

CANARY WHARF INVESTMENTS (FOUR) LIMITED
Registered Number: 2388957

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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CANARY WHARF INVESTMENTS (FOUR) LIMITED

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CANARY WHARF INVESTMENTS (FOUR) LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report with the audited financial statements for the year ended 31 December 2009. This report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

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.

As shown in the company's profit and loss account, the company's profit after tax for the year was £2,042,823 (2008 £2,276,406).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £43,067,556 (2008 £43,224,733). Details of amounts owed to group companies are shown in Note 9.

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 2009 is set out on page 6. Dividends of £2,200,000 (2008 £500,000) have been paid during the year and the retained loss of £157,177 (2008 profit of £1,776,406) has been transferred from reserves.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out in this Directors' Report. The finances of the company and its liquidity position and borrowings are, where appropriate, also described in this report.

The company is in a net asset position at the year end. In addition, as a member of the Canary Wharf Group, the company has access to considerable resources.

Having made the requisite enquiries, the directors have a reasonable expectation that the company will have adequate resources to continue its operations for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The directors of the company throughout the year ended 31 December 2009 were

A P Anderson II
G Iacobescu
R J J Lyons

The company provides an indemnity to all directors (to the extent permitted by law) in respect of liabilities incurred as a result of their office. The company also has in place liability insurance covering the directors and officers of the company. Both the indemnity and insurance were in force during the year ended 31 December 2009 and at the time of the approval of this Directors' Report. Neither the indemnity nor the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

CANARY WHARF INVESTMENTS (FOUR) LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

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 418(2) of the Companies Act 2006.

BY ORDER OF THE BOARD


J R Garwood

Company Secretary

12 August 2010

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

Registered Number 2388957

CANARY WHARF INVESTMENTS (FOUR) LIMITED

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, 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 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 2006. 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 (FOUR) LIMITED

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

We have audited the financial statements of Canary Wharf Investments (Four) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet and the related Notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


CANARY WHARF INVESTMENTS (FOUR) LIMITED

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Richard Muschamp (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK

12 August 2010

CANARY WHARF INVESTMENTS (FOUR) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

		Year Ended 31 December 2009 £	Year Ended 31 December 2008 £
	Note		
TURNOVER		2,000	2,000
Cost of sales		1,173,447	299,154
GROSS PROFIT		1,175,447	301,154
Administrative expenses		(2,000)	(2,000)
OPERATING PROFIT	2	1,173,447	299,154
Interest receivable and similar income	3	908,704	6,451,402
Interest payable and similar charges	4	(39,646)	(4,472,932)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,042,505	2,277,624
Tax on profit on ordinary activities	5	318	(1,218)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	13	2,042,823	2,276,406

Movements in reserves are shown in Note 13 of these financial statements

All amounts relate to continuing activities in the United Kingdom

There were no recognised gains and losses for the year ended 31 December 2009 or the year ended 31 December 2008 other than those included in the profit and loss account

The Notes on pages 8 to 15 form an integral part of these financial statements

CANARY WHARF INVESTMENTS (FOUR) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	31 December 2009 £	31 December 2008 £
FIXED ASSETS			
Tangible assets	7	35,000	35,000
CURRENT ASSETS			
Debtors	8	83,303,946	85,281,712
CREDITORS: Amounts falling due within one year	9	(39,264,016)	(39,110,109)
NET CURRENT ASSETS		44,039,930	46,171,603
TOTAL ASSETS LESS CURRENT LIABILITIES		44,074,930	46,206,603
Provisions for liabilities	10	(1,007,374)	(2,981,870)
NET ASSETS		43,067,556	43,224,733
CAPITAL AND RESERVES			
Called-up share capital	12	40,483,165	40,483,165
Profit and loss account	13	2,584,391	2,741,568
SHAREHOLDERS' FUNDS	14	43,067,556	43,224,733

The Notes on pages 8 to 15 form an integral part of these financial statements

APPROVED BY THE BOARD ON 12 AUGUST 2010 AND SIGNED ON ITS BEHALF BY



R J J LYONS
DIRECTOR

CANARY WHARF INVESTMENTS (FOUR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 and in accordance with applicable United Kingdom accounting standards. The financial statements have been prepared on the going concern basis as described in the Directors' Report.

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.

Turnover

Turnover represents rents receivable net of VAT and is recognised on an accruals basis in the period in which the rents become due.

Interest receivable and interest payable

Interest receivable and payable are recognised on an accruals basis in the period in which they fall due.

Dividends

Dividend distributions to the company's shareholders are recognised in the financial statements in the period in which the dividends are paid or approved by the company's shareholders.

Investment properties

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 requires 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.

Trade and other debtors

Debtors are recognised initially at fair value. A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtor concerned.

Trade and other creditors

Trade and other creditors are stated at cost.

CANARY WHARF INVESTMENTS (FOUR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Vacant leasehold properties

Provision is made for the present value of the net commitments in relation to leasehold properties where there is a shortfall in the rental income receivable over the rent and other costs payable

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. The company is part of a UK group for group relief purposes and accordingly may take advantage of the group relief provisions whereby current taxable profits can be offset by current tax losses arising in other companies in that group. The group's policy is that no payment will be made for tax losses surrendered under the group relief provisions.

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 2.1% to 2.2% 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.

2. OPERATING PROFIT

Operating profit is stated after charging

	Year Ended 31 December 2009 £	Year Ended 31 December 2008 £
Remuneration of the auditors		
Audit fees for the audit of the company	2,000	2,000

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.

CANARY WHARF INVESTMENTS (FOUR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2009 £	Year Ended 31 December 2008 £
Bank interest receivable	—	306
Interest receivable from group undertakings	908,704	6,451,096
	<u>908,704</u>	<u>6,451,402</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2009 £	Year Ended 31 December 2008 £
Interest payable to group undertakings	—	4,286,532
Unwind of discounting of provisions (Note 10)	39,646	186,400
	<u>39,646</u>	<u>4,472,932</u>

5. TAXATION

	Year Ended 31 December 2009 £	Year Ended 31 December 2008 £
Current tax		
UK Corporation tax (see below)	<u>—</u>	<u>—</u>
Deferred tax		
Net effect of discount	<u>(318)</u>	<u>1,218</u>
Total deferred tax (Note 11)	<u>(318)</u>	<u>1,218</u>
Tax reconciliation		
Profit on ordinary activities before tax	<u>2,042,505</u>	<u>2,277,624</u>
Tax on profit on ordinary activities at UK corporation tax rate of 28% (2008 28.5%)	571,901	649,123
Effects of		
Tax losses and other timing differences	<u>(571,901)</u>	<u>(649,123)</u>
Current tax charge for the year	<u>—</u>	<u>—</u>

CANARY WHARF INVESTMENTS (FOUR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

The tax rate for the prior year of 28.5% was calculated by reference to the current corporation tax rate of 28% which was in effect for the final three quarters of that year and the previous rate of 30% which was in effect for the first quarter of that 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 2009 £	Year Ended 31 December 2008 £
Dividends paid during the year (3.53 pence per share) (2008: 0.80 pence per share)	<u>2,200,000</u>	<u>500,000</u>

7. TANGIBLE FIXED ASSETS

	Leasehold Investment Property £
COST	
At 1 January 2009 and 31 December 2009	<u>50,000</u>
PROVISION	
At 1 January 2009	<u>15,000</u>
At 31 December 2009	<u>15,000</u>
NET BOOK VALUE	
At 31 December 2009	<u>35,000</u>
At 31 December 2008	<u>35,000</u>

As at 31 December 2009 the company's leasehold property interest was valued by the group's external property advisers, 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 INVESTMENTS (FOUR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

8. DEBTORS

	31 December 2009 £	31 December 2008 £
Loans to fellow subsidiary undertakings	63,965,005	66,031,135
Amounts owed by fellow subsidiary undertakings	19,327,215	18,856,590
Other debtors	11,726	47,231
Prepayments and accrued income	—	346,756
	<u>83,303,946</u>	<u>85,281,712</u>

Loans to fellow subsidiary undertakings carry interest at a rate linked to LIBOR and are repayable on demand

9. CREDITORS: Amounts falling due within one year

	31 December 2009 £	31 December 2008 £
Amounts owed to fellow subsidiary undertakings	39,262,016	38,805,828
Accruals and deferred income	2,000	304,281
	<u>39,264,016</u>	<u>39,110,109</u>

CANARY WHARF INVESTMENTS (FOUR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

10. PROVISIONS FOR LIABILITIES

	31 December 2009	31 December 2008
	£	£
Deferred taxation (Note 11)	7,536	7,854
Provision for vacant leasehold property	999,838	2,974,016
	<u>1,007,374</u>	<u>2,981,870</u>

Movements in the provision for vacant leasehold properties were as follows

	£	£
At 1 January	2,974,016	3,530,792
Unwind of discount	39,646	186,400
Utilisation of provision	(840,372)	(444,017)
Change in assumptions (included in cost of sales)	(1,173,452)	(299,159)
At 31 December	<u>999,838</u>	<u>2,974,016</u>

During the year ended 30 June 2004, the company entered into an agreement to lease Meridian House in Farringdon Road as a part of a deal to lease to Reuters 30 The South Colonnade, Canary Wharf

The company exercised its first break option for the Meridian House lease in July 2009

At 31 December 2009, a provision of £999,838 has been made for the dilapidations payable in relation to the lease of Meridian House

11. DEFERRED TAXATION

	31 December 2009	31 December 2008
	£	£
Accelerated capital allowances	9,800	9,800
Undiscounted deferred tax liability	9,800	9,800
Discount	(2,264)	(1,946)
Discounted deferred tax liability	<u>7,536</u>	<u>7,854</u>
Brought forward	7,854	6,636
Deferred tax (credit)/charge in profit and loss account for the period	(318)	1,218
Carried forward	<u>7,536</u>	<u>7,854</u>

CANARY WHARF INVESTMENTS (FOUR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

12. CALLED-UP SHARE CAPITAL

	Year Ended 31 December 2009 £	Year Ended 31 December 2008 £
Authorised		
100 deferred ordinary shares of £1 each	100	100
62,283,196 ordinary shares of \$1 each	40,483,065	40,483,065
Allotted, called-up and fully paid		
100 deferred ordinary shares of £1 each	100	100
62,283,196 ordinary shares of \$1 each	40,483,065	40,483,065

The holders of the deferred ordinary shares are entitled to a restricted participation in the profits or assets of the company and do not have any right to attend and vote at any general meetings

13. RESERVES

	Profit and loss account £
At 1 January 2009	2,741,568
Profit for the year	2,042,823
Dividends	(2,200,000)
At 31 December 2009	2,584,391

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2009 £	31 December 2008 £
Opening shareholders' funds	43,224,733	41,448,327
Profit for the year	2,042,823	2,276,406
Dividends paid	(2,200,000)	(500,000)
Closing shareholders' funds	43,067,556	43,224,733

CANARY WHARF INVESTMENTS (FOUR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

15. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is CWE SPV HCo Limited

As at 31 December 2009, the smallest group of which the company is a member and for which group financial statements are drawn up is the consolidated financial statements of Canary Wharf Group plc. The largest group of which the company is a member for which group financial statements are drawn up is the consolidated financial statements of Songbird Estates plc, the ultimate parent undertaking and controlling party. Copies of the financial statements of both companies 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 FRS 8 allowing the company not to disclose related party transactions with respect to other group companies.