L37582

CP (Oasis Property) Limited
(formerly Alnery No. 2257 Limited)

Report and Financial Statements

31 December 2002

Registered No: 4379582

Directors
M N Jonas
A McIntosh
E J C Hawkes
E A C Spencer Churchill

Secretary
A P Bradshaw

Auditors
Ernst & Young LLP
One Colmore Row
Birmingham
B3 2DB

Bankers
National Westminster Bank Plc
PO Box 12258
1 Princes Street
London
EC2R 8PA

Solicitors
Clifford Chance LLP
10 Upper Bank Street
London
E14 5JJ

Registered office
4th Floor
Watson House
54 Baker Street
London
W1U 1FB

Directors' report

The directors present their report and financial statements for the period ended 31 December 2002.

Results and dividends

The loss for the period amounted to £46,141. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The company was incorporated on 22 February 2002 under the name of Alnery No. 2257 Limited. On 5 July 2002 the company changed its name to CP (Oasis Property) Limited.

The company began trading on 5 November 2002.

The principal activity of the company during the period was that of a property investment company.

At 31 December 2002 the company had net current liabilities and net liabilities. This was primarily the result of the initial costs incurred in the set up of the company. The company's forecasts for the coming years indicate that it will make profits. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Directors

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

M N Jonas	(Appointed 5 November 2002)
A McIntosh	(Appointed 5 November 2002)
E J C Hawkes	(Appointed 5 November 2002)
E A C Spencer Churchill	(Appointed 5 November 2002)
Alnery Incorporations No.1 Limited	(Served from 22 February 2002 to 5 July 2002)
Alnery Incorporations No.2 Limited	(Served from 22 February 2002 to 5 July 2002)
C M C Purslow	(Served from 5 July 2002 to 5 November 2002)
D Cummins	(Served from 5 July 2002 to 5 November 2002)

The interests of M N Jonas, A McIntosh and E A C Spencer Churchill in the share capital of the ultimate parent company are disclosed in the financial statements of that company.

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

Share Capital

On incorporation the company had authorised share capital of 100 £1 ordinary shares. On this date, 1 £1 ordinary share was issued at par for cash consideration.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board

Director

26th Nov 2003

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 (formerly Alnery No. 2257 Limited)

We have audited the company's financial statements for the period ended 31 December 2002 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 on the basis of 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

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 United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 United Kingdom Auditing Standards 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 of the state of affairs of the company as at 31 December 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham

26 NOVEMBER 2003

Profit and loss account
for the period ended 31 December 2002

	Notes	*44 week period ended 31 December 2002* £
Turnover	2	1,603,197
Administrative expenses		(128,242)
Other operating income		5,075
Operating profit	3	1,480,030
Interest payable	5	(1,537,314)
Loss on ordinary activities before taxation		(57,284)
Tax on loss on ordinary activities	6	11,143
Loss retained for the financial period	14	(46,141)

Statement of total recognised gains and losses
There are no recognised gains or losses other than the loss of £46,141 attributable to the shareholders for the period ended 31 December 2002.

Balance sheet
at 31 December 2002

	Notes	2002 £
Fixed assets		
Tangible assets	7	126,736,000
Current assets		
Debtors	8	2,419,304
Creditors: amounts falling due within one year	9	4,921,621
Net current liabilities		(2,502,317)
Total assets less current liabilities		124,233,683
Creditors: amounts falling due after more than one year	10	124,279,823
		(46,140)
Capital and reserves		
Called up share capital	13	1
Profit and loss account	14	(46,141)
Equity shareholders' deficit	14	(46,140)

....

Director

26th Nov 2003

Notes to the financial statements

at 31 December 2002

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention.

At 31 December 2002 the company had net current liabilities and net liabilities. This was primarily the result of the initial costs incurred in the set up of the company. The company's forecasts for the coming years indicate that it will make profits. 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 company, Sun CP Topco Limited.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

Certain of the company's properties are held for long-term investment. Investment properties are accounted for in accordance with SSAP 19, as follows:

- investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the Profit and Loss Account for the year; and

- no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included 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
at 31 December 2002

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.

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:

	44 week period ended 31 December 2002
	£
United Kingdom	1,603,197

3. Operating profit

The auditors' remuneration is borne by Sun CP Properties Limited.

4. Staff costs

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

Notes to the financial statements
at 31 December 2002

5. Interest payable

	44 week period ended 31 December 2002
	£
Bank interest payable	1,277,746
Interest payable to group undertakings	259,568
	1,537,314

6. Tax on loss on ordinary activities

(a) Tax on profit on ordinary activities

The tax credit is made up as follows:

	44 week period ended 31 December 2002
	£
Current tax:	
UK Corporation tax	-
Group relief	(11,143)
	(11,143)
Deferred tax	-
Total tax credit	(11,143)

(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:

	44 week period ended 31 December 2002
	£
Loss on ordinary activities before taxation	(57,284)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(17,185)
Capital allowances in excess of depreciation	(108,273)
Tax losses	114,315
Current tax credit for the period	(11,143)

Notes to the financial statements
at 31 December 2002

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 £6,042. The asset would be recovered if the group considered that sufficient taxable profits would arise in the future.

7. Tangible fixed assets

	Investment Properties
	£
Cost:	
Additions	126,736,000
At 31 December 2002	126,736,000
Net book value:	
At 31 December 2002	126,736,000

The investment property is held part freehold and part long leasehold. If this property were to be disposed of for book value a capital gain may arise, this would be up to the value of £9.2m.

8. Debtors

	2002
	£
Amounts owed by group undertakings	2,398,775
Prepayments and accrued income	20,529
	2,419,304

9. Creditors: amounts falling due within one year

	2002
	£
Current instalment due on bank loan (note 11)	112,961
Other taxation and social security costs	628,207
Other creditors	61,595
Accruals and deferred income	4,118,858
	4,921,621

Notes to the financial statements
at 31 December 2002

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

	2002
	£
Loans (*note 11*)	104,228,256
Amounts owed to group undertakings	16,926,567
Other creditors	3,125,000
	124,279,823

The amount owed to group undertakings is in respect of a loan of £16,667,000 and accrued interest from Sun CP Midco Limited, a fellow group undertaking. The terms of the loan state that interest is accrued at 10% per annum, compounding semi-annually. The loan and the accrued interest is fully repayable on 5 November 2017.

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

11. Loans

	2002
	£
Not wholly repayable within five years:	
£90,620,000 senior bank loan at 7.12% per annum	88,418,286
£16,319,430 mezzanine loan at 10.62% per annum	15,922,931
	104,341,217
Less: included in creditors: amounts falling due within one year	112,961
	104,228,256

Amounts repayable:	
In one year or less, or on demand	112,961
In more than one year but not more than two years	1,772,630
In more than two years but not more than five years	6,522,452
	8,408,043
In more than five years	98,531,387
	106,939,430
Less: unamortised issue costs	2,598,213
	104,341,217

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

In addition the company has a bank facility available for capital expenditure of £6,500,000. At the year end the company had not drawn on this facility.

12. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8 "Related Party Disclosures".

Notes to the financial statements
at 31 December 2002

13. Share capital

	Authorised
	2002
	£
Ordinary shares of £1 each	100

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

On incorporation the company had authorised share capital of 100 £1 ordinary shares. On this date, 1 £1 ordinary share was issued at par for cash consideration.

14. Reconciliation of shareholders' funds and movement on reserves

	Share capital	*Profit and loss account*	*Total share-holders' funds*
	£	*£*	*£*
Loss for the period	–	(46,141)	(46,141)
Issued during the period	1	–	1
At 31 December 2002	1	(46,141)	(46,140)

15. Capital commitments
The company has no capital commitments at 31 December 2002.

16. Ultimate parent company
The immediate parent company is Carp (Jersey) 2 Limited, a company registered in Jersey.

The ultimate parent company is Sun CP Topco Limited, a company registered in England and Wales. The largest and smallest group of which the Company is a member and for which group accounts are drawn up is that of Sun CP Topco Limited. Copies of these accounts are available from the Registered Office detailed on page 1.