INITIAL

CAPITAL & COUNTIES PROPERTIES PLC

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2010

Company number 7145051

CAPITAL & COUNTIES PROPERTIES PLC

DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2010

INITIAL FINANCIAL STATEMENTS
These financial statements are the initial financial statements of Capital & Counties Properties PLC ("the Company") for the period from incorporation on 3 February 2010 to 30 June 2010 The company is incorporated and domiciled in the United Kingdom

These financial statements are for the entity only and do not include a consolidation

PRINCIPAL ACTIVITY
The Company, of which the principal activity is an investment holding company, was incorporated as a public limited company on 3 February 2010

DIVIDENDS
The Directors are proposing to pay a dividend as detailed in note 10

DIRECTORS IN THE PERIOD
The Directors who held office during the period are listed below

S Das	appointed 23 February 2010
I C Durant	appointed 23 February 2010
G R Fine	Alternate Director to G J Gordon, appointed 9 March 2010
D A Fischel	appointed 23 February 2010
G J Gordon	appointed 23 February 2010
I D Hawksworth	appointed 3 February 2010
I J Henderson	appointed 23 February 2010
A J M Huntley	appointed 23 February 2010
H E Staunton	appointed 2 June 2010
A D Strang	appointed 23 February 2010
G J Yardley	appointed 3 February 2010

REGISTERED AUDITORS
PricewaterhouseCoopers LLP
Hays Galleria
1 Hays Lane
London
SE1 2RD

REGISTERED OFFICE
40 Broadway
London
SW1H 0BT

CAPITAL & COUNTIES PROPERTIES PLC

DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 30 JUNE 2010

STATEMENT OF DIRECTORS RESPONSIBILITY
For the purpose of the proposed dividend distribution to shareholders, the Directors are required by law to prepare initial financial statements which have been properly prepared in accordance with section 839 of the Companies Act 2006

The Directors consider that, in preparing the financial statements for the period ended 30 June 2010, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates The Directors also consider that all applicable accounting standards have been followed and confirm that the financial statements have been prepared on the going concern basis The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006 The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

By the order of the Board

S Das
Director
18 August 2010

CAPITAL & COUNTIES PROPERTIES PLC

REPORT OF THE INDEPENENT AUDITORS TO THE DIRECTORS OF CAPITAL & COUNTIES PROPERTIES PLC UNDER SECTION 839(5) OF THE COMPANIES ACT 2006

We have examined the initial financial statements of Capital & Counties Properties PLC for the period ended 30 June 2010 which comprise the Income Statement, the Balance Sheet and the related notes The initial financial statements have been prepared under the accounting policies set out therein

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the Directors are responsible for the preparation of the initial financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union

Our responsibility is to report to you our opinion as to whether the initial financial statements have been properly prepared within the meaning of Section 839(4) of the Companies Act 2006 This report, including the opinion, has been prepared for and only for the Company in accordance with Section 839(5) of the Companies Act 2006 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

OPINION

In our opinion, the initial financial statements for the period ended 30 June 2010 have been properly prepared within the meaning of Section 839(4) of the Companies Act 2006

Mark Pugh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 August 2010

CAPITAL & COUNTIES PROPERTIES PLC

INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2010

	Notes	3 February – 30 June 2010 £000
Turnover		-
Administration expenses		(4,368)
Loss before tax		(4,368)
Taxation	2	-
Loss for the period		(4,368)
Loss attributable to owners of the Company		(4,368)

The notes on pages 6 to 9 form part of these financial statements

Other than the items in the income statement above, there are no items of comprehensive income, accordingly, a separate statement of comprehensive income has not been prepared

CAPITAL & COUNTIES PROPERTIES PLC

BALANCE SHEET
AT 30 JUNE 2010

	Notes	30 June 2010 £000
Non-current assets		
Investment in group companies	3	446,565
Current assets		
Receivables	4	278,381
Total assets		724,946
Current liabilities		
Payables	5	(1,387)
Net assets		723,559
Equity		
Share capital – ordinary	6	155,457
Share capital – redeemable	7	50
Other components of equity	8	568,052
Total equity attributable to owners of the Company		723,559

The notes on pages 6 to 9 form part of these financial statements

Approved by the Board on 18 August 2010 and signed on its behalf by

I D Hawksworth
Director

S Das
Director

CAPITAL & COUNTIES PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

1. Principal accounting policies

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

Accounting convention and basis of preparation
These initial unconsolidated financial statements have been properly prepared in accordance with s839 of the Companies Act 2006 to establish whether the distributable reserves of the Company are sufficient to allow payment of a proposed interim dividend The financial statements have been prepared in accordance with recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union consistent with those to be applied in the full IFRS financial statements for the year ending 31 December 2010 but include disclosure and accounting policies only to the extent that they allow it to be established that there are sufficient distributable reserves to pay the proposed interim dividend

Taxation
The charge for current taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed, and any adjustment in respect of prior years It is calculated using rates that have been enacted or substantively enacted by the balance sheet date

Investment in group companies
Investment in group companies are carried in the balance sheet at cost less provision considered necessary by the directors to reflect a diminution in value

Other receivables
Other receivables are recognised and subsequently measured at amortised cost The Directors' exercise judgement as to the collectability of the other receivables and determines if it is appropriate to impair these assets

Other payables
Other payables are recognised and subsequently measured at amortised cost

Cash flow statement
All operations of the company are funded through intercompany balances and therefore no cashflow statement has been prepared under IAS 7 Statement of Cash Flows The company does not hold any cash balances A reconciliation of cash generated from operations is as set out in note 9

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

2. Taxation

Taxation charge for the financial year

The differences between the taxation charged for the year and the current standard rate of United Kingdom corporation tax 28% are shown below

	3 February – 30 June 2010 £000
Loss before tax	(4,368)
Tax charge at average rate of tax	(1,223)
Effects of	
Disallowable expenses	315
Transfer pricing	1
Group relief	907
Taxation on loss for the period	-

3. Investment in group companies

	30 June 2010 £000
Cost	446,565

Investments represent 100% interests in the following principal subsidiary undertakings

	Class of share capital
Capital & Counties Limited	Ordinary
C&C Properties UK Limited	Ordinary
Capital & Counties Asset Management Limited	Ordinary
Capco Group Treasury Limited	Ordinary
Capco Covent Garden Limited	Ordinary
C&C Management Services Limited	Ordinary
Capvestco Limited (incorporated and registered in Jersey)	Ordinary

All of the above companies are incorporated and registered in England and Wales, unless otherwise stated

4. Receivables

	30 June 2010 £000
Amounts due from Capco Group Treasury Limited	277,836
Other receivables	545
	278,381

The amounts receivable from Capco Group Treasury Limited are unsecured, shall be repayable on demand and currently accrues interest at zero per cent

5. Payables

	30 June 2010 £000
Accruals	1,387

6. Share capital - ordinary

	£000
Issued and fully paid	
As at 3 February 2010	-
Issuance of 621,828,502 ordinary shares of 80p each	497,463
Capital reduction to 25p ordinary shares	(342,006)
As at 30 June 2010	155,457

On 7 April 2010, the sole shareholder (at that time) of the Company passed a special resolution to reduce the nominal par value of the Company's ordinary shares from 80 pence per share to 25 pence per share The resolution together with a solvency statement under section 641 of the Companies Act 2006 was registered on 18 May 2010 and the capital reduction became effective on that date

7. Share capital - redeemable

	£000
Issued and fully paid	
As at 3 February 2010	-
Issuance of 50,000 redeemable shares of £1 each	50
As at 30 June 2010	50

CAPITAL & COUNTIES PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2010

8. Other components of equity

	Non-distributable Share premium £000	Non-distributable Merger reserve £000	Distributable Profit and loss reserve £000	Total £000
3 February 2010	-	-	-	-
Issuance of shares	89,051	141,363	-	230,414
Capital reduction	-	-	342,006	342,006
Loss for the period	-	-	(4,368)	(4,368)
30 June 2010	89,051	141,363	337,638	568,052

9. Cash generated from operations

	30 June 2010 £000
Cash flows from operating activities	
Loss before tax	(4,368)
Changes in working capital	
Change in other receivables	5,755
Change in other payables	(1,387)
Cash generated from operations	-

10. Proposed dividend

Based on these financial statements the Directors propose to pay a dividend of 0 5 pence per share, £3,109,000 contingent upon the availability of distributable reserves