4467230

Sun CP Properties Limited

Report and Financial Statements

31 December 2004

Directors
M N Jonas
E A C Spencer Churchill
A McIntosh

Secretary
A P Bradshaw

Auditors
Ernst & Young LLP
No.1 Colmore Square
Birmingham
B4 6HQ

Bankers
National Westminster Bank Plc
PO Box 12258
1 Princes Street
London
EC2R 8PA

Solicitors
Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

Registered office
Beechwood Place
Thame Business Park
Wenman Road
Thame
Oxfordshire
OX9 3XA

Directors' report

The directors present their report and financial statements for the year ended 31 December 2004.

Results and dividends

The loss for the year amounted to £40,350 (2003: profit of £55,148). The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The principal activity of the company during the year was that of an intermediate holding company.

At 31 December 2004 the company had net current liabilities. This is due to inter-group funding provided by a fellow group company. The parent company has confirmed it will support Sun CP Properties Limited for the next twelve months. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Directors

The directors who served the company during the year were as follows:

M N Jonas
E A C Spencer Churchill
A McIntosh

The interests of M N Jonas, A McIntosh and E A C Spencer Churchill in the share capital of the ultimate parent company are disclosed in the financial statements of that company.

There are no other directors' interests requiring disclosure under the Companies Act 1985.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board

Director

26/4/ 2005

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial period 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; 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 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 members of Sun CP Properties Limited

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 15. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with 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 auditors' 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
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 United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company 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 United Kingdom 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.

Opinion
In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham

26 APRIL 2005

Profit and loss account

for the year ended 31 December 2004

	Notes	*Year ended 31 December 2004* £	*Year ended 31 December 2003* £
Turnover	2	-	340,325
Administrative expenses		(40,350)	(312,582)
Other operating income		-	21,857
Operating (loss)/profit	3	(40,350)	49,600
Interest receivable	5	-	5,753,425
Interest payable	6	-	(5,702,310)
		(40,350)	51,115
(Loss)/profit on ordinary activities before taxation		(40,350)	100,715
Tax on (loss)/profit on ordinary activities	7	-	(45,567)
(Loss)/profit retained for the financial year	13	(40,350)	55,148

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £40,350 (2003: profit of £55,148) attributable to the shareholders for the year ended 31 December 2004.

Balance sheet
at 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Investments	8	178,548,252	178,548,252
Current assets			
Debtors	9	5,632,647	5,632,647
Creditors: amounts falling due within one year	10	(184,052,620)	(184,012,270)
Net current liabilities		(178,419,973)	(178,379,623)
		128,279	168,629
Capital and reserves			
Called up share capital	12	90,000	90,000
Profit and loss account	13	38,279	78,629
Equity shareholders' funds	13	128,279	168,629

Director

26/4/ 2005

Notes to the financial statements
at 31 December 2004

1. Accounting policies

Basis of preparation
The financial statements are prepared under the historical cost convention.

At 31 December 2004 the company had net current liabilities. This is due to inter-group funding provided by a fellow group company. The parent company has confirmed it will support Sun CP Properties Limited for the next twelve months. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Basis of consolidation
The company is not required to prepare group accounts under s.228 of the Companies Act 1985. The company is included in the consolidated accounts of Sun CP Topco Limited. The accounts show information relating to the company as an individual undertaking and not as a group.

Cash flow statement
The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary of an ultimate parent company which itself publishes a consolidated cash flow statement.

Related parties transactions
The company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Disclosures" from disclosing related party transactions between companies which are 90% owned by the ultimate parent company, Sun CP Topco Limited.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Fixed asset investments
Investments held as fixed assets are stated at cost.

Dividends received from investments are brought to account in the profit and loss account when received.

Notes to the financial statements
at 31 December 2004

1. Accounting policies (continued)

Derivative instruments – Interest rate swaps
The company uses interest rate swaps to hedge interest rate exposures.

The company considers its derivative instruments qualify for hedge accounting when the following criteria are met:

- the instrument must be related to an asset or a liability; and

- it must change the character of the interest rate by converting a variable rate to a fixed rate or vice versa.

Interest differentials are recognised by accruing the net interest payable. Interest rate swaps are not revalued to fair value or shown on the company balance sheet at the year end. If they are terminated early, the gain/ loss is spread over the remaining maturity of the original instrument.

Issue costs of loans
The issue costs recognised in the profit and loss account in respect of capital instruments is allocated to periods over the terms of the instrument at a constant rate on the carrying amount.

2. Turnover
Turnover, which is stated net of value added tax and trade discounts, is attributable to the principal continuing activity.

An analysis of turnover by geographical market is given below:

	Year ended 31 December 2004	*Year ended 31 December 2003*
	£	*£*
United Kingdom	-	340,325

3. Operating (loss)/profit
This is stated after charging:

	Year ended 31 December 2004	*Year ended 31 December 2003*
	£	*£*
Auditors' remuneration - audit services	20,000	22,500
- non audit services	20,000	-
	40,000	22,500

4. Staff costs
No salaries or wages have been paid to employees, including the directors, during the year.

Notes to the financial statements
at 31 December 2004

5. Interest receivable

	Year ended 31 December 2004 £	Year ended 31 December 2003 £
Loan interest receivable	-	5,753,425

6. Interest payable

	Year ended 31 December 2004 £	Year ended 31 December 2003 £
Bank interest payable	-	5,702,310

7. Tax on (loss)/profit on ordinary activities

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows:

	Year ended 31 December 2004 £	Year ended 31 December 2003 £
Current tax:		
UK Corporation tax	-	-
Group relief	-	45,567
	-	45,567
Deferred tax	-	-
Total tax charge	-	45,567

Notes to the financial statements
at 31 December 2004

7. Tax on (loss)/profit on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK of 30%. The difference is reconciled below:

	Year ended 31 December 2004 £	*Year ended 31 December 2003* £
(Loss)/profit on ordinary activities before taxation	(40,350)	100,715
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(12,105)	30,215
Expenses not deductible for tax purposes	-	15,352
Tax losses	12,105	-
Current tax charge for the year	-	45,567

(c) Deferred tax

A deferred tax asset has not been recognised in respect of timing differences relating to excess tax losses carried forward, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £12,105 (2003: £nil). The asset would be recovered if the group considered that sufficient taxable profits would arise in the future.

8. Investments

	Investments in subsidiary undertakings £
Cost:	
At 1 January 2004 and at 31 December 2004	178,548,252

Investments relate solely to an investment in Carp (Jersey) 2 Limited, a company registered in Jersey, comprising 100% of its issued share capital. Carp (Jersey) 2 Limited made a result of £nil for the year ended 31 December 2004 and its net assets at that date were £8,367,551.

9. Debtors

	2004 £	*2003* £
Amounts owed by group undertakings	5,632,647	5,632,647

Notes to the financial statements
at 31 December 2004

10. Creditors: amounts falling due within one year

	2004	*2003*
	£	*£*
Amounts owed to group undertakings	184,012,620	183,968,155
Other creditors	-	19,115
Accruals and deferred income	40,000	25,000
	184,052,620	184,012,270

Included in amounts owed to group undertakings is a loan from Carp (UK) 3 Limited of £178,439,321 (2003: £178,439,321). This loan is interest free and repayable upon demand.

11. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8 "Related Party Disclosures".

12. Share capital

	Authorised	*Authorised*
	2004	*2003*
	£	*£*
Ordinary shares of £1 each	100,000	100,000

	Allotted, called up and fully paid			
			No.	*£*
		2004		*2003*
	No.	*£*	*No.*	*£*
Ordinary shares of £1 each	90,000	90,000	90,000	90,000

Notes to the financial statements
at 31 December 2004

13. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Profit and loss account*	*Total share-holders' funds*
	£	£	£
At 31 December 2002	90,000	23,481	113,481
Profit for the year	-	55,148	55,148
At 31 December 2003	90,000	78,629	168,629
Loss for the year	-	(40,350)	(40,350)
At 31 December 2004	90,000	38,279	128,279

14. Capital commitments
The company had no capital commitments at 31 December 2004 (2003: £nil).

15. *Ultimate parent company*
The immediate parent company is Sun CP Midco Limited, a company registered in England and Wales.

The ultimate parent company is Sun CP Topco Limited, a company registered in England and Wales. The largest and smallest group of which the Company is a member and for which group accounts are drawn up is that of Sun CP Topco Limited. Copies of these accounts are available from the Registered Office detailed on page 1.