

**Sun CP Newmidco Limited  
(formerly Dialgrange Limited)**

5456224

**Report and Financial Statements**

31 December 2005



**Sun CP Newmidco Limited (formerly Dialgrange Limited)**

Registered No: 5456337

**Directors**

S B Eighteen  
C Wilson  
N S Moy  
T V Castledine

**Secretary**

A S Graham

**Auditors**

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

**Bankers**

The Royal Bank of Scotland plc  
5<sup>th</sup> Floor  
135 Bishopsgate  
London  
EC2M 3UR

**Solicitors**

Clifford Chance LLP  
10 Upper Bank Street  
London  
E14 5JJ

**Registered office**

135 Bishopsgate  
London  
EC2M 3UR

## Directors' report

The directors present their report and financial statements for the 32 week period ended 31 December 2005.

### Results and dividends

The loss for the period amounted to £3,701,688. 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 period was that of a holding company. The company was incorporated as Dialgrange Limited on 19 May 2005. It changed its name on 31 May 2005 to Sun CP Newmidco Limited.

At 31 December 2005 the company had net current liabilities and net liabilities. The parent company, Sun CP Newtopco Limited, has confirmed it will support Sun CP Newmidco Limited for the next twelve months. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

On 20 June 2005, a corporate restructuring took place whereby the company acquired the Sun CP Topco group of companies. At the same time, the group was refinanced, and the group's ultimate shareholding structure altered.

Subsequent to the period end, on 16 January 2006, the group's shareholding structure again altered. The activities of the company remain unchanged.

### Directors

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

M N Jonas	(appointed 31 May 2005, resigned 17 January 2006)
E A C Spencer Churchill	(appointed 31 May 2005, resigned 17 January 2006)
A Levy	(appointed 19 May 2005, resigned 31 May 2005)
D J Pudge	(appointed 19 May 2005, resigned 31 May 2005)

No director had an interest in the shares of the company.

All other interests of the directors in the share capital and loan notes of Group companies are disclosed in the financial statements of the ultimate parent company, Sun CP Newtopco Limited.

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

The current directors as listed on page 1 were all appointed on 17 January 2006.

### 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

24<sup>th</sup> April 2006

## **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 Newmidco Limited (formerly Dialgrange Limited)**

We have audited the company's financial statements for the period ended 31 December 2005 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 under 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**

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

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

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 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style font.

Ernst & Young LLP  
Registered Auditor  
Birmingham

**24 APRIL** 2006

Sun CP Newmidco Limited (formerly Dialgrange Limited)

**Profit and loss account**  
for the period ended 31 December 2005

		32 week period ended 31 December 2005 £
Administrative expenses		(417,166)
<b>Operating loss</b>	2	(417,166)
Interest receivable	4	680,058
Interest payable	5	(3,964,580)
		(3,284,522)
<b>Loss on ordinary activities before taxation</b>		(3,701,688)
Tax on loss on ordinary activities	6	-
<b>Loss on ordinary activities after taxation and retained for the period</b>	14	(3,701,688)

**Statement of total recognised gains and losses**

There are no recognised gains or losses other than the loss of £3,701,688 attributable to the shareholders for the period ended 31 December 2005.

Sun CP Newmidco Limited (formerly Dialgrange Limited)

# Balance sheet

at 31 December 2005

	Notes	2005 £
<b>Fixed assets</b>		
Investments	7	95,281,742
<b>Current assets</b>		
Debtors	8	96,215
Cash at bank		36,621,807
		36,718,022
<b>Creditors: amounts falling due within one year</b>	9	(42,154,943)
<b>Net current liabilities</b>		(5,436,921)
<b>Total assets less current liabilities</b>		89,844,822
<b>Creditors: amounts falling due after more than one year</b>	10	(93,481,735)
<b>Net liabilities</b>		(3,636,914)
<b>Capital and reserves</b>		
Called up share capital	13	64,774
Profit and loss account	14	(3,701,688)
<b>Equity shareholder's deficit</b>	14	(3,636,914)

T. Gostedde

Director

24<sup>th</sup> April 2006

## Notes to the financial statements

at 31 December 2005

### 1. Accounting policies

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention. They have been prepared in accordance with applicable accounting standards.

At 31 December 2005 the company had net current liabilities and net liabilities. The parent company, Sun CP Newtopco Limited, has confirmed it will support Sun CP Newmidco 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 Newtopco 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 Newtopco Limited.

#### **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.

#### **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.



## Notes to the financial statements

at 31 December 2005

### 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 instruments at a constant rate on the carrying amount.

### 2. Operating loss

This is stated after charging:

	32 week period ended 31 December 2005 £
Auditors' remuneration - audit services	30,000
- non audit services	23,000
	<u>53,000</u>

### 3. Staff costs

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

### 4. Interest receivable

	32 week period ended 31 December 2005 £
Bank interest receivable	680,058
	<u>680,058</u>

## Notes to the financial statements

at 31 December 2005

### 5. Interest payable

	32 week period ended 31 December 2005 £
Bank interest payable	3,225,055
Interest payable to group undertakings	587,387
Amortisation of issue costs	152,138
	<u>3,964,580</u>

### 6. Tax on loss on ordinary activities

#### (a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	32 week period ended 31 December 2005 £
<i>Current tax:</i>	
UK Corporation tax	-
<i>Deferred tax:</i>	
Origination and reversal of timing differences	-
	<u>-</u>
Tax on loss on ordinary activities	<u>-</u>

#### (b) Factors affecting current tax charge

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

	32 week period ended 31 December 2005 £
Loss on ordinary activities before taxation	(3,701,688)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(1,110,506)
Expenses not deductible for tax purposes	121,550
Tax losses carried forward	988,956
Current tax charge for the period (note 6 (a))	<u>-</u>

## Notes to the financial statements

at 31 December 2005

### 6. Tax on loss on ordinary activities (continued)

#### (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 £988,956. The asset would be recovered if the group considered that sufficient taxable profits would arise in the future.

### 7. Investments

	<i>Investments in subsidiary undertakings £</i>
Cost:	
Additions	95,281,742
At 31 December 2005	<u>95,281,742</u>

Investments relate to the investments in Sun CP Topco Limited, CP (Oasis Property) Limited, CP (Sherwood Property) Limited, Longleat Property Limited, and Elveden Property Limited. All investments represent holdings of 100% of issued share capital, and all subsidiaries are registered in England and Wales.

Sun CP Topco Limited did not trade for the year ended 31 December 2005 and had net assets at that date of £2,318,738.

CP (Oasis Property) Limited made a profit of £311,344 for the year ended 31 December 2005 and had net assets at that date of £42,909,854.

CP (Sherwood Property) Limited made a loss of £2,444,154 for the year ended 31 December 2005 and had net assets at that date of £37,433,186.

Longleat Property Limited made a profit of £191,389 for the year ended 31 December 2005 and had net assets at that date of £49,538,465.

Elveden Property Limited made a profit of £1,284,726 for the year ended 31 December 2005 and had net assets at that date of £39,877,474.

### 8. Debtors

	<i>2005 £</i>
Prepayments and accrued income	96,215
	<u>96,215</u>

## Notes to the financial statements

at 31 December 2005

### 9. Creditors: amounts falling due within one year

	2005 £
Bank loan (see note 11)	538,016
Amounts owed to group undertakings	40,074,808
Accruals and deferred income	1,542,119
	<u>42,154,943</u>

### 10. Creditors: amounts falling due after more than one year

	2005 £
Bank loan (see note 11)	<u>93,481,735</u>

### 11. Loans

	2005 £
Not wholly repayable within five years:	
£70,299,596 senior A bank loan at 6.185% per annum	68,947,818
£23,438,524 senior B bank loan at 6.685% per annum	22,987,829
£2,124,965 mezzanine loan at 8.685% per annum	2,084,104
	<u>94,019,751</u>
Less: included in creditors: amounts falling due within one year	(538,016)
	<u>93,481,735</u>
Amounts repayable:	
In one year or less, or on demand	822,986
In more than one year but not more than two years	1,035,608
In more than two years but not more than five years	4,537,972
	<u>6,396,566</u>
In more than five years	89,466,519
	<u>95,863,085</u>
Less: unamortised issue costs	(1,843,334)
	<u>94,019,751</u>

The senior and mezzanine loans are secured by way of a fixed and floating charge over the assets of the company.

### 12. 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".

## Notes to the financial statements

at 31 December 2005

### 13. Share capital

	<i>Authorised 2005 £</i>	
Ordinary shares of £1 each	<u>500,000</u>	
	<i>Allotted, called up and fully paid 2005</i>	
	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	<u>64,774</u>	<u>64,774</u>

On incorporation one ordinary share of £1 was issued at par for cash consideration.

On 31 May 2005, the authorised share capital of the company was increased from £100 to £500,000 shares of £1 each. On 20 June 2005, 64,773 £1 ordinary shares were issued and were subscribed for at par by Sun CP Newtopco Limited, the immediate parent company.

### 14. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds £</i>
At Incorporation	1	-	1
Issue of share capital	64,773	-	64,773
Result for the period	-	(3,701,688)	(3,701,688)
At 31 December 2005	<u>64,774</u>	<u>(3,701,688)</u>	<u>(3,636,914)</u>

### 15. Ultimate parent company

The immediate and ultimate parent company is Sun CP Newtopco 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 Newtopco Limited. Copies of these accounts are available from the Registered Office detailed on page 1.