

C&C PROPERTIES 2021 LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

Company number 2218116



C&C PROPERTIES 2021 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors submit their report and accounts for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The company's principal activity is the holding of investment properties.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company's results and financial position for the year ended 31 December 2005 are set out in full in the profit and loss account, the balance sheet, the statement of total recognised gains and losses, and the notes relating thereto.

Both the level of business during the year and the year end financial position were satisfactory. Loss on ordinary activities before taxation was £0.5 million (2004 profit £0.6 million). Shareholders' funds at 31 December 2005 were a net deficit of £9.1 million (2004 net deficit £19.3 million).

The directors expect that the present level of business activity will continue for the foreseeable future.

GOING CONCERN

The company relies on the future support of Capital & Counties Limited to operate as a going concern.

DIVIDENDS

The directors do not recommend a dividend for the year (2004 £nil).

FIXED ASSETS

The movements in fixed assets are set out in note 5.

DIRECTORS IN THE YEAR

W R Black
D A Fischel
G J Marcuccilli
J I Saggars
A C Smith

DIRECTORS' INTERESTS

During the period no director held a disclosable interest in the shares of the company. The interests of the directors who are also directors of Liberty International PLC and their families, in the share capital of other group companies, are disclosed in the notes of the annual report and accounts of that company. The interests of the remaining directors (i.e. excluding those directors who are also directors of Liberty International PLC) and their families in the share capital of other group companies are shown in the financial statements of Capital and Counties Limited, a subsidiary of Liberty International PLC.

C&C PROPERTIES 2021 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

DIRECTORS' RESPONSIBILITIES

The directors are required by United Kingdom company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

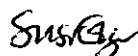
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2005. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The directors are responsible for keeping proper accounting records that 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 for taking reasonable steps to prevent and detect fraud and other irregularities.

AUDITORS

Elective resolutions are in force to dispense with holding annual general meetings, the laying of annual accounts before the company in general meeting and the appointment of auditors annually. No annual general meeting will be held this year unless a requisition to hold the same is received from a member or the auditors within 28 days of receipt of the report and accounts. In the absence of any such requisition, the auditors, PricewaterhouseCoopers LLP, will be deemed to be re-appointed for each succeeding financial year.

By Order of the Board



**S Folger
Secretary
24 March 2006**

C&C PROPERTIES 2021 LIMITED

INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the members of C&C Properties 2021 Limited

We have audited the financial statements of C&C Properties 2021 Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 other transactions 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.

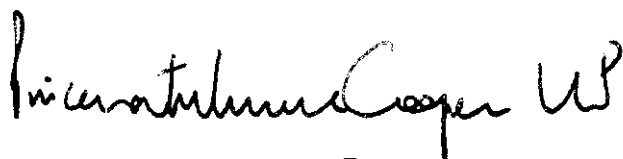
C&C PROPERTIES 2021 LIMITED

INDEPENDENT AUDITORS' REPORT

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 the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP', is written over the printed name of the firm.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
24 March 2006

C&C PROPERTIES 2021 LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £m	2004 £m
Continuing operations			
Turnover	1	<u>12.3</u>	<u>13.9</u>
Net property investment income	1	7.6	9.6
Administrative expenses		<u>-</u>	<u>-</u>
Operating profit before exceptional		7.6	9.6
Exceptional profit on disposal of fixed asset		<u>0.9</u>	<u>-</u>
Operating profit		8.5	9.6
Net interest	2	<u>(9.0)</u>	<u>(9.0)</u>
(Loss)/profit on ordinary activities before taxation	3	(0.5)	0.6
Taxation on profit on ordinary activities	4	<u>(0.2)</u>	<u>(0.1)</u>
(Loss)/profit for the financial year		(0.7)	0.5
Retained profit brought forward	11	<u>0.7</u>	<u>0.2</u>
Retained profit carried forward	11	<u>-</u>	<u>0.7</u>

There is no difference between the profit on ordinary activities before taxation and the profit for the financial period stated above, and their historical cost equivalents.

The notes on pages 8 to 14 form part of these financial statements.

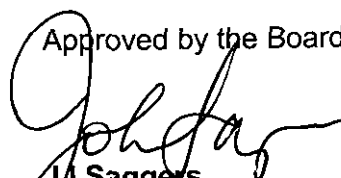
C&C PROPERTIES 2021 LIMITED

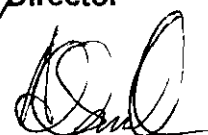
BALANCE SHEET AT 31 DECEMBER 2005

	Notes	2005 £m	2004 £m
Fixed Assets			
Tangible assets:			
Investment properties	5	<u>134.0</u>	<u>121.9</u>
Current Assets			
Debtors	6	19.9	6.8
Cash at bank and in hand		<u>-</u>	<u>-</u>
		19.9	6.8
Creditors: amounts falling due within one year	7	<u>(80.9)</u>	<u>(66.0)</u>
Net current liabilities		<u>(61.0)</u>	<u>(59.2)</u>
Total assets less current liabilities		73.0	62.7
Creditors: amounts falling due after more than one year	8	(80.0)	(80.0)
Provisions for liabilities and charges	9	<u>(2.1)</u>	<u>(2.0)</u>
Net liabilities		<u>(9.1)</u>	<u>(19.3)</u>
Capital and reserves			
Share capital	10	-	-
Revaluation reserve	11	(9.1)	(20.0)
Profit and loss account	11	<u>-</u>	<u>0.7</u>
Equity shareholders' funds		<u>(9.1)</u>	<u>(19.3)</u>

The notes on pages 8 to 14 form part of these financial statements.

Approved by the Board on 24 March 2006.


J. J. Saggars
Director



A C Smith
Director

C&C PROPERTIES 2021 LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £m	2004 £m
(Loss)/profit for the financial year		(0.7)	0.5
Increase in valuation of investment properties	5	<u>10.9</u>	<u>3.1</u>
Total recognised gains and losses for the year		<u>10.2</u>	<u>3.6</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 £m	2004 £m
Opening shareholders' funds	(19.3)	(22.9)
Total recognised gains and losses for the year	<u>10.2</u>	<u>3.6</u>
Closing shareholders' funds	<u>(9.1)</u>	<u>(19.3)</u>

C&C PROPERTIES 2021 LIMITED

PRINCIPAL ACCOUNTING POLICIES

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

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost convention as modified by the revaluation of properties as described below and in accordance with the going concern basis in view of the continued support from the immediate parent company as disclosed in note 7.

Completed 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 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 1985 is to depreciate all properties but that requirement conflicts with the generally accepted accounting principles set out in Statement of Standard Accounting Practice 19. 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 Statement of Standard Accounting Practice 19 for the accounts 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.

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, 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

Corporation tax is provided at the current rate on taxable profits. Taxation payable upon realisation of revaluation gains recognised in prior periods is recorded as a movement in reserves and reported in the statement of total recognised gains and losses. Deferred taxation is provided in full on timing differences other than valuation surpluses on investments held for the long term where disposal is not contemplated in the foreseeable future. Deferred taxation is provided on the difference between the tax written down value and book value of all assets and on chargeable capital gains on those investments and investment properties earmarked for sale at the date of the accounts. This liability is not discounted. The potential amount of taxation which would be payable if all valuation surpluses on investments held for the long term were to be realised is disclosed in note 4 to the accounts.

C&C PROPERTIES 2021 LIMITED

PRINCIPAL ACCOUNTING POLICIES

Cash flow statement

The company is not required to produce a statement of cash flows under Financial Reporting Standard 1 (Revised 1996) as it is a wholly owned subsidiary of 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

The company is ultimately wholly owned by 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 Liberty International PLC group.

C&C PROPERTIES 2021 LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

1. Turnover and net property investment 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.

	2005 £m	2004 £m
Rents receivable	10.4	12.0
Service charge and other income	1.9	1.9
Turnover	<u>12.3</u>	<u>13.9</u>
Outgoings	(2.8)	(2.4)
Rents payable	<u>(1.9)</u>	<u>(1.9)</u>
Net property investment income	<u>7.6</u>	<u>9.6</u>

The directors believe that the nature of the company's business is such that the analysis of costs required by the Companies Act 1985 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.

2. Net interest

	2005 £m	2004 £m
Interest payable:		
Amounts due to immediate parent company (note 8).	<u>9.0</u>	<u>9.0</u>

3. Profit on ordinary activities before taxation

The loss on ordinary activities before taxation of £0.5 million (2004 profit £0.6 million) is arrived at after charging:

	2005 £	2004 £
Auditors' remuneration – audit services	nil	nil
Directors' remuneration	nil	nil

The audit fees of the company in 2005 and 2004 were met by C&C Management Services Limited, a group undertaking.

There were no employees during the year (2004 nil).

C&C PROPERTIES 2021 LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

4. Taxation

(a) 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 (30%) are shown below:

	2005 £m	2004 £m
(Loss)/profit on ordinary activities before taxation	<u>(0.5)</u>	<u>0.6</u>
Current United Kingdom corporation tax at 30% (2004 30%)	(0.2)	0.2
Effects of:		
Capital allowances	(0.1)	(0.1)
Reduced tax on disposal of properties and investments	(0.2)	-
Transfer pricing adjustment	1.2	(0.2)
Group relief	<u>(0.6)</u>	<u>0.1</u>
Total current taxation	0.1	-
Deferred taxation	<u>0.1</u>	<u>0.1</u>
Taxation on profit on ordinary activities	<u>0.2</u>	<u>0.1</u>

(b) Contingent taxation

If deferred taxation were to be provided in respect of all valuation surpluses a provision of £13.4 million (2004 £7.7 million) would be required, assuming investment properties were disposed of at 31 December 2005 at their carrying value. The amount is undiscounted and takes no account of the long term deferral of the liability until eventual disposal, or the benefit from future inflation linked indexation allowances.

C&C PROPERTIES 2021 LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

5. Investment properties

Completed investment properties at independent valuation	Freehold £m	Leasehold over 50 years £m	Total £m
At 31 December 2004	17.1	104.8	121.9
Additions	0.1	1.1	1.2
Surplus on valuation	1.7	9.2	10.9
At 31 December 2005	18.9	115.1	134.0

The company's interests in completed investment properties were valued as at 31 December 2005 by external valuers in accordance with the Appraisal and Valuation Manual of RICS on the basis of market value. Market value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller. Market value is estimated without regard to costs of sale or purchase and thus the values reported at 31 December do not include purchasers' costs.

The historic cost of completed investment properties was £143.1 million (2004 £141.9 million). In accordance with the company's accounting policy and Statement of Standard Accounting Practice 19, no depreciation has been charged in respect of freehold or long leasehold investment properties. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The investment properties act as security on an external debenture loan held by the immediate parent company (note 8).

6. Debtors

	2005 £	2004 £
Rents receivable	0.8	0.9
Amounts due from group undertakings	18.4	5.5
Other	0.2	0.1
Prepayments and accrued income	0.5	0.3
	19.9	6.8

Amounts due from group undertakings are unsecured, interest free, and have no fixed date of repayment.

C&C PROPERTIES 2021 LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

7. Creditors: amounts falling due within one year

	2005 £m	2004 £m
Amounts due to immediate parent company	70.3	59.3
Amounts due to group undertakings	0.1	0.1
Corporation tax	0.1	-
Other taxation and social security	0.3	0.9
Other creditors	1.9	1.9
Rents receivable in advance	2.4	2.7
Accruals and deferred income	5.8	1.1
	<u>80.9</u>	<u>66.0</u>

Amounts due to immediate parent company and group undertakings are unsecured, interest free and have no fixed date of repayment. Capital & Counties Limited has undertaken that amounts due to it and to group undertakings will not be requested to be paid unless appropriate funds are available to repay the balances and meet the terms of all other creditors.

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

	2005 £m	2004 £m
Amounts due to immediate parent company	<u>80.0</u>	<u>80.0</u>

The loan is repayable on 31 December 2021 and interest is payable 11.25% per annum. The immediate parent company has a matching external debenture loan of £80 million against which the company's investment properties are secured (note 5).

9. Provisions for liabilities and charges

	Deferred Taxation £m
At 31 December 2004	2.0
Charged to the profit and loss account	<u>0.1</u>
At 31 December 2005	<u>2.1</u>

Provisions for liabilities and charges represents a deferred taxation liability relating to capital allowances claimed on plant and machinery within investment properties.

C&C PROPERTIES 2021 LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

10. Share capital

	2005 £	2004 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Issued, called up and fully paid		
250 ordinary shares of £1 each	<u>250</u>	<u>250</u>

11. Reserves

	Revaluation reserve £m	Profit and loss account £m	Total £m
At 31 December 2004	(20.0)	0.7	(19.3)
Retained loss	-	(0.7)	(0.7)
Increase in valuation of investment properties	<u>10.9</u>	<u>-</u>	<u>10.9</u>
At 31 December 2005	<u>(9.1)</u>	<u>-</u>	<u>(9.1)</u>

13. Capital commitments

At 31 December the estimated amounts of commitments for future expenditure were:

	2005 £m	2004 £m
Under contract	<u>11.1</u>	<u>-</u>

14. Ultimate parent company

The ultimate parent company is Liberty International PLC, a company incorporated and registered in England and Wales, copies of whose accounts may be obtained from the Company Secretary, 40 Broadway, London, SW1H 0BT. The immediate parent company is Capital and Counties Limited, a company incorporated and registered in England and Wales, copies of whose accounts may be obtained as above.

15. Post balance sheet events

On 16 February 2006 the company acquired from a group undertaking a freehold retail park investment property for a consideration of £41.5 million. On 9 March 2006 the company sold its interest in a leasehold property to a Jersey unit trust for a consideration of £23.0 million which was used to acquire the units in the trust. Subsequently on 14 March 2006 the units in the trust were sold to a group undertaking for a consideration of £23.0 million.