in the year and therefore no profit and loss account or statement of total recognised gains and losses has been presented. The company is expected to remain dormant for the foreseeable future.

The directors do not recommend the payment of a dividend (2004: £nil)

FINANCIAL RISKS

The financial assets and liabilities of the company predominantly relate to intercompany balances and the directors do not consider there is any financial risk attached to these balances.

DIRECTORS

The directors of the company throughout the year and at the year end were:

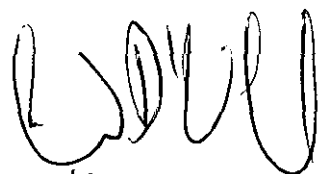
M Barber
X Pullen
L Coral (resigned 21 February 2005)
A Lewis-Pratt
W Sunnucks

DIRECTORS' INTERESTS

The interests of the directors in the share capital and share options of the ultimate parent company, Capital & Regional plc, are disclosed in the Report and Accounts of that company.

Except as noted above, none of the directors had any beneficial interests at any time during the year, in the share capital of the company or any other company in the Group.

On Behalf of the Board



W Sunnucks
Director

27 October 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the company's state of affairs as at the end of the financial year and of the profit or loss of the company for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- confirm that 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 not appropriate to presume the company will continue in business.

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

CAPITAL AND LANHAM LIMITED

BALANCE SHEET

As at 31 December 2005

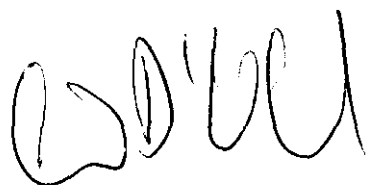
	Notes	2005 £	2004 £
CURRENT ASSETS			
Debtors	3	50,000	50,000
		<hr/>	<hr/>
NET ASSETS		50,000	50,000
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	4	50,000	50,000
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS	5	50,000	50,000
		<hr/>	<hr/>

For the year ended 31 December 2005, the company was entitled to exemption under sub-section (1) of section 249A of the Companies Act 1985.

No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985, and the directors acknowledge their responsibility for

- ensuring the company keeps accounting records which comply with section 221, and;
- preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company;
- preparing the accounts in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors and signed on their behalf on 27 October 2006 by:



W SUNNUCKS

Director

The notes on page 5 form part of these financial statements.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable UK law and accounting standards and with the Companies Act 1985. The financial statements have been prepared under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during the year and accordingly no profit and loss account is given.

The directors received no emoluments in respect of their services to the company (2004: £nil).

The company had no employees during the year (2004: nil).

3. DEBTORS

	2005 £	2004 £
Amount owed by ultimate parent company	<u>50,000</u>	<u>50,000</u>

4. SHARE CAPITAL

	2005 £	2004 £
Authorised: 100,000 ordinary shares of £1 each.	<u>100,000</u>	<u>100,000</u>
Issued, called up and fully paid: 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

5. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2005 £	2004 £
Opening and closing equity shareholders' funds	<u>50,000</u>	<u>50,000</u>

6. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Capital & Regional plc, incorporated in Great Britain and registered in England and Wales. Capital & Regional plc is also the company's ultimate parent company. The smallest and largest group of which the company is a member and for which consolidated accounts are prepared is Capital & Regional plc. Copies of the consolidated financial statements of Capital & Regional plc can be obtained from The Secretary, 10 Lower Grosvenor Place, London, SW1W 0EN.