

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED
Registered Number: 2251540

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 2 FEBRUARY 2006 TO 31 DECEMBER 2006

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CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

FINANCIAL STATEMENTS

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CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2006

The directors present their report with the audited financial statements for the period ended 31 December 2006. 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 during the period was to act as a leasing company.

As shown in the company's profit and loss account, the company's profit after tax for the period was £32,087,948 (2006 £23,999,709).

The balance sheet shows the company's financial position at the period end and indicates that net liabilities were £85,623,174 (2006 £117,711,122). Details of amounts owed to group companies are shown in note 11.

The Canary Wharf Group (comprising Canary Wharf Group plc and its subsidiaries) manages its operations on a unified basis. For this reason, the company's directors believe that key performance indicators specific to the company are not necessary or appropriate for an understanding of the development, performance or position of its business. The performance of the Canary Wharf Group, which includes the company, is discussed in the Annual Report of Canary Wharf Group plc, which does not form part of this report.

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

DIVIDENDS AND RESERVES

The profit and loss account for the period ended 31 December 2006 is set out on page 6. No dividends have been paid or proposed (2006 £190,495,000) and the retained profit of £32,087,948 (2006 loss of £166,495,291) has been transferred from reserves.

FINANCIAL POSITION

The company is in a net liability position at the period end. Canary Wharf Holdings Limited, an intermediate parent undertaking, has agreed to provide or procure adequate financial resources to allow the company to continue its operations, and has also agreed to make available any funds that may be required for the company to meet its obligations as they fall due, for a period of not less than 12 months from the date of the financial statements.

DIRECTORS

The directors of the company throughout the period ended 31 December 2006 were

M Precious
R J J Lyons

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

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2006

DIRECTORS' INTERESTS

Details of the interests in and options to subscribe for shares in Songbird Estates plc of R J J Lyons are disclosed in the financial statements of Canary Wharf Estate Limited

Details of the interests in and options to subscribe for shares in Songbird Estates plc of M D Precious are disclosed in note 6

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.

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



J R Garwood

Company Secretary

28 June 2007

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

CANARY WHARF FINANCE LEASING (BP1/DS6) 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 that period. 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 FINANCE LEASING (BP1/DS6) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

We have audited the financial statements of Canary Wharf Finance Leasing (BP1/DS6) Limited for the period from 2 February 2006 to 31 December 2006 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 17. 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 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 FINANCE LEASING (BP1/DS6) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF FINANCE LEASING (BP1/DS6) 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 2006 and of its profit for the period 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

28 June 2007

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2006

		Period from 2 February 2006 to 31 December 2006	Period from 1 October 2004 to 1 February 2006 As restated
	Note	£	£
TURNOVER		944	–
Cost of sales		(914)	–
GROSS PROFIT		<u>30</u>	<u>–</u>
Administrative expenses		–	(471)
OPERATING PROFIT/(LOSS)	3	<u>30</u>	<u>(471)</u>
Interest receivable and similar income	4	43,270,479	41,405,884
Interest payable and similar charges	5	(43,257,534)	(1,190,729)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>12,975</u>	<u>40,214,684</u>
Tax on profit on ordinary activities	7	32,074,973	(16,214,975)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD	14	<u>32,087,948</u>	<u>23,999,709</u>

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 19 form an integral part of these financial statements

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 31 DECEMBER 2006

	Period from 2 February 2006 to 31 December 2006 £	Period from 1 October 2004 to 1 February 2006 As restated £
Profit for the financial period	32,087,948	23,999,709
Total recognised gains and losses relating to the period	<u>32,087,948</u>	<u>23,999,709</u>
Prior period adjustment (see note 2)	<u>(118,001,633)</u>	
Total gains and losses recognised since the last financial statements	<u>(85,913,685)</u>	

The notes on pages 9 to 19 form an integral part of these financial statements

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	31 December 2006 £	1 February 2006 As restated £
FIXED ASSETS			
Tangible assets	9	5,000	—
CURRENT ASSETS			
Debtors	10		
Amounts falling due after one year		557,058,659	728,045,775
Amounts falling due within one year		37,298	—
Cash at bank		4,479	4,467
		557,100,436	728,050,242
CREDITORS: Amounts falling due within one year	11	(556,801,950)	(727,759,731)
NET CURRENT ASSETS		298,486	290,511
TOTAL ASSETS LESS CURRENT LIABILITIES		303,486	290,511
Provisions for liabilities	12	(85,926,660)	(118,001,633)
NET LIABILITIES		(85,623,174)	(117,711,122)
CAPITAL AND RESERVES			
Called-up share capital	13	1,000	1,000
Profit and loss account	14	(85,624,174)	(117,712,122)
SHAREHOLDER'S DEFICIT	15	(85,623,174)	(117,711,122)

The notes on pages 9 to 19 form an integral part of these financial statements

APPROVED BY THE BOARD ON 28 JUNE 2007 AND SIGNED ON ITS BEHALF BY



R J J LYONS
DIRECTOR

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

1. PRINCIPAL ACCOUNTING POLICIES

A summary of the principal accounting policies of the company is set out below. With the exception for the accounting treatment for finance lease receivables and deferred tax (Note 2), all accounting policies have been applied consistently throughout the period and the preceding period. The comparatives for the period ended 1 February 2006 have been restated to comply with the group's policy on finance lease receivables and deferred tax.

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom law and 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.

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.

Previously the company recorded finance revenue as turnover. In accordance with the group's policy on finance lease receivables, finance revenue has been reclassified as interest receivable.

Tangible fixed assets

Tangible fixed assets, comprising leasehold investment properties, are revalued annually and in accordance with SSAP 19 (Accounting for Investment Properties) no provision is made for depreciation. This departure from the requirements of the statutory accounting rules, which require all properties to be depreciated is, in the opinion of the directors, necessary for the accounts to show a true and fair view. Depreciation is only one of the factors reflected in the annual valuation and the amount attributable to this factor is not capable of being separately identified or quantified. Surpluses or deficits are transferred to the revaluation reserve, unless a deficit is expected to be permanent and exceeds previous surpluses recognised on the same property, in which case the excess is charged to the profit and loss account.

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

Leases

Finance lease receivables are recorded in the balance sheet as an asset. Rentals receivable are apportioned between the finance revenue and a reduction in the outstanding amounts receivable.

The total finance revenue is allocated to accounting periods over the lease term so as to produce a constant periodic return on the remaining balance for each accounting period.

During the prior period, tax on future finance lease receivables was included as a deferred tax provision, with a corresponding increase to finance lease receivables. In accordance with the group's policy on deferred tax, finance lease receivables have not been grossed up and the prior period comparatives have been restated accordingly.

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 3.3% 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 FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

2. RESTATEMENT

The effects of adopting the group's policies for finance lease receivables and deferred tax for the current and prior periods are as follows

	Turnover	Interest receivable	Taxation	Profit after taxation
	£	£	£	£
Period ended 1 February 2006				
As previously reported	38,418,506	2,987,378	(314,465)	39,900,219
Re-allocation of finance revenue	(38,418,506)	38,418,506	–	–
Deferred tax	–	–	(15,900,510)	(15,900,510)
As restated	<u>–</u>	<u>41,405,884</u>	<u>(16,214,975)</u>	<u>23,999,709</u>
Period ended 31 December 2006				
Under previous policies	43,258,478	12,945	–	12,975
Re-allocation of finance revenue	(43,257,534)	43,257,534	–	–
Deferred tax	–	–	32,074,973	32,074,973
As reported	<u>944</u>	<u>43,270,479</u>	<u>32,074,973</u>	<u>32,087,948</u>
	Finance lease receivables	Deferred tax	Shareholders' funds	
	£	£	£	
Period ended 1 February 2006				
As previously reported	984,571,945	(256,526,170)	290,511	
Future tax	(256,526,170)	256,526,170	–	
Deferred tax	–	(118,001,633)	(118,001,633)	
As restated	<u>728,045,775</u>	<u>(118,001,633)</u>	<u>(117,711,122)</u>	
Period ended 31 December 2006				
Under previous policies	813,584,829	(256,526,170)	303,486	
Future tax	(256,526,170)	256,526,170	–	
Deferred tax	–	(85,926,660)	(85,926,660)	
As reported	<u>557,058,659</u>	<u>(85,926,660)</u>	<u>(85,623,174)</u>	

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

	Period from 2 February 2006 to 31 December 2006 £	Period from 1 October 2004 to 1 February 2006 As restated £
Remuneration of the auditors		
Audit fees	—	271

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

Auditors' remuneration for the period has been borne by another group undertaking

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 2 February 2006 to 31 December 2006 £	Period from 1 October 2004 to 1 February 2006 As restated £
Bank interest receivable	12,945	2,987,378
Finance lease income	43,257,534	38,418,506
	<u>43,270,479</u>	<u>41,405,884</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 2 February 2006 to 31 December 2006 £	Period from 1 October 2004 to 1 February 2006 As restated £
Bank loans and overdrafts	—	1,190,729
Interest payable to group undertakings	43,257,534	—
	<u>43,257,534</u>	<u>1,190,729</u>

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

6. DIRECTORS

Remuneration

None of the directors received any emoluments in respect of their services to the company during the period

Share options

Details of options held by to R J J Lyons who was also a director of a parent undertaking during the period are disclosed in the accounts of Canary Wharf Estate Limited

Details of options for M D Precious are as follows

The Canary Wharf 2004 Deferred Share Plan Songbird Estates plc Class B Ordinary Shares

Name of director	At 1 January 2006	Granted during the period	Exercised during the period	At 31 December 2006
M Precious	109,995	—	109,995	—

The date of exercise was 2 May 2006, when the shares were sold at a price of £2 10 per share. The pre-tax benefit received by M D Precious (after deducting the £1 aggregate cost of exercise) amounted to £269,058 including a distribution of £38,069 which represents the dividend paid on 109,995 class B ordinary shares in Songbird Estates plc between the date of grant and the date of exercise of the option.

Share Interests

Neither M D Precious, R J J Lyons, or their families, were beneficially interested in the ordinary shares of Canary Wharf Group plc or Songbird Estates plc as at 31 December 2006

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

7. TAXATION

	Period from 2 February 2006 to 31 December 2006 £	Period from 1 October 2004 to 1 February 2006 As restated £
Current tax		
UK corporation tax	–	314,465
Total current tax	–	314,465
Deferred tax		
Origination and reversal of timing differences	(28,513,955)	–
Net effect of discount	(3,561,018)	15,900,510
Total deferred tax (Note 12)	(32,074,973)	15,900,510
Total tax on profit on ordinary activities	(32,074,973)	16,214,975
Tax reconciliation		
Profit on ordinary activities before tax	12,975	40,214,684
Tax on profit on ordinary activities at UK corporation tax rate of 30%	3,893	12,064,405
Effects of		
Tax losses and other timing differences	(3,893)	(11,749,940)
Current tax charge for the period	–	314,465

On 21 December 2006 the company's finance lease arrangement in respect of 33 Canada Square was unwound, by the company granting a new 1,030 year (less 2 day) lease (Note 10). As a result, the value of the company's leasehold interest was reduced to £5,000, which reduced the possible clawback of accelerated capital allowances to £1,500 (before discounting). A deferred tax provision of £51,122,980, net of discounting of £22,699,991 was released to the profit and loss account and included within tax on ordinary activities.

No provision for corporation tax has been made since the profit for the period 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.

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

8. DIVIDENDS

	Period from 2 February 2006 to 31 December 2006 £	Period from 1 October 2004 to 1 February 2006 As restated £
Dividends paid during the prior period (£190,495 per share)	—	190,495,000

9. TANGIBLE FIXED ASSETS

	Leasehold Property £
COST	
Additions	5,000
At 31 December 2006	<u>5,000</u>
NET BOOK VALUE	
At 31 December 2006	<u>5,000</u>
At 1 February 2006	<u>—</u>

On 21 December 2006 the company's finance lease arrangement in respect of 33 Canada Square was unwound. The company granted a new 1,030 year (less 2 day) lease to a fellow subsidiary undertaking for a consideration of £170,283,094 and retained a residual interest in the property, which was valued at £5,000.

As at 31 December 2006 the company's leasehold property interest was valued by the group's external property advisers, Savills Commercial Limited, Chartered Surveyors and CB Richard Ellis Limited, Surveyors and Valuers, 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.

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

10. DEBTORS

	31 December 2006 £	1 February 2006 As restated £
Due within one year		
Amounts owed by fellow subsidiary undertakings	<u>37,298</u>	<u>—</u>
Due in more than one year		
Finance Lease receivables	<u>557,058,659</u>	<u>728,045,775</u>

The company's finance leases relate to 33 Canada Square, Canary Wharf and 1 Churchill Place, Canary Wharf. The amount at which finance lease debtors are stated comprises

	31 December 2006 £	1 February 2006 As restated £
At 2 February 2006	728,045,775	714,557,292
Finance lease rents received	(43,956,556)	(24,930,023)
Finance lease income	43,257,534	38,418,506
Unwind of finance lease	<u>(170,288,094)</u>	<u>—</u>
At 31 December 2006	<u>557,058,659</u>	<u>728,045,775</u>

On 21 December 2006 the company's finance lease arrangement in respect of 33 Canada Square was unwound. The company granted a lease to a fellow subsidiary undertaking for a consideration of £170,283,094, which resulted in a gain of £12,933, which has been shown as a component of interest receivable. The company has retained a residual interest in the property, which has been valued at £5,000 (Note 9).

11. CREDITORS: Amounts falling due within one year

	31 December 2006 £	1 February 2006 As restated £
Loan from fellow subsidiary undertaking	556,801,036	—
Amount owed to fellow subsidiary undertaking	<u>914</u>	<u>727,759,731</u>
	<u>556,801,950</u>	<u>727,759,731</u>

The loan from a fellow subsidiary undertaking bears interest at a rate linked to LIBOR, subject to certain caps, and is repayable on demand.

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

12. DEFERRED TAXATION

Deferred taxation

	31 December 2006	1 February 2006 As restated
	£	£
Accelerated capital allowances	167,120,598	218,413,732
Undiscounted deferred tax liability	167,120,598	218,413,732
Discount	(81,193,938)	(100,412,099)
Discounted deferred tax liability	85,926,660	118,001,633
Brought forward	118,001,633	102,101,123
Deferred tax (credit)/charge in profit and loss account for the period	(32,074,973)	15,900,510
Carried forward	85,926,660	118,001,633

13. CALLED-UP SHARE CAPITAL

	31 December 2006	1 February 2006 As restated
	£	£
Authorised		
100 A Class preference shares of £0.01 each	1	1
196,250,998 ordinary shares of £1 each	196,250,998	196,250,998
Allotted, called-up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

14. RESERVES

	Profit and loss account £
At 2 February 2006	(117,712,122)
Profit for the period	32,087,948
At 31 December 2006	<u>(85,624,174)</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	Period from 2 February 2006 to 31 December 2006 £	Period from 1 October 2004 to 1 February 2006 As restated £
Opening shareholders' funds		
As previously stated	290,511	
Prior year adjustment	<u>(118,001,633)</u>	
As restated	(117,711,122)	759,732,293
Redemption of share capital	–	(710,948,124)
Profit for the period	32,087,948	23,999,709
Dividends	–	(190,495,000)
Closing shareholders' deficit	<u>(85,623,174)</u>	<u>(117,711,122)</u>

16. CAPITAL COMMITMENTS

As at 31 December 2006 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings

CANARY WHARF FINANCE LEASING (BP1/DS6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006

17. 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 2006, 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.