CP (Oasis Property) Limited

Report and Financial Statements

31 December 2005

Directors
S B Eighteen
C Wilson
N S Moy
T V Castledine

Secretary
A S Graham

Auditors
Ernst & Young LLP
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Directors' report

The directors present their report and financial statements for the year ended 31 December 2005.

Results and dividends

The profit for the year amounted to £160,112 (2004: profit of £137,668). 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 a property investment company.

At 31 December 2005 the company had net current liabilities. The company's forecasts for the coming years indicate that it will continue to make profits and the ultimate parent company, Sun CP Newtopco Limited, has confirmed it will support CP (Oasis Property) 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 Sun CP Topco group, which the company was a part of, was acquired by Sun CP Newtopco Limited. At the same time, the group was refinanced, and the group's shareholding structure altered.

Prior to this restructuring, an external valuation of the group properties was performed by CB Richard Ellis effective 1 June 2005, the result of which has been incorporated into these financial statements. The directors have since considered that this valuation of the properties is appropriate as at 31 December 2005.

Subsequent to the year 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 year were as follows:

M N Jonas	(resigned 17 January 2006)
E A C Spencer Churchill	(resigned 17 January 2006)

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 the 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

T. Castledine

Director

24th 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 CP (Oasis Property) Limited

We have audited the company's financial statements for the year 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 16. 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 profit 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

24 April 2006

Profit and loss account
for the year ended 31 December 2005

	Notes	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Turnover	2	12,446,296	11,701,270
Administrative expenses		(470,736)	(462,925)
Other operating income		29,826	12,853
Operating profit	3	12,005,386	11,251,198
Interest payable	5	(11,578,619)	(11,088,914)
Profit on ordinary activities before taxation		426,767	162,284
Tax on profit on ordinary activities	6	(266,655)	(24,616)
Profit retained for the financial year	14	160,112	137,668

Statement of total recognised gains and losses
for the year ended 31 December 2005

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Profit for the financial year	160,112	137,668
Surplus on revaluation of property	42,804,000	-
Total gains and losses recognised since last annual report	42,964,112	137,668

Balance sheet
at 31 December 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	7	185,934,125	138,580,254
Current assets			
Debtors	8	5,836,170	4,300,925
Creditors: amounts falling due within one year	9	(6,688,793)	(6,721,968)
Net current liabilities		(852,623)	(2,421,043)
Total assets less current liabilities		185,081,502	136,159,211
Creditors: amounts falling due after more than one year	10	(141,960,101)	(136,266,140)
Provisions for liabilities and charges			
Deferred tax	6	(362,779)	(98,561)
Net assets / (liabilities)		42,758,622	(205,490)
Capital and reserves			
Called up share capital	13	1	1
Revaluation reserve	14	42,804,000	-
Profit and loss account	14	(45,379)	(205,491)
Equity shareholders' funds / (deficit)	14	42,758,622	(205,490)

T. Gattedie

Director

24th April 2006

Notes to the financial statements
at 31 December 2005

1. Accounting policies

Basis of preparation

The accounts and notes have been prepared in accordance with applicable accounting standards. However, compliance with SSAP19 "Accounting for Investment Properties" requires departure from the Companies Act 1985 relating to depreciation and an explanation of the departure is given below.

At 31 December 2005 the company had net current liabilities. The company's forecasts for the coming years indicate that it will continue to make profits and the ultimate parent company, Sun CP Newtopco Limited, has confirmed it will support CP (Oasis Property) Limited for the next twelve months. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

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 companies during the year, Sun CP Topco Limited and latterly Sun CP Newtopco Limited.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

In accordance with SSAP19, investment properties are revalued annually and the aggregate surplus or temporary deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties.

The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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;

Notes to the financial statements
at 31 December 2005

1. Accounting policies (continued)

Deferred taxation *(continued)*

- 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.

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 cost 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. 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 2005	*Year ended 31 December 2004*
	£	£
United Kingdom	12,446,296	11,701,270

3. Operating profit

The auditors' remuneration is borne by Sun CP Newmidco Limited, a fellow group company. In the prior year, this was borne by another group company, Sun CP Properties Limited.

4. Staff costs

No salaries or wages have been paid to employees, including the directors, during the year (2004: £nil).

Notes to the financial statements
at 31 December 2005

5. Interest payable

	Year ended 31 December 2005 £	*Year ended 31 December 2004* £
Bank interest payable	8,675,170	8,734,166
Interest payable to group undertakings	911,477	1,914,722
Issue costs written off on refinancing	1,900,026	-
Amortisation of issue costs	91,946	440,026
	11,578,619	11,088,914

6. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge / (credit) is made up as follows:

	31 December 2005 £	*31 December 2004* £
Current tax:		
UK Corporation tax	-	-
Group relief	-	(73,945)
Underprovision in respect of prior year	2,437	-
Current tax charge / (credit)	2,437	(73,945)
Deferred tax	264,218	98,561
Total tax charge/(credit)	266,655	24,616

(b) Factors affecting current tax charge

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

	Year ended 31 December 2005 £	*Year ended 31 December 2004* £
Profit on ordinary activities before taxation	426,767	162,284
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	128,030	48,685
Capital allowances in excess of depreciation	(846,503)	(695,271)
Tax losses carried forward	564,241	569,641
Group relief surrendered for nil payment	151,232	-
Adjustment in respect of prior year	2,437	-
Expenses not deductible for tax purposes	3,000	3,000
Current tax charge/(credit) for the year (note 6(a))	2,437	(73,945)

Notes to the financial statements
at 31 December 2005

6. Tax on profit on ordinary activities (continued)

(c) Deferred tax

Deferred taxation is provided at 30% in the financial statements as follows:

	31 December 2005	*31 December 2004*
	£	£
Capital allowances in advance of depreciation	2,343,717	1,497,214
Tax losses	(1,980,938)	(1,398,653)
	362,779	98,561

	£
At 1 January 2005	98,561
Charge to profit and loss account	264,218
At 31 December 2005	362,779

7. Tangible fixed assets

	Investment Properties
	£
Cost or valuation:	
At 1 January 2005	138,580,254
Revaluation	42,804,000
Additions	4,549,871
At 31 December 2005	185,934,125
Net book value:	
At 31 December 2005	185,934,125
At 31 December 2004	138,580,254

The investment property is held part freehold and part long leasehold, for which the split of book value is £46.5m and £139.5m respectively. It was valued as at 1 June 2005 by CB Richard Ellis, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors on the basis of open market value. The directors have since considered that this valuation of the properties is appropriate as at 31 December 2005.

The historical cost of investment properties included at valuation is as follows:

	2005	2004
	£	£
Investment properties	143,130,125	138,580,254

No provision has been made for the capital gains that could arise if the property were to be disposed of at book value. Such tax would only become payable if the property was sold.

Notes to the financial statements
at 31 December 2005

8. Debtors

	2005 £	2004 £
Amounts owed by group undertakings	5,836,170	4,300,254
Prepayments and accrued income	-	671
	5,836,170	4,300,925

9. Creditors: amounts falling due within one year

	2005 £	2004 £
Current instalment due on bank loan (note 11)	1,037,397	1,530,670
Other taxation and social security costs	568,182	532,646
Accruals and deferred income	5,083,213	4,658,652
	6,688,793	6,721,968

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

	2005 £	2004 £
Loans (note 11)	138,835,101	112,563,302
Amounts owed to group undertakings	-	20,577,838
Other creditors	3,125,000	3,125,000
	141,960,101	136,266,140

The amount owed to group undertakings for 2004 was in respect of a loan of £16,667,000 and accrued interest from Sun CP Midco Limited, a fellow group undertaking. The loan and the accrued interest were fully repaid on 20 June 2005.

The other creditor of £3,125,000 (2004: £3,125,000) is in respect of a rental deposit repayable upon expiration of the lease term. The deposit is interest free.

Notes to the financial statements
at 31 December 2005

11. Loans

	2005	2004
	£	£
Not wholly repayable within five years:		
£102,464,254 senior bank loan at 7.12% per annum	-	98,724,700
£16,319,430 mezzanine loan at 10.62% per annum	-	15,369,272
£103,393,890 senior A bank loan at 6.185% per annum	102,573,165	-
£34,472,463 senior B bank loan at 6.685% per annum	34,198,826	-
£3,125,315 mezzanine loan at 8.685% per annum	3,100,507	-
	139,872,498	114,093,972
Less: included in creditors: amounts falling due within one year	(1,037,397)	(1,530,670)
	138,835,101	112,563,302
Amounts repayable:		
In one year or less, or on demand	1,210,416	1,952,003
In more than one year but not more than two years	1,523,132	2,208,480
In more than two years but not more than five years	6,674,271	7,589,786
	9,407,819	11,750,269
In more than five years	131,583,849	104,243,903
	140,991,668	115,994,172
Less: unamortised issue costs	(1,119,170)	(1,900,200)
	139,872,498	114,093,972

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

During the year, the group undertook a refinancing whereby all bank loans at 30 June 2005 were repaid in full, and simultaneously replaced by new loans provided by The Royal Bank of Scotland Plc.

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".

13. Share capital

	Authorised 2005	Authorised 2004
	£	£
Ordinary shares of £1 each	100	100

	Allotted, called up and fully paid			
	2005		2004	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

Notes to the financial statements
at 31 December 2005

14. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Revaluation reserve*	*Profit and loss account*	*Total share-holders' funds*
	£	£	£	£
At 31 December 2003	1	-	(343,159)	(343,158)
Profit for the year	-	-	137,668	137,668
At 31 December 2004	1	-	(205,491)	(205,490)
Revaluation	-	42,804,000	-	42,804,000
Profit for the year	-	-	160,112	160,112
At 31 December 2005	1	42,804,000	45,379	42,758,622

15. Capital commitments
The company has no capital commitments at 31 December 2005 (2004: £nil).

16. Ultimate parent company
Prior to the 20 June 2005 group restructuring, the immediate parent company was Carp (Jersey) 2 Limited, a company registered in Jersey, and the ultimate parent company was Sun CP Topco Limited, a company registered in England and Wales.

Since 20 June 2005, the immediate parent company is Sun CP Newmidco Limited, with the ultimate parent company now Sun CP Newtopco Limited. Both companies are 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 now Sun CP Newtopco Limited. Copies of the accounts are available from the Registered Office detailed on page 1.