

CANARY WHARF INVESTMENTS LIMITED
Registered Number: 2127410

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007



CANARY WHARF INVESTMENTS LIMITED

FINANCIAL STATEMENTS

CONTENTS

	PAGE
Directors' Report	1
Statement of the Directors' Responsibilities in Respect of the Financial Statements	3
Independent Auditors' Report	4
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	9

CANARY WHARF INVESTMENTS LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report with the audited financial statements for the year ended 31 December 2007. This report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Canary Wharf Group plc and its ultimate parent undertaking is Songbird Estates plc.

The principal activity of the company is property investment.

On 29 June 2007 the company granted a 999 year leasehold interest in 30 North Colonnade, Canary Wharf to North Colonnade Limited, a subsidiary of Fimalac, for a consideration of £54m. This transaction gave rise to a profit on disposal of £53,201,631 which has been treated as an exceptional item.

During the year the company also sold to a fellow subsidiary undertaking its freehold interest in land adjacent to 25 Bank Street and 10 Upper Bank Street, for consideration totaling £96,606. The profit arising of £96,606 has also been treated as an exceptional item.

As shown in the company's profit and loss account, the company's profit after tax for the year was £72,441,087 (2006 £142,755,912). This includes income from shares in group undertakings of £31,100,000 (2006 £158,938,896).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £96,577,533 (2006 £65,091,446). Details of amounts owed to group companies are shown in Notes 10 and 11.

There have been no significant events since the balance sheet date.

DIVIDENDS AND RESERVES

The profit and loss account for the year ended 31 December 2007 is set out on page 6. Dividends of £40,000,000 (2006 £250,000,000) have been paid during the year and the retained profit of £32,441,087 (2006 loss of £107,244,088) has been transferred from reserves.

DIRECTORS

The directors of the company throughout the year ended 31 December 2007 were

A P Anderson II
G Iacobescu
R J J Lyons

The group has in place liability insurance covering the directors and other officers of group companies.

CANARY WHARF INVESTMENTS LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each director holding office at the date of this report has taken all the steps that he ought to have taken as a director in order to make himself aware of relevant audit information and to establish that the company's auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234 ZA of the Companies Act 1985.

AUDITORS

Elective resolutions to dispense with holding annual general meetings, the laying of financial statements before the company in general meeting and the appointment of auditors annually are currently in force. The auditors, Deloitte & Touche LLP, will therefore be deemed to have been reappointed at the end of the period of 28 days, beginning the day on which copies of this report and financial statements are sent to members, unless a resolution is passed under section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

BY ORDER OF THE BOARD



A M Holland

Joint Secretary

26 June 2008

Registered office
30th Floor
One Canada Square
Canary Wharf
London
E14 5AB

CANARY WHARF INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 the year then ended. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

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.

CANARY WHARF INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS LIMITED

We have audited the financial statements of Canary Wharf Investments Limited for the year ended 31 December 2007 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' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we 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 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.

CANARY WHARF INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS LIMITED

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 company's affairs as at 31 December 2007 and of its profit 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



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

26 June 2008

CANARY WHARF INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
TURNOVER		1,330,429	1,389,392
Cost of sales		502,901	(72,024)
GROSS PROFIT		1,833,330	1,317,368
Administrative expenses before exceptional items		131,401	(264,686)
Exceptional items			
Provision for impairment of freehold properties held for development	7	(31,909)	—
Provision against investment in subsidiary undertakings	8	(3,299,439)	(721,736)
Other operating income		—	4,350
OPERATING (LOSS)/PROFIT	2	(1,366,617)	335,296
Income from shares in group undertakings		31,100,000	158,938,896
Exceptional item			
Profit on disposal of fixed assets	7	53,298,237	—
Interest receivable and similar income	3	19,390,400	15,700,465
Interest payable and similar charges	4	(29,973,793)	(32,210,948)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		72,448,227	142,763,709
Tax on profit on ordinary activities	5	(7,140)	(7,797)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	14	72,441,087	142,755,912

Movements in reserves are shown in Note 14 of these financial statements

All amounts relate to continuing activities in the United Kingdom

The Notes on pages 9 to 18 form an integral part of these financial statements

CANARY WHARF INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2007

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Profit for the financial year	72,441,087	142,755,912
Unrealised (deficit)/surplus on revaluation of properties	(955,000)	1,825,000
Total recognised gains relating to the year	<u>71,486,087</u>	<u>144,580,912</u>

The Notes on pages 9 to 18 form an integral part of these financial statements

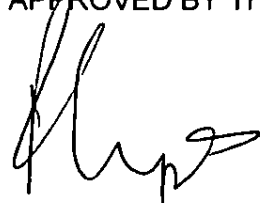
CANARY WHARF INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	31 December 2007 £	31 December 2006 £
FIXED ASSETS			
Tangible assets	7	46,558,908	48,248,044
Investments	8	118,648,376	121,947,811
		<u>165,207,284</u>	<u>170,195,855</u>
CURRENT ASSETS			
Debtors	9	379,736,045	370,073,920
Cash at bank		154,950	51,334
		<u>379,890,995</u>	<u>370,125,254</u>
CREDITORS: Amounts falling due within one year	10	(289,860,369)	(325,125,644)
NET CURRENT ASSETS		<u>90,030,626</u>	<u>44,999,610</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>255,237,910</u>	<u>215,195,465</u>
CREDITORS: Amounts falling due after more than one year	11	(158,660,377)	(150,104,019)
NET ASSETS		<u>96,577,533</u>	<u>65,091,446</u>
CAPITAL AND RESERVES			
Called-up share capital	13	37,878,969	37,878,969
Revaluation reserve	14	2,580,000	3,535,000
Profit and loss account	14	56,118,564	23,677,477
SHAREHOLDERS' FUNDS	15	<u>96,577,533</u>	<u>65,091,446</u>

The Notes on pages 9 to 18 form an integral part of these financial statements

APPROVED BY THE BOARD ON 26 JUNE 2008 AND SIGNED ON ITS BEHALF BY



R J J LYONS
DIRECTOR

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. PRINCIPAL ACCOUNTING POLICIES

A summary of the principal accounting policies of the company, all of which have been applied consistently throughout the year and the preceding year, is set out below

Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of properties, and in accordance with applicable United Kingdom accounting standards

In accordance with the provisions of FRS 1 (Revised) the company is exempt from the requirements to prepare a cash flow statement, as it is a wholly-owned subsidiary of Canary Wharf Group plc, which has prepared a consolidated cash flow statement

Interest receivable and interest payable

Interest receivable and payable are recognised in the period in which they fall due

Investment in subsidiary undertakings

Investment in subsidiary undertakings are stated in the company's balance sheet at cost less any provision for impairment

Income from investments

Investment income comprises dividends receivable on investments in subsidiaries during the accounting period

Turnover

Turnover, representing rents receivable, is recognised net of VAT in the period in which the rents become due and arises wholly in the United Kingdom

Tangible fixed assets

Tangible fixed assets comprise properties under development and investment properties

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

Investment properties

Investment properties are revalued annually in accordance with SSAP19. No provision is made for depreciation of freehold properties or for amortisation of leasehold properties held on leases having more than 20 years unexpired. This departure from the requirements of the companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the directors, necessary for the accounts to show a true and fair view in accordance with applicable accounting standards. Depreciation or amortisation is only one of the factors reflected in the annual valuation and the amount attributable to this factor is not reasonably capable of being separately identified or quantified. Surpluses or deficits on individual properties are transferred to the revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account.

Development properties

Properties under development or held for development, comprising leasehold buildings and freehold land, are held at cost, subject to provision for diminution in value, except for properties occupied by group companies, which are depreciated over 4 years.

Profit on disposal

Profits and losses arising on the sale of investment properties and development properties are recognised upon the completion of the sale.

Deferred taxation

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the corporation tax return.

Under FRS 19 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a discounted basis to reflect the time value of money over the period between the balance sheet date and the dates on which it is estimated that the timing differences will reverse, or where the timing differences are not expected to reverse, a period not exceeding 50 years. Discount rates of 3.1% to 3.2% have been adopted reflecting the post-tax yield to maturity that can be obtained on government bonds with similar maturity dates and currencies to those of the deferred tax assets or liabilities.

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Remuneration of the auditors		
Audit fees for the audit of the company	6,000	5,500

None of the directors received any emoluments in respect of their services to the company during the year or the prior year

No staff were employed by the company during the year or the prior year

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Bank interest receivable	1,549	8,997
Interest receivable from group undertakings	19,388,851	15,691,468
	<u>19,390,400</u>	<u>15,700,465</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Interest payable to group undertakings	29,973,793	32,210,948

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

5. TAXATION

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Current tax		
UK Corporation tax (see below)	—	—
Deferred tax		
Origination and reversal of timing differences	5,151	(1,610)
Net effect of discount	1,989	9,407
Total deferred tax (Note 9)	7,140	7,797
Tax reconciliation		
Profit on ordinary activities before tax	72,448,227	142,763,709
Tax on profit on ordinary activities at UK corporation tax rate of 30%	21,734,468	42,829,112
Effects of		
Items not chargeable to tax	(9,119,471)	(47,681,669)
Expenses not deductible for tax purposes	999,404	216,521
Tax losses and other timing differences	(13,614,401)	4,636,036
Current tax charge for the year	—	—

No provision for corporation tax has been made since the profit for the year will be covered by the group relief expected to be made available to the company by other companies in the group. No charge will be made by other group companies for the surrender of group relief. It is anticipated that group relief and other tax reliefs will impact on future tax charges. There is no unprovided deferred taxation.

6. DIVIDENDS

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Dividends paid during the year (£400,000 per share) (2006 £2,500,000 per share)	40,000,000	250,000,000

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

7. TANGIBLE FIXED ASSETS

	Freehold Investment Property £	Freehold Properties Held For Development £	Leasehold Properties Held For Development £	Total £
VALUATION				
At 1 January 2007	9,685,000	21,957,921	28,412,007	60,054,928
Additions	—	—	96,142	96,142
Disposals	—	(798,369)	—	(798,369)
Revaluation	(955,000)	—	—	(955,000)
At 31 December 2007	8,730,000	21,159,552	28,508,149	58,397,701
PROVISION/DEPRECIATION				
At 1 January 2007	—	—	11,806,884	11,806,884
Movement for the year	—	31,909	—	31,909
At 31 December 2007	—	31,909	11,806,884	11,838,793
NET BOOK VALUE				
At 31 December 2007	8,730,000	21,127,643	16,701,265	46,558,908
At 31 December 2006	9,685,000	21,957,921	16,605,123	48,248,044

During the prior year the company entered into an agreement to sell, for a consideration of £35,000,000, its interest in 20 Churchill Place to Prudential Retirement Income Limited, subject to an occupational lease to State Street. The company received £30,630,355 on exchange, discounted for receipt ahead of practical completion, and is expected to receive a further £1,750,000 upon completion of the building currently under construction, expected in late 2008.

The company has entered into an agreement for the sale of 15 Canada Square to KPMG for a consideration of £28,420,600. The sale will complete upon practical completion of the building which is anticipated to occur in 2009.

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

On 29 June 2007 the company granted a 999 year leasehold interest in 30 North Colonnade to North Colonnade Limited, a subsidiary of Fimlac, for a consideration of £54,000,000. The company retained a residual freehold interest in the site valued at £20,000. The sale gave rise to a profit on disposal of £53,201,631, which has been taken to the profit and loss account and treated as an exceptional item.

During the year the company also sold its freehold interest in a slice of land adjacent to 25 Bank Street and its freehold interest in a slice of land adjacent to 10 Upper Bank Street, to a fellow subsidiary undertaking, for consideration of £85,106 and £11,500 respectively. These sales gave rise to a total profit on disposal of £96,606, which has been taken to the profit and loss account and treated as an exceptional item.

On a historical cost basis, investment properties would have been included as follows:

	31 December 2007 £	31 December 2006 £
Historical cost	<u>6,150,000</u>	<u>6,150,000</u>

As at 31 December 2007 the company's freehold property interests were valued by the group's external property advisers, Savills Commercial Limited, Chartered Surveyors or Cushman & Wakefield, Real Estate Consultants, on the basis of Market Value in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors. No allowance was made for any expenses of realisation nor for any taxation which might arise in the event of disposal. The external valuation resulted in a revaluation deficit of £955,000 which has been transferred from the revaluation reserve.

8. INVESTMENTS

	<u>Shares in Group Undertakings</u>
	£
COST	
At 1 January 2007	154,778,753
Additions	4
At 31 December 2007	<u>154,778,757</u>
PROVISION FOR IMPAIRMENT	
At 1 January 2007	32,830,942
Provided during the year	3,299,439
At 31 December 2007	<u>36,130,381</u>
NET BOOK VALUE	
At 31 December 2007	<u>118,648,376</u>
At 31 December 2006	<u>121,947,811</u>

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

At 31 December 2007 the company's principal subsidiary undertakings were as follows

Name	Description of shares held	Principal activities
CWE SPV Super HCo Limited	Ordinary £1 shares	Investment holding
CWE SPV HCo Limited	Ordinary £1 shares	Investment holding
Cabot Place Holdings Limited	Ordinary £1 shares	Investment holding
CWC SPV Limited	Ordinary £1 shares	Investment company
Canary Wharf (Car Parks) Limited	Ordinary £1 shares	Property investment
Heron Quays Investments (RT3) Limited	Ordinary £1 shares	Property investment
Canary Wharf Properties (FC2) Limited	Ordinary £1 shares	Property investment
Canary Wharf Properties (FC4) Limited	Ordinary £1 shares	Property investment
Canary Wharf Funding (One) Limited	Ordinary £1 shares	Finance company
Canary Wharf Funding (FC2/FC4) Limited	Ordinary £1 shares	Finance company
Canary Wharf Management (HQ3/HQ4) Limited	Ordinary £1 shares	Property management
Canary Wharf Management (FC2/FC4) Limited	Ordinary £1 shares	Property management
Canary Wharf Contractors (BP3) Limited	Ordinary £1 shares	Property construction
Canary Wharf Contractors (DS3 West) Limited	Ordinary £1 shares	Property construction

The above are wholly owned subsidiaries registered in England and Wales

A complete list of the company's subsidiaries will be appended when the company submits its annual return

During the year, the company subscribed for the entire share capital of the following companies

	Consideration £
Canary Wharf Investment Holdings (BP2) Limited	1
Canary Wharf Investments (Crossrail) Limited	1
Canary Wharf Investments (RT5) Limited	1
Canary Wharf Contractors (Crossrail) Limited	1
	<hr/>
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Financial information is only presented in these financial statements about the company as an individual undertaking and not about its group because the company and its subsidiary undertakings are included in the consolidated financial statements of a larger group, in accordance with Section 228 of the Companies Act 1985 (Note 16)

At 31 December 2007, the net assets of certain subsidiaries were less than the carrying value in the company's balance sheet. An increase in the provision for impairment of £3,299,439 (2006 £721,736) has been recognised in the profit and loss account and treated as an exceptional item. This item does not give rise to deferred tax.

The directors are of the opinion that the value of the company's investments at 31 December 2007, net of the provision for impairment, was not less than the amount shown in the company's balance sheet.

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

9. DEBTORS

	31 December 2007 £	31 December 2006 £
Trade debtors	2,076	3,278
Amount owed by subsidiary undertaking	286,148	286,148
Loans to subsidiary undertakings	143,107,157	136,329,952
Loans to fellow subsidiary undertakings	228,327,185	215,718,488
Amounts owed by fellow subsidiary undertakings	7,981,858	17,461,829
Other debtors	8,736	239,909
Deferred tax	22,690	29,830
Prepayments and accrued income	195	4,486
	<u>379,736,045</u>	<u>370,073,920</u>

Loans to group undertakings bear interest at rates linked to LIBOR and are repayable on demand

The deferred tax debtor relates to the present value of capital allowances of £32,927 (2006 £35,279), stated net of a discount of £10,237 (2006 £5,449)

10. CREDITORS: Amounts falling due within one year

	31 December 2007 £	31 December 2006 £
Trade creditors	—	2,029,834
Loans from subsidiary undertakings	95,718,302	90,579,675
Loans from fellow subsidiary undertakings	146,152,566	183,873,759
Amount owed to subsidiary undertaking	9,594,939	9,945,437
Amount owed to fellow subsidiary undertaking	198,500	248,750
Accruals and deferred income	38,196,062	38,448,189
	<u>289,860,369</u>	<u>325,125,644</u>

£145,679,054 of the loans from fellow subsidiary undertakings bears interest at 10%, subject to certain caps, and is repayable on demand

The other loans from group undertakings bear interest at a rate linked to LIBOR and are repayable on demand

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

11. CREDITORS: Amounts falling due after more than one year

	31 December 2007 £	31 December 2006 £
Loan from fellow subsidiary undertaking	<u>158,660,377</u>	<u>150,104,019</u>

The loan from a fellow subsidiary undertaking bears interest at a rate linked to LIBOR and is repayable in 2028

12. CONTINGENT LIABILITIES

The company has guaranteed the obligations of Canary Wharf Limited under certain agreements with the tenants of the Canary Wharf group companies and in relation to certain property transactions at Canary Wharf

The company has given guarantees and fixed and floating charges over substantially all its assets to secure the borrowing and other liabilities of certain fellow subsidiary undertakings

13. CALLED-UP SHARE CAPITAL

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Authorised		
37,878,869 deferred ordinary shares of £1 each	<u>37,878,869</u>	<u>37,878,869</u>
500,000,000 ordinary shares of £1 each	<u>500,000,000</u>	<u>500,000,000</u>
Allotted, called-up and fully paid		
37,878,869 deferred ordinary shares of £1 each	<u>37,878,869</u>	<u>37,878,869</u>
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>37,878,969</u>	<u>37,878,969</u>

The deferred ordinary shares of £1 each entitle the holder to a restricted participation in the profits or assets of the company and do not carry any right to attend and vote at any general meeting

CANARY WHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

14. RESERVES

	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2007	3,535,000	23,677,477	27,212,477
Profit for the year	–	72,441,087	72,441,087
Dividends	–	(40,000,000)	(40,000,000)
Revaluation of fixed assets	(955,000)	–	(955,000)
At 31 December 2007	<u>2,580,000</u>	<u>56,118,564</u>	<u>58,698,564</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2007 £	31 December 2006 £
Opening shareholders' funds	65,091,446	170,510,534
Profit for the year	72,441,087	142,755,912
Dividends paid	(40,000,000)	(250,000,000)
Revaluation	(955,000)	1,825,000
Closing shareholders' funds	<u>96,577,533</u>	<u>65,091,446</u>

16. RELATED PARTIES

The company's immediate parent undertaking is Canary Wharf Holdings Limited and its ultimate parent undertaking is Songbird Estates plc, both companies are registered in England and Wales

As at 31 December 2007, Songbird Estates plc was the parent company of the largest group of which the company is a member and Canary Wharf Group plc was the parent undertaking of the smallest group of which the company is a member. Copies of the financial statements of Songbird Estates plc and Canary Wharf Group plc may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB

The directors have taken advantage of the exemption in paragraph 3(c) of FRS8 allowing the company not to disclose related party transactions with respect to other group companies