

Registered Number 4380180

CP (Sherwood Property) Limited

Report and Financial Statements

For the Year ended
31 December 2006



CP (Sherwood Property) Limited

Registered No 4380180

Directors

K Henderson
M J Neilson
P J Rudman
G White
M R France

Secretary

T H Parker

Auditors

PricewaterhouseCoopersLLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Registered office

One Edison Rise
New Ollerton
Newark
Nottinghamshire
NG22 9DP

Directors' report

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities and review of the business

CP (Sherwood Property) Limited operates as a property investment company. There has been no change in this principal activity during the year and no future change is anticipated.

The profit and loss account on page 7 shows a pre-tax loss of £2,282,612 (2005: loss £2,322,739) for the year and turnover of £11,188,453 (2005: £10,761,685).

On 15 May 2006 the shares in Sun CP Newtopco Limited (the ultimate holding company in 2005) were acquired by CP Comet Bidco Limited (an entity 100% owned by CP Comet Holdings Limited, incorporated for the purpose of this acquisition). From that date the Directors regard CP Cayman Holdings GP Limited to be the ultimate holding company. The ultimate controlling parties are investment funds advised by The Blackstone Group.

On 14 December 2006 the funding of the Group was refinanced. The bank loans from The Royal Bank of Scotland were repaid and new loans drawn from Merrill Lynch, The Royal Bank of Scotland and Citigroup. A new company, Comet Refico Limited, was inserted into the Group structure and now holds the external loan financing for the CP Comet Holdings Limited Group.

Future outlook

The company's forecasts for the coming years indicate that it will make profits and continue in a net asset position.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of the CP Comet Holdings Limited group, which include those of the company, are disclosed in the CP Comet Holdings Limited's annual report which does not form part of this report.

Key performance indicators ("KPIs")

The directors of CP Comet Holdings Limited manage the group's operations on a per village basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of CP (Sherwood Property) Limited.

Financial risk management

The financing of the Company is managed together with that of all other Group Companies. As a result there is no separate analysis of the risks associated with the Company and all such risks are applicable to the Group.

The Group finances its operations by a mixture of shareholders' funds, bank and other borrowings and loan notes as required. The Group has historically sought to reduce the cost of capital by refinancing and restructuring the Group funding using the underlying asset value.

The overall policy in respect of interest rates is to reduce the exposure to floating rates. The Group currently has swaps in place, held by Comet Refico Limited.

Directors' report (continued)

Interest rate risk

The Group has in place floating rate debt as its primary funding source. In order to minimise exposure to interest rate fluctuations, the Group utilises interest rate SWAPs to achieve a fixed interest rate.

Liquidity risk

The Group maintains sufficient cash reserves to ensure that it can meet its medium term working capital and funding obligation.

Currency risk

The Group is exposed to limited currency risk through foreign currency transactions. The Group does not operate a hedging facility to manage these currency risks as they are considered to be insignificant.

Credit risk

The Group borrows from well-established institutions with high credit ratings.

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)
T V Castledine	(appointed 17 January 2006 - resigned 12 May 2006)
S B Eighteen	(appointed 17 January 2006 - resigned 12 May 2006)
N St John Moy	(appointed 17 January 2006 - resigned 12 May 2006)
C Wilson	(appointed 17 January 2006 - resigned 12 May 2006)
P H Stoll	(appointed 12 May 2006 - resigned 14 February 2007)
J P Baratta	(appointed 12 May 2006 - resigned 19 April 2007)
C R Pike	(appointed 12 May 2006 - resigned 19 April 2007)
K Henderson	appointed 14 December 2006
M J Neilson	appointed 14 December 2006
P J Rudman	appointed 14 December 2006
G White	appointed 14 December 2006
M R France	appointed 7 June 2007

Auditors

Ernst & Young LLP resigned as auditor during this year and PricewaterhouseCoopers LLP were appointed in their place.

Each of the persons who is a director at the date of approval of this report confirms that:

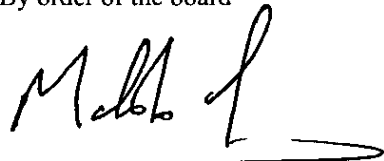
- 1) So far as the director is aware there is no relevant audit information of which the company's auditors are unaware,
- 2) The director has taken all the steps that he/she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Directors' report (continued)

By order of the board

A handwritten signature in black ink, appearing to read 'M R France', with a long horizontal flourish extending to the right.

M R France

Director

28 June 2007

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 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 (Sherwood Property) Limited

We have audited the financial statements of CP (Sherwood Property) Limited for the year ended 31 December 2006 which comprises the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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

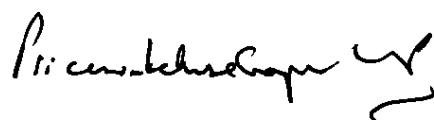
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 the company's affairs as at 31 December 2006 and of its loss for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
28 June 2007

Profit and loss account

for the year ended 31 December 2006

		<i>Year ended 31 December 2006</i>	<i>Year ended 31 December 2005</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Turnover	2	11,188,453	10,761,685
Administrative expenses		(441,984)	(2,798,508)
Other operating income		14,871	26,706
Operating profit	3	10,761,340	7,989,883
Interest payable and similar charges	5	(13,043,952)	(10,312,622)
Loss on ordinary activities before taxation		(2,282,612)	(2,322,739)
Tax on loss on ordinary activities	6	—	—
Loss for the financial year	14	(2,282,612)	(2,322,739)

There is no difference between the loss on ordinary activities before taxation and the results for the period stated above and their historical cost equivalents

Statement of total recognised gains and losses

for the year ended 31 December 2006

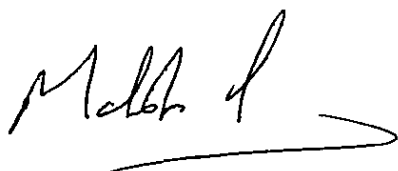
	<i>Year ended 31 December 2006</i>	<i>Year ended 31 December 2005</i>
	<i>£</i>	<i>£</i>
Loss for the financial year	(2,282,612)	(2,322,739)
Surplus on revaluation of property	167,921,234	40,043,660
Total gains and losses recognised since last annual report	165,638,622	37,720,921

Balance sheet

at 31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	7	<u>330,149,349</u>	<u>162,228,115</u>
Current assets			
Debtors	8	7,960,159	5,716,650
Creditors amounts falling due within one year	9	<u>(3,392,054)</u>	<u>(5,807,831)</u>
Net current assets/(liabilities)		<u>4,568,105</u>	<u>(91,181)</u>
Total assets less current liabilities		<u>334,717,454</u>	<u>162,136,934</u>
Creditors amounts falling due after more than one year	10	<u>(131,524,232)</u>	<u>(124,582,334)</u>
Net assets		<u><u>203,193,222</u></u>	<u><u>37,554,600</u></u>
Capital and reserves			
Called up share capital	13	1	1
Revaluation reserve	14	207,964,894	40,043,660
Profit and loss account	14	<u>(4,771,673)</u>	<u>(2,489,061)</u>
Total shareholders' funds	14	<u><u>203,193,222</u></u>	<u><u>37,554,600</u></u>

The financial statements on pages 7 to 15 were approved by the board of directors on 28 June 2007 and were signed on its behalf by



M R France
Director
28 June 2007

Notes to the financial statements

for the year ended 31 December 2006

1. Accounting policies

Basis of preparation

The accounts and notes have been prepared in accordance with Applicable Accounting Standards in the United Kingdom. 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.

Changes in accounting policy

The company has adopted FRS 21 "Events after balance sheet", FRS 28 "Corresponding amounts" and the presentation requirements of FRS 25 "Financial Instruments presentation and disclosure" in the year, with no impact on the reported result.

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 Newtopco Limited and latterly CP Comet Holdings 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,
- 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.

Notes to the financial statements (continued)

for the year ended 31 December 2006

1. Accounting policies (continued)

Deferred taxation (continued)

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

On refinancing of the Group, the interest rate swaps were novated to Comet Refico Limited CP (Oasis Property) Limited has therefore written off costs on novation, as disclosed in note 5

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

Lessor Accounting

Operating lease rental income is recorded as turnover and recognised on a straight-line basis over the lease term

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

	<i>Year ended 31 December 2006 £</i>	<i>Year ended 31 December 2005 £</i>
United Kingdom	<u>11,188,453</u>	<u>10,761,685</u>

3. Operating profit

This is stated after charging

	<i>Year ended 31 December 2006 £</i>	<i>Year ended 31 December 2005 £</i>
Write off of loan	<u>-</u>	<u>2,389,667</u>

The auditors remuneration for the year ended 31 December 2006 is borne by CP Comet Holdings Limited, a fellow group company, (2005 Sun CP Newmidco Limited) of this fee £2,400 relates to the audit of CP (Sherwood Property) Limited

Notes to the financial statements (continued)

for the year ended 31 December 2006

4. Staff costs

The company has no employees other than the directors. No salaries or wages have been paid to the directors, during the year (2005: £nil)

5 Interest payable and similar charges

	<i>Year ended 31 December 2006 £</i>	<i>Year ended 31 December 2005 £</i>
Bank interest payable	7,551,727	7,589,149
Interest payable to group undertakings	349,027	856,761
Issue costs written off on refinancing	1,563,714	1,786,150
Value written off on novation of interest rate swaps	3,443,255	-
Amortisation of issue costs	136,229	80,562
	<u>13,043,952</u>	<u>10,312,622</u>

6. Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	<i>Year ended 31 December 2006 £</i>	<i>Year ended 31 December 2005 £</i>
<i>Current tax</i>		
UK Corporation tax	-	-
Group relief	-	-
	<u>-</u>	<u>-</u>
 Deferred tax	 -	 -
Total tax charge	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

for the year ended 31 December 2006

6 Tax on loss on ordinary activities (continued)**(b) Factors affecting current tax charge**

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

	<i>Year ended 31 December 2006 £</i>	<i>Year ended 31 December 2005 £</i>
Loss on ordinary activities before taxation	(2,282,612)	(2,322,739)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(684,784)	(696,822)
Capital allowances in excess of depreciation	-	(111,928)
Expenses not deductible for tax purposes	-	716,900
Tax losses carried forward	684,784	91,850
Current tax charge for the year (note 6(a))	-	-

(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 £1,431,502 (2005 £29,819). The asset would be recovered if the group considered that sufficient taxable profits would arise in the future.

7. Tangible fixed assets

	<i>Investment Properties £</i>
Cost or valuation	
At 1 January 2006	162,228,115
Revaluation	167,921,234
Additions	-
At 31 December 2006	330,149,349
Net book value	
At 31 December 2006	330,149,349
At 31 December 2005	162,228,115

The investment property is held on long leasehold. It was valued as at 30 November 2006 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 2006.

Notes to the financial statements (continued)

for the year ended 31 December 2006

7. Tangible fixed assets (continued)

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

	2006	2005
	£	£
Investment properties	122,184,455	122,184,455

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.

8 Debtors

	2006	2005
	£	£
Amounts owed by group undertakings	7,960,059	5,716,650
Prepayments and accrued income	100	-
	<u>7,960,159</u>	<u>5,716,650</u>

9 Creditors: amounts falling due within one year

	2006	2005
	£	£
Amounts owed to group undertakings	722,344	-
Current instalment due on bank loan (note 11)	-	908,949
Other taxation and social security costs	495,740	489,219
Accruals and deferred income	2,173,970	4,409,663
	<u>3,392,054</u>	<u>5,807,831</u>

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

	2006	2005
	£	£
Loans (note 11)	-	121,644,834
Amounts owed to group undertakings	128,586,732	-
Other creditors	2,937,500	2,937,500
	<u>131,524,232</u>	<u>124,582,334</u>

Included within amounts owed to group undertakings is a loan of £128,586,732 from Comet Refico Limited. This loan incurs interest at LIBOR plus 0.8% and is repayable in October 2011.

The other creditor of £2,937,500 (2005: £2,937,500) is in respect of a rental deposit repayable upon expiration of the lease term. The deposit is interest free.

Notes to the financial statements (continued)

for the year ended 31 December 2006

11. Loans

	2006 £	2005 £
Not wholly repayable within five years		
£90,591,879 senior A bank loan at 6.185% per annum	-	89,872,774
£30,204,156 senior B bank loan at 6.685% per annum	-	29,964,400
£2,738,345 mezzanine loan at 8.685% per annum	-	2,716,609
	-	122,553,783
Less: included in creditors' amounts falling due within one year	-	(908,949)
	-	121,644,834
Amounts repayable		
In one year or less, or on demand	-	1,060,545
In more than one year but not more than two years	-	1,334,541
In more than two years but not more than five years	-	5,847,877
	-	8,242,963
In more than five years	-	115,291,417
	-	123,534,380
Less: unamortised issue costs	-	(980,597)
	-	122,553,783

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

On 14 December 2006 the funding of the Group was refinanced. The bank loans from The Royal Bank of Scotland were repaid and new loans drawn from Merrill Lynch, The Royal Bank of Scotland and Citi Group. A new company, Comet Refico Limited, was inserted into the Group structure and now holds all loans of the group.

Prior to refinancing CP (Sherwood Property) Limited had swaps of a principal amount of £122,999,777 which had a start date of 15 May 2006 and an end date of 5 July 2029, fixing the interest rate at 6.425% (4.925% plus 1.5% margin). On 14 December 2006 these swaps had a value of £3,443,255, this value was written off on novation of the swaps to Comet Refico Limited as disclosed in note 5.

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

		<i>Authorised 2006 £</i>	<i>Authorised 2005 £</i>
Ordinary shares of £1 each		<u>100</u>	<u>100</u>

		<i>Allotted, called up and fully paid</i>	
	<i>No.</i>	<i>2006 £</i>	<i>2005 £</i>
		<i>No</i>	<i>£</i>
Ordinary shares of £1 each	1	1	1

Notes to the financial statements (continued)

for the year ended 31 December 2006

14. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£	£
At 31 December 2004	1	-	(166,322)	(166,321)
Revaluation	-	40,043,660	-	40,043,660
Loss for the year	-	-	(2,322,739)	(2,322,739)
At 31 December 2005	1	40,043,660	(2,489,061)	37,554,600
Revaluation	-	167,921,234	-	167,921,234
Loss for the year	-	-	(2,282,612)	(2,282,612)
At 31 December 2006	1	207,964,894	(4,771,673)	203,193,222

15. Capital commitments

The company had no capital commitments at 31 December 2006 (2005 £nil)

16 Ultimate parent company

The immediate parent company is Sun CP Newmidco Limited, registered in England & Wales, with the ultimate parent company CP Cayman Holdings GP Limited, registered in the Cayman Islands. The largest and smallest group of which the company is a member and for which group accounts are drawn up is now CP Comet Holdings Limited. Copies of the accounts of CP Comet Holdings Limited are available from the Registered Office detailed on page 1.

17 Post Balance Sheet Events

As part of the 2007 UK budget, the Chancellor announced a number of prospective changes to certain UK tax rules. These include reducing the UK corporation tax rate from 30% to 28% from April 2008 and the phasing out of tax allowances for capital spend on industrial buildings. These changes, if enacted as presently proposed, could result in the reduction of the unrecognised deferred tax asset by £0.8 million.