

**CAPCO FLORAL PLACE LIMITED (FORMERLY VCP NOMINEE  
LIMITED)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

Company number 4531119



# **CAPCO FLORAL PLACE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

The directors submit their report and audited financial statements of the company for the year ended 31 December 2009

### **CHANGE OF NAME**

The company changed its name from VCP Nominee Limited to Capco Floral Place Limited on 19 March 2009. Before 19 March 2009 the company was dormant.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is the ownership and management of properties in the Covent Garden area of Central London.

### **BUSINESS REVIEW**

The company's results and financial position for the year ended 31 December 2009 are set out in full in the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, the balance sheet, and the notes relating thereto.

On 2 April 2009 the company purchased a group of properties within the Covent Garden Estate. The year end financial position deteriorated due to the continuing difficult conditions throughout the UK property industry during the first half of 2009, which resulted in significant reductions in property values. The company's performance during the period reflects a satisfactory rental performance, given the prevailing property market conditions. This is reflected in the loss on ordinary activities before taxation of £502,000 (2008: £nil). Property valuation deficit amounted to £1,253,000 (2008: £nil). Shareholder's deficit at 31 December 2009 was £1,755,000 (2008: £nil).

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

As detailed in note 12, until 7 May 2010 the company's ultimate parent was Liberty International PLC. The Directors believe that since that date, and subsequent to the company's change in ultimate control, the principal risks and uncertainties that face the company have not materially changed from those disclosed in the group financial statements of Liberty International PLC for the year ended 31 December 2009 which the company formed part of and which are publicly available.

### **DIRECTORS IN THE YEAR**

The directors who held office during the year are listed below:

K E Chaldecott	resigned 19 March 2009
S Das	appointed 4 May 2010
M D Ellis	resigned 19 March 2009
D A Fischel	resigned 4 May 2010
I D Hawksworth	appointed 19 March 2009
C Kirby	resigned 19 March 2009
T Pereira	resigned 19 March 2009
B S Tattar	appointed 19 March 2009
G J Yardley	appointed 19 March 2009
L Woodhouse	resigned 19 March 2009

# **CAPCO FLORAL PLACE LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

### **DIVIDEND**

The company did not pay a dividend in the year (2008 nil)

### **FIXED ASSETS**

The movements in fixed assets are set out in note 6

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and to disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and each director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

### **AUDITORS**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the company is not required to hold an annual general meeting. Elective Resolutions are in force to dispense with the appointment of auditors annually. The auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial year.

**By order of the Board**



**B S Tattar**  
**Director**  
**29 June 2010**

# **CAPCO FLORAL PLACE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

We have audited the financial statements of Capco Floral Place Limited (registered company no 4531119) for the year ended 31 December 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 in the Directors' Report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **CAPCO FLORAL PLACE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Parwinder Purewal (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**London**

29 June 2010

# CAPCO FLORAL PLACE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £000	2008 £000
<b>Continuing operations</b>			
Turnover	2	<u>2,666</u>	<u>-</u>
Net property income	2	1,394	-
Administrative expenses		<u>(366)</u>	<u>-</u>
Operating profit		1,028	-
Interest payable	3	<u>(1,727)</u>	<u>-</u>
Loss on ordinary activities before taxation	4	(699)	-
Taxation on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss for the year		<u>(699)</u>	<u>-</u>

There are no material differences between the loss on ordinary activities before taxation and the loss for the year and their historical cost equivalents

The notes on page 8 to 13 form part of these financial statements

# **CAPCO FLORAL PLACE LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>2009 £000</b>	<b>2008 £000</b>
Loss for the year	(699)	-
Unrealised deficit on revaluation of investment properties (notes 6)	<u>(1,253)</u>	<u>-</u>
<b>Total recognised gains and losses for the year</b>	<b><u>(1,952)</u></b>	<b><u>-</u></b>

## **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2009**

	<b>2009 £000</b>	<b>2008 £000</b>
Opening shareholders' funds	-	-
Total recognised gains and losses for the year	<u>(1,952)</u>	<u>-</u>
<b>Total shareholders' deficit</b>	<b><u>(1,952)</u></b>	<b><u>-</u></b>

The notes on page 8 to 13 form part of these financial statements

# CAPCO FLORAL PLACE LIMITED

## BALANCE SHEET AT 31 DECEMBER 2009

	Notes	2009 £000	2008 £000
<b>Fixed assets</b>			
Investment properties	6	<u>38,643</u>	<u>-</u>
<b>Current assets</b>			
Debtors	7	<u>231</u>	<u>-</u>
		231	-
<b>Creditors: amounts falling due within one year</b>	8	<u>(15,891)</u>	<u>-</u>
<b>Net current liabilities</b>		<u>(15,660)</u>	<u>-</u>
<b>Total assets less current liabilities</b>		22,983	-
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(24,935)</u>	<u>-</u>
<b>Net liabilities</b>		<u>(1,952)</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Revaluation reserve	11	(1,253)	-
Profit and loss reserve	11	<u>(699)</u>	<u>-</u>
<b>Total shareholders' deficit</b>		<u>(1,952)</u>	<u>-</u>

The financial statements on pages 5 to 13 have been approved by the Board of Directors on 29 June 2010 and signed on its behalf by



**S Das**  
Director



**B S Tattar**  
Director

# **CAPCO FLORAL PLACE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **1. Accounting policies**

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom under the historical cost convention as modified by the revaluation of properties and in accordance with the Companies Act 2006 and applicable accounting standards

The company's activities have been affected by the adverse UK financial and economic background. In particular the company's future development and performance is likely to be affected by the heightened risk of potential breaches of the financial covenants on the company's bank loan if there are further reductions in commercial property valuations or investment income. An early repayment of £1,275,000 was made against the company's bank loan on 31 March 2010 to reduce the risk of potential breaches of the financial covenants.

A further risk the company faces is that fellow group undertakings may request settlement of balances due to them. The directors have therefore considered the level of financial support that may be made available to the company by the ultimate controlling entity, Capital & Counties Properties PLC. One factor the directors took into account in this assessment was the Combined Financial Information of Capital & Counties Properties PLC for the year ended 31 December 2009 as reported in the 12 March 2010 Prospectus, which was prepared on a going concern basis.

The directors have concluded that the company will have sufficient support to continue in operational existence for the foreseeable future and have therefore prepared these financial statements on a going concern basis.

The principal accounting policies which have been adopted in the preparation of the financial statements are set out below.

#### **Investment properties**

Completed investment properties are professionally valued on a market value basis by external valuers at the balance sheet date. Surpluses and deficits arising during the year are reflected in the revaluation reserve.

#### **Depreciation**

In accordance with Statement of Standard Accounting Practice 19 (SSAP19) Accounting for Investment Properties no depreciation is provided in respect of freehold or long leasehold investment properties including integral plant (long leasehold investment properties for this purpose comprise leases with more than 20 years unexpired). The requirement of the Companies Act 2006 is to depreciate all properties but that requirement conflicts with the generally accepted accounting principles set out in SSAP19. The directors consider that, as these properties are held for investment, to depreciate them would not give a true and fair view and it is necessary to adopt SSAP19 for the financial statements to show a true and fair view. The financial effect of the departure from the Act cannot reasonably be quantified as depreciation is only one of the many factors reflected in the annual valuation of properties so the amount which might otherwise have been charged cannot be separately identified or quantified.

#### **Interest**

Interest is shown gross before deduction of income tax and is included on an accruals basis.

**CAPCO FLORAL PLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**1. Accounting policies (continued)**

**Turnover**

Turnover consists of gross rental income calculated on an accruals basis, together with sales and services in the ordinary course of business, excluding sales of investment properties. In accordance with UITF 28 Operating Lease Incentives, rental income receivable in the period from lease commencement to the earlier of the first market rent review and the lease end date is spread evenly over that period. Any incentive for lessees to enter into a lease agreement is spread over the same period.

**Taxation**

The charge for current taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed, and any adjustment in respect of prior years. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

**Cash flow statement**

The company is not required to produce a statement of cash flows under Financial Reporting Standard 1 (Revised 1996) as at 31 December 2009 it was a wholly owned subsidiary of Capital Shopping Centres Group PLC (formerly Liberty International PLC) and the cash flows of the company are included in the consolidated financial statements of the ultimate parent company, which are publicly available.

**Related party transactions**

As at 31 December 2009 the company was ultimately wholly owned by Capital Shopping Centres Group PLC (formerly Liberty International PLC), whose consolidated financial statements are publicly available, and therefore the company is exempt under the terms of Financial Reporting Standard 8 from disclosing details of transactions with related parties who are members or investees of the Capital Shopping Centres Group PLC (formerly Liberty International PLC) group.

**2. Turnover and net property income**

Turnover arose in the United Kingdom from continuing operations and in the opinion of the directors the company carries on only one class of business.

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Rents receivable	2,593	-
Service charge and other income	73	-
Turnover	<u>2,666</u>	<u>-</u>
Outgoings	<u>(1,272)</u>	<u>-</u>
Net property income	<u>1,394</u>	<u>-</u>

The directors believe that the nature of the company's business is such that the analysis of costs required by the Companies Act 2006 is not appropriate. As required by the Act the directors have therefore adopted the above format so that costs are disclosed in a manner appropriate to the company's principal activity.

# CAPCO FLORAL PLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 3. Interest payable

	2009 £000	2008 £000
Interest, fees and charges on bank loans	1,125	-
Interest payable to group undertakings	602	-
	<u>1,727</u>	<u>-</u>

### 4. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation of £502,000 (2008 £nil) is arrived at after charging

	2009 £	2008 £
Auditors' remuneration – audit services	nil	nil
Directors' remuneration	<u>nil</u>	<u>nil</u>

The audit fees of the company for 2009 of £3,400 (2008 nil) were met by Capital Shopping Centres Group PLC (formerly Liberty International PLC), the ultimate parent company

There were no employees during the year (2008 nil)

### 5. Taxation

Taxation charge for the financial year

The differences between the taxation charged for the year and the current standard rate of United Kingdom corporation tax 28% (2008 28 5%) are shown below

	2009 £000	2008 £000
Loss on ordinary activities before taxation	<u>(699)</u>	<u>-</u>
United Kingdom corporation tax at 28% (2008 28 5%)	(195)	-
Effects of		
Transfer pricing adjustment	168	-
Group relief	102	-
REIT exemption	<u>(75)</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>-</u>	<u>-</u>

**CAPCO FLORAL PLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**6. Investment properties**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b>Long leasehold</b>		
At 1 January	-	-
Additions	39,896	-
Unrealised deficit on revaluation of investment properties	(1,253)	-
At 31 December	<u>38,643</u>	<u>-</u>
Amounts shown in prepayments in respect of lease incentives	<u>57</u>	<u>-</u>
Market value	<u>38,700</u>	<u>-</u>

The fair value of the company's investment properties as at 31 December 2009 was determined by independent external valuers, CB Richard Ellis Limited, at that date. The valuation conforms with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards 6<sup>th</sup> edition and with IVS1 of Internal Valuation Standards, and was arrived at by reference to market transactions for similar properties.

The historic cost of completed investment properties was £39,896,000 (2008: £nil).

Completed properties at 31 December 2009 represent an interest in a group of properties within the Covent Garden Estate known as LongAcre, Banbury Court and Floral Street.

**7. Debtors**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Rents receivable	174	-
Prepayments and accrued income	<u>57</u>	<u>-</u>
	<u>231</u>	<u>-</u>

**CAPCO FLORAL PLACE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**8. Creditors: amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Rents receivable in advance	791	-
Amounts due to group undertakings	14,941	-
Accruals and deferred income	54	-
Other taxation	85	-
Other creditors	12	-
Bank overdrafts	8	-
	<u>15,891</u>	<u>-</u>

Amounts due to the group undertakings are unsecured, carry interest at 5.5% and repayable on demand

**9. Creditors: amounts falling due after more than one year**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Bank loan	<u>24,935</u>	<u>-</u>

The bank loan is secured over property assets, and is part of a £200,000,000 facility, fully repayable in 2017. The loan is stated at the fair value of the consideration received after deduction of unamortised costs of £115,000

**10. Called up share capital**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Issued, called up and fully paid</b>		
1 ordinary shares of £1	<u>1</u>	<u>1</u>

The concept of authorised share capital was abolished by the Companies Act 2006 with effect from 1 October 2009. Under saving provisions, the current maximum number of shares which may be issued by the Company is 1,000 ordinary shares of £1 each

# CAPCO FLORAL PLACE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 11. Reserves

	Revaluation reserve £000	Profit and loss Reserve £000	Total £000
At 1 January 2009	-	-	-
Loss for the year	-	(699)	(699)
Unrealised deficit on revaluation of investment properties	(1,253)	-	(1,253)
At 31 December 2009	(1,253)	(699)	(1,952)

### 12. Post balance sheet events

The company's ultimate parent company as at 31 December 2009, Liberty International PLC, announced on 9 March 2010 its intention to reorganise by way of demerger into two distinct companies, Capital Shopping Centres Group PLC and Capital & Counties Properties PLC. As a result with effect from 7 May 2010 the ultimate parent company became Capital & Counties Properties PLC, a company incorporated and registered in England and Wales.

On 31 March 2010 the partnership made an early repayment of £1,275,000 against the partnership's bank loan. This prepayment was funded by a further draw down on amounts due to group undertakings.

### 13. Ultimate parent company

As discussed in note 12 above, the ultimate parent company is now Capital & Counties Properties PLC, a company incorporated and registered in England and Wales. Copies of the financial statements of the former ultimate parent company, Capital Shopping Centres Group PLC (formerly Liberty International PLC) may be obtained from the Company Secretary, Capital Shopping Centres Group PLC, 40 Broadway, London, SW1H 0BT. The immediate parent company is Capital & Counties CG 9 Limited, a company registered in England and Wales, copies of whose financial statements may be obtained from the Company Secretary, Capital & Counties Properties PLC, 40 Broadway, London, SW1H 0BT.