4067130

Sun CP Properties Limited
(formerly Velvetbridge Limited)

Report and Financial Statements

31 December 2002

Registered No: 4467230

Directors
M N Jonas
E A C Spencer Churchill
E J C Hawkes
A McIntosh

Secretary
A P Bradshaw

Auditors
Ernst & Young LLP
One Colmore Row
Birmingham
B3 2DB

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
4th Floor
Watson House
54 Baker Street
London
W1U 1FB

Directors' report

The directors present their report and financial statements for the period ended 31 December 2002.

Results and dividends

The profit for the period amounted to £23,481. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The company was incorporated on 21 June 2002 under the name of Velvetbridge Limited. On 28 October 2002 the company changed its name to Sun CP Properties Limited.

The company began business activities on 5 November 2002.

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

At 31 December 2002 the company had net current liabilities. This was primarily the result of the initial costs incurred in the set up of the company. The company's forecasts for the coming years indicate that it will make profits. 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 period were as follows:

M N Jonas	(Appointed 28 October 2002)
E A C Spencer Churchill	(Appointed 28 October 2002)
E J C Hawkes	(Appointed 1 November 2002)
A McIntosh	(Appointed 1 November 2002)
M Richards	(Served from 21 June 2002 to 28 October 2002)
M Layton	(Served from 21 June 2002 to 28 October 2002)

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.

Share Capital

On incorporation the company had authorised share capital of 100 £1 ordinary shares. On this date, 1 £1 ordinary share was issued at par for cash consideration.

On 28 October 2002 the company increased its authorised share capital to 100,000 £1 ordinary shares.

On 1 November 2002 89,999 shares were allotted, called up and fully paid, at par, by cash consideration.

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

26th Nov 2003

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 (formerly Velvetbridge Limited)

We have audited the company's financial statements for the period ended 31 December 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 17. 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 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham

26 November 2003

Profit and loss account
for the period ended 31 December 2002

	Notes	*27 week period ended 31 December 2002* £
Turnover	2	33,245
Administrative expenses		(145,402)
Other operating income		7,808
Operating loss	3	(104,349)
Interest receivable	5	1,249,315
Interest payable	6	(1,111,422)
		137,893
Profit on ordinary activities before taxation		33,544
Tax on profit on ordinary activities	7	(10,063)
Profit retained for the financial period	15	23,481

Statement of total recognised gains and losses
There are no recognised gains or losses other than the profit of £23,481 attributable to the shareholders for the period ended 31 December 2002.

Balance sheet
at 31 December 2002

	Notes	2002 £
Fixed assets		
Investments	8	178,548,252
Current assets		
Debtors	9	105,735,761
Creditors: amounts falling due within one year	10	186,724,798
Net current liabilities		(80,989,037)
Total assets less current liabilities		97,559,215
Creditors: amounts falling due after more than one year	11	97,445,734
		113,481
Capital and reserves		
Called up share capital	14	90,000
Profit and loss account	15	23,481
Equity shareholders' funds	15	113,481

Director

26th Nov 2003

Notes to the financial statements
at 31 December 2002

1. Accounting policies

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

At 31 December 2002 the company had net current liabilities. This was primarily the result of the initial costs incurred in the set up of the company. The company's forecasts for the coming years indicate that it will make profits. 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 2002

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:

	27 week period ended 31 December 2002
	£
United Kingdom	33,245

3. Operating loss
This is stated after charging:

	27 week period ended 31 December 2002
	£
Auditors' remuneration	30,000

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

Notes to the financial statements
at 31 December 2002

5. Interest receivable

	27 week period ended 31 December 2002
	£
Loan interest receivable	1,249,315

6. Interest payable

	27 week period ended 31 December 2002
	£
Bank interest payable	1,111,422

7. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	27 week period ended 31 December 2002
	£
Current tax:	
UK Corporation tax	-
Group relief	10,063
	10,063
Deferred tax	-
Total tax charge	10,063

Notes to the financial statements
at 31 December 2002

7. Tax on profit on ordinary activities (continued)

(b) Factors affecting current tax charge

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

	27 week period ended 31 December 2002 *£*
Profit on ordinary activities before taxation	33,544
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	10,063
Current tax charge for the period	10,063

(c) Deferred tax

There is no deferred tax asset or liability arising in the period.

8. Investments

	Investments in subsidiary undertakings *£*
Cost:	
Additions	178,548,252
At 31 December 2002	178,548,252

During the period the company made the following investments in Carp (Jersey) 2 Limited:

- On 28 October 2002 the company subscribed for non-redeemable fixed rate cumulative "E" preference shares at total par value of £108,931. These shares carry 65% of the voting rights in Carp (Jersey) 2 Limited but have a limited economic interest in the company; and
- On 5 November 2002 the company acquired the remaining shares in Carp (Jersey) 2 Limited for the consideration of £178,439,321.

These transactions resulted in the company holding 100% of the share capital of Carp (Jersey) 2 Limited, a company registered in Jersey. Carp (Jersey) 2 Limited made a loss of £40,488 for the period ended 31 December 2002 and its net assets at that date were £8,367,624.

Notes to the financial statements
at 31 December 2002

9. Debtors

	2002
	£
Amounts owed by group undertakings	5,632,647
Other debtors	100,083,541
Prepayments and accrued income	19,573
	105,735,761

Included within other debtors is £100,000,000 in respect of a loan to a Centerparcs Elveden Limited and is due in more than one year. This loan bears interest at 8% per annum.

10. Creditors: amounts falling due within one year

	2002
	£
Current instalment due on bank loan (note 12)	124,654
Amounts owed to group undertakings	183,051,340
Corporation tax – group relief	10,063
Other creditors	57,598
Accruals and deferred income	3,481,143
	186,724,798

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

11. Creditors: amounts falling due after more than one year

	2002
	£
Loans (note 12)	97,445,734

Notes to the financial statements

at 31 December 2002

12. Loans

	2002
	£
Not wholly repayable within five years:	
£100,000,000 senior bank loan at 7.12% per annum	97,570,388
Less: included in creditors: amounts falling due within one year	124,654
	97,445,734
Amounts repayable:	
In one year or less, or on demand	124,654
In more than one year but not more than two years	1,956,113
In more than two years but not more than five years	7,197,585
	9,278,352
In more than five years	90,721,648
	100,000,000
Less: unamortised issue costs	2,429,612
	97,570,388

The senior loan is secured by way of a fixed and floating charge over the assets of the company.

13. 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".

14. Share capital

	Authorised
	2002
	£
Ordinary shares of £1 each	100,000

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

On incorporation the company had authorised share capital of 100 £1 ordinary shares. On this date, 1 £1 ordinary share was issued at par for cash consideration.

On 28 October 2002 the company increased its authorised share capital to 100,000 £1 ordinary shares.

On 1 November 2002 89,999 shares were allotted, called up and fully paid, at par, by cash consideration.

Notes to the financial statements
at 31 December 2002

15. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Profit and loss account*	*Total share-holders' funds*
	£	£	£
Profit for the period	–	23,481	23,481
Issued during the period	90,000	–	90,000
At 31 December 2002	90,000	23,481	113,481

16. Capital commitments
The company had no capital commitments at 31 December 2002.

17. 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.