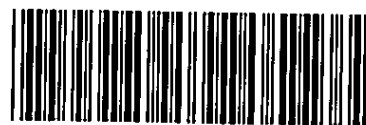


# Sun CP Newmidco Limited

## Report and Financial Statements

For the Year ended  
31 December 2006

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## Sun CP Newmidco Limited

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Registered No 5456337

### **Directors**

D Camilleri  
M P Dalby  
M R France  
A M Robinson

### **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

The principal activity of the company during the period was that of a holding company. No change to the principal activity is anticipated.

At 31 December 2006 the company had net current liabilities and net liabilities. The parent company, Sun CP Newportco 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.

The profit and loss account on page 7 shows a pre-tax loss of £104,229,089 (2005 loss £3,701,688) for the year.

On 15 May 2006 the shares in Sun CP Newportco 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 expects no change in its status for the foreseeable future.

### 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 Sun CP Newmidco 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 CP Comet Holdings Limited 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 period 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)
D Camilleri	(appointed 14 December 2006)
M P Dalby	(appointed 14 December 2006)
M R France	(appointed 14 December 2006)
A M Robinson	(appointed 14 December 2006)

### 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, sweeping 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 Sun CP Newmidco Limited**

We have audited the financial statements of Sun CP Newmidco 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 period ended 31 December 2006

		<i>Year ended 31 December 2006</i>	<i>32 week period ended 31 December 2005</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Administrative expenses		(228,237)	(417,166)
<b>Operating loss</b>	2	<u>(228,237)</u>	<u>(417,166)</u>
Provision against investments		(95,281,738)	-
Interest receivable	4	879,229	680,058
Interest payable and similar charges	5	(9,598,343)	(3,964,580)
		<u>(8,719,114)</u>	<u>(3,284,522)</u>
<b>Loss on ordinary activities before taxation</b>		<u>(104,229,089)</u>	<u>(3,701,688)</u>
Tax on loss on ordinary activities	6	-	-
<b>Loss on ordinary activities after taxation</b>	14	<u>(104,229,089)</u>	<u>(3,701,688)</u>

There is no difference between the profit 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

	<i>Year ended 31 December 2006</i>	<i>Year ended 31 December 2005</i>
	<i>£</i>	<i>£</i>
Loss for the financial year	(104,229,089)	(3,701,688)
<b>Total gains and losses recognised since last annual report</b>	<u>(104,229,089)</u>	<u>(3,701,688)</u>



## Balance sheet

at 31 December 2006

	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Investments	7	<u>9,579</u>	<u>95,281,742</u>
<b>Current assets</b>			
Debtors	8	3,825,493	96,215
Cash at bank		<u>46,839,760</u>	<u>36,621,808</u>
		<b>50,665,253</b>	<b>36,718,023</b>
<b>Creditors</b> amounts falling due within one year	9	<b>(35,211,823)</b>	<b>(42,154,943)</b>
<b>Net current assets/(liabilities)</b>		<b>15,453,430</b>	<b>(5,436,920)</b>
<b>Total assets less current liabilities</b>		<b>15,463,009</b>	<b>89,844,822</b>
<b>Creditors</b> amounts falling due after more than one year	10	<b>(103,913,957)</b>	<b>(93,481,735)</b>
<b>Net liabilities</b>		<b><u>(88,450,948)</u></b>	<b><u>(3,636,914)</u></b>
<b>Capital and reserves</b>			
Called up share capital	13	19,479,829	64,774
Profit and loss account	14	<u>(107,930,777)</u>	<u>(3,701,688)</u>
<b>Total shareholder's deficit</b>	14	<b><u>(88,450,948)</u></b>	<b><u>(3,636,914)</u></b>

The financial statements on page 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 financial statements are prepared under the historical cost convention. They have been prepared in accordance with Applicable Accounting Standards in the United Kingdom.

At 31 December 2006 the company had net current liabilities and net liabilities. A fellow group company, Sun CP Newportco Limited, has confirmed it will support Sun CP Newmidco Limited for at least twelve months from the date of these financial statements. 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 CP Comet Holdings Limited. The accounts show information relating to the company as an individual undertaking and not as a group.

#### **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 Newportco Limited and latterly CP Comet Holdings Limited.

#### **Fixed asset investments**

Investments held as fixed assets are stated at cost and reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

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 (continued)

for the year ended 31 December 2006

### 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

	<i>Year Ended 31 December 2006 £</i>	<i>32 week period ended 31 December 2005 £</i>
Auditors' remuneration - audit services	12,964	30,000
- other services relating to taxation	600	23,000
	<u>13,564</u>	<u>53,000</u>

The auditors remuneration for the year ended 31 December 2006 is borne by CP Comet Bidco Limited, a fellow group company, (2005 Sun CP Newmidco Limited)

### 3. 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)

### 4. Interest receivable

	<i>Year Ended 31 December 2006 £</i>	<i>32 week period ended 31 December 2005 £</i>
Bank interest receivable	879,229	680,058
	<u>879,229</u>	<u>680,058</u>

## Notes to the financial statements (continued)

for the year ended 31 December 2006

### 5. Interest payable and similar charges

	<i>Year Ended 31 December 2006r £</i>	<i>32 week period ended 31 December 2005 £</i>
Bank interest payable	4,824,745	3,225,055
Interest payable to group undertakings	603,818	587,387
Amortisation of issue costs	256,084	152,138
Loss on novation of interest rate swaps	1,924,408	-
Issue costs written off on refinancing	1,989,288	-
	<u>9,598,343</u>	<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

	<i>Year Ended 31 December 2006 £</i>	<i>32 week period ended 31 December 2005 £</i>
<i>Current tax</i>		
UK Corporation tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	<u>-</u>	<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

	<i>Year Ended 31 December 2006 £</i>	<i>32 week period ended 31 December 2005 £</i>
Loss on ordinary activities before taxation	(104,229,089)	(3,701,688)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(31,268,727)	(1,110,506)
Expenses not deductible for tax purposes	28,584,521	121,550
Tax losses carried forward	2,559,975	988,956
Group relief not paid for	124,231	-
Current tax charge for the period (note 6 (a))	<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)

#### (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 £2,559,975. 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	
At 1 January 2006	95,281,742
Additions	9,575
Impairment	(95,281,738)
	<u>9,579</u>
At 31 December 2006	

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. An impairment review has been performed on the carrying value of the investment and as a result £95,281,738 has been provided in the profit & loss account during the year, based on the net worth of the investments. The remaining investment value relates to the investments in the four property companies where no impairment has taken place.

Sun CP Topco Limited made a pre tax loss of £2,508,774 for the year ended 31 December 2006 and had net liabilities at that date of £190,036.

CP (Oasis Property) Limited made a pre tax loss of £1,556,220 for the year ended 31 December 2006 and had net assets at that date of £175,397,544.

CP (Sherwood Property) Limited made a pre tax loss of £1,563,266 for the year ended 31 December 2006 and had net assets at that date of £203,912,568.

Longleat Property Limited made a pre tax loss of £1,423,349 for the year ended 31 December 2006 and had net assets at that date of £169,319,061.

Elveden Property Limited made a pre tax loss of £1,090,684 for the year ended 31 December 2006 and had net assets at that date of £231,616,084.

### 8. Debtors

	2006	2005 £
Amounts owed by group undertakings	3,825,493	-
Prepayments and accrued income	-	96,215
	<u>3,825,493</u>	<u>96,215</u>

## Notes to the financial statements (continued)

for the year ended 31 December 2006

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

	2006 £	2005 £
Bank loan (see note 11)	-	538,016
Amounts owed to group undertakings	31,066,802	40,074,808
Other Creditors	2,131,646	-
Other taxation & social security costs	2,013,375	-
Accruals and deferred income	-	1,542,119
	<u>35,211,823</u>	<u>42,154,943</u>

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

	2006 £	2005 £
Bank loan (see note 11)	-	93,481,735
Amounts owed to group undertakings	103,913,957	-
	<u>103,913,957</u>	<u>93,481,735</u>

Included within amounts owed to group undertakings as a loan of £103,913,957 due to Comet Refico Limited. This loan accrues interest at LIBOR plus 0.8% and repayable in October 2011.

### 11. Loans

	2006 £	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>-</u>	<u>94,019,751</u>
Less: included in creditors amounts falling due within one year	-	(538,016)
	<u>-</u>	<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>-</u>	<u>6,396,566</u>
In more than five years	-	89,466,519
	<u>-</u>	<u>95,863,085</u>
Less: unamortised issue costs	-	(1,843,334)
	<u>-</u>	<u>94,019,751</u>

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

## Notes to the financial statements (continued)

for the year ended 31 December 2006

### 11. Loans (continued)

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 all external loans of the group.

Prior to refinancing Sun CP Newmidco Limited had swaps of a principal amount of £95,448,306 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). Accrued interest at that date was £3,824,715. On 14 December 2006 these swaps were novated to Comet Refico Limited. On novation compensation of £1,924,408 was given to Comet Refico Limited in consideration for taking the SWAP.

### 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</i>		<i>Authorised</i>	
	<b>2006</b>		<b>2005</b>	
	<b>£</b>		<b>£</b>	
Ordinary shares of £1 each	<u>20,000,000</u>		<u>500,000</u>	

	<i>Allotted, called up and fully paid</i>			
	<b>2006</b>		<b>2005</b>	
	<i>No</i>	<b>£</b>	<i>No</i>	<b>£</b>
Ordinary shares of £1 each	19,479,829	19,479,829	64,774	64,774

On 12 May 2006, the authorised share capital of the company was increased from £500,000 to £20,000,000 shares of £1 each. On the same date, 19,415,055 £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</i>	<i>Total share-</i>
	<b>£</b>	<b>account</b>	<b>holders' funds</b>
		<b>£</b>	<b>£</b>
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>
New shares issued	19,415,055	-	19,415,055
Result for the year	-	(104,229,089)	(104,229,089)
At 31 December 2006	<u>19,479,829</u>	<u>(107,930,777)</u>	<u>(88,450,948)</u>

## **Notes to the financial statements (continued)**

for the year ended 31 December 2006

### **15. Ultimate parent company**

The immediate parent company is Sun CP Newtopco Limited, a company registered in England and 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.