

CWE SPVh LIMITED
Registered Number: 3123281

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002



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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2002

The directors present herewith the audited financial statements for the year ended 30 June 2002.

ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is CWE SPV HCo Limited, a company registered in England and Wales. The company's ultimate parent undertaking is Canary Wharf Group plc ('CWG').

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company is to act as an investment holding company.

DIVIDENDS AND RESERVES

The profit and loss account for the year ended 30 June 2002 is set out on page 6. The directors do not recommend the payment of a dividend (2001:Nil).

DIRECTORS

The directors of the company throughout the year ended 30 June 2002, except as noted, were:

A P Anderson II
G Iacobescu
R Lyons (appointed 9 April 2002)
G Rothman (resigned 8 April 2002)

DIRECTORS' INTERESTS

The directors have been granted options to subscribe for ordinary shares in CWG. Details of interests and options to subscribe for shares in CWG are disclosed as appropriate in the financial statements of either the intermediate parent companies, Canary Wharf Holdings Limited or Canary Wharf Estate Limited, or CWG, the ultimate parent company.

Other than the above, no director had any beneficial interest in the shares of the company, its parent undertaking or any of its subsidiaries at 30 June 2002 or at any time throughout the year then ended.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2002

AUDITORS

On 31 July 2002 Arthur Andersen resigned as auditors and Deloitte & Touche were appointed in their place. In accordance with section 394 of the Companies Act 1985, Arthur Andersen have confirmed that there are no circumstances connected with their ceasing to hold office which they consider should be brought to the attention of the company's members.

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, 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



..... Company Secretary
J R Garwood

11 November 2002

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

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

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CWE SPVh LIMITED

We have audited the financial statements of CWE SPVh Limited for the year ended 30 June 2002 which comprise the profit and loss account and the balance sheet, and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CWE SPVh LIMITED**

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
London

11 November 2002

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2002

	Notes	Year Ended 30 June 2002	Year Ended 30 June 2001
		£	£
Income from fixed asset investments	3	3,982,811	4,785,217
Interest receivable	4	581,746	475,172
Interest payable and similar charges	5	(4,564,557)	(5,260,389)
PROFIT FOR THE FINANCIAL YEAR		-	-

All amounts relate to continuing activities.

There were no recognised gains or losses for the year ended 30 June 2002 or the year ended 30 June 2001 other than those included in the profit and loss account.

The notes on pages 8 to 11 form an integral part of these financial statements.

CWE SPVh LIMITED**BALANCE SHEET AS AT 30 JUNE 2002**

	Notes	30 June 2002	30 June 2001
		£	£
FIXED ASSETS			
Investments	7	77,000,000	77,000,000
CURRENT ASSETS			
Debtors	8	20,675,822	16,111,265
		20,675,822	16,111,265
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(97,675,821)	(93,111,264)
NET CURRENT LIABILITIES		(76,999,999)	(76,999,999)
NET ASSETS		1	1
CAPITAL AND RESERVES			
Called-up share capital	10	1	1
Profit and loss account		-	-
SHAREHOLDERS' FUNDS - EQUITY	11	1	1

The notes on pages 8 to 11 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 11 NOVEMBER 2002 AND SIGNED ON ITS BEHALF BY:


R LYONS
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

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.

In accordance with the provisions of Financial Reporting Standard (FRS) 1 (Revised), a cash flow statement has not been prepared as the company is a wholly-owned subsidiary of a body incorporated in the European Union. A consolidated cash flow statement is included in the financial statements of CWG.

Income from investments

Investment income comprises dividends declared during the accounting period.

Investments in group undertakings

Investments are stated in the company's balance sheet at cost less any provision for impairment.

Interest receivable and interest payable

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

2 ADMINISTRATIVE EXPENSES

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

No staff were employed by the company other than the directors.

Auditors' remuneration has been borne by another group undertaking.

3 INCOME FROM INVESTMENTS

	Year Ended 30 June 2002	Year Ended 30 June 2001
	£	£
Dividend from CWE SPVg Limited	3,982,811	4,785,217
	<u>3,982,811</u>	<u>4,785,217</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

4 INTEREST RECEIVABLE

	Year Ended 30 June 2002	Year Ended 30 June 2001
	£	£
Interest receivable from group undertakings	581,746	475,172
	<u>581,746</u>	<u>475,172</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 30 June 2002	Year Ended 30 June 2001
	£	£
Interest payable to group undertakings	4,564,557	5,260,389
	<u>4,564,557</u>	<u>5,260,389</u>

Interest payable to group undertakings is subject to a cap equal to the amount of net income receivable by the company.

6 TAXATION

No provision for taxation has been made in view of the tax loss for the year. It is anticipated that these tax losses will impact on future tax charges. There is no unprovided deferred taxation.

7 INVESTMENTS

	Shares in Group Undertakings
	£
Net Book Value	
At 30 June 2001 and at 30 June 2002	<u>77,000,000</u>

The company has invested in all of the redeemable preference shares issued by its fellow subsidiary undertaking, CWE SPVg Limited, a company registered in England and Wales. The principal activity of this company is property investment. The directors are of the opinion that the value of the investment is not less than the amount shown in the company's balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

8 DEBTORS

	30 June 2002	30 June 2001
	£	£
Amount owed by parent undertaking	1	1
Amounts owed by fellow subsidiary undertakings	20,675,821	16,111,264
	<u>20,675,822</u>	<u>16,111,265</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2002	30 June 2001
	£	£
Loans from parent undertaking	97,675,821	93,111,264
	<u>97,675,821</u>	<u>93,111,264</u>

The loan to the company's parent undertaking is repayable on demand and bears interest at a rate linked to LIBOR, subject to a cap equal to the amount of net income receivable.

10 CALLED-UP SHARE CAPITAL

	30 June 2002	30 June 2001
	£	£
Equity Shares		
Authorised, 100 ordinary shares of £1 each	100	100
Allotted, called-up and fully paid, 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Shareholders' funds	
as at 30 June 2001 and 30 June 2002	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

12 RELATED PARTIES

The company's immediate parent undertaking is CWE SPV HCo Limited, a company registered in England and Wales. The company's ultimate parent was Canary Wharf Group plc (subsequently renamed Canary Wharf Estate Limited) until 4 December 2001. Following the completion of a group reconstruction on this date the new holding company, New Canary Wharf plc, subsequently renamed Canary Wharf Group plc, a company registered in England and Wales, is considered the company's ultimate parent undertaking.

Canary Wharf Group plc is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up.

Copies of the consolidated financial statements of Canary Wharf Group plc may be obtained from the Company Secretary, 30th Floor, 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.

CANARY WHARF

GROUP PLC

Our Ref: JRG/AM/2371
14 November 2002

The Registrar of Companies
Companies House
Crown Way
Maundy
Cardiff
CF4 3UZ



A09 *APJMRFX7* 0642
COMPANIES HOUSE 15/11/02

Dear Sirs

Please find attached the Directors' Report and Financial Statements for the year/period ended 30 June 2002 for the following companies:

Canary Wharf Management Limited	- 2067510
South Quay Properties Limited	- 2830131
Seven Westferry Circus Limited	- 2732071
Canary Wharf Investments (Three)	- 2455786
Canary Wharf Investments (Four) Limited	- 2388957
CWE SPVc Limited	- 3123343
CWC SPVa Limited	- 3123292
CWCB Depositor (DS6) Limited	- 3348647
Canary Wharf Estate Limited	- 3114622
Canary Wharf Holdings Limited	- 2798284
Canary Solutions Limited	- 4099833
Norquil Limited	- 4050460
Canary Wharf Telecoms Limited	- 4278376
Indural Holdings Limited	- 0556213
Nash Court Retail Limited	- 4184435
Canary Wharf Holdings (DS4) Limited	- 4042326
Canary Wharf Contractors (B4) Limited	- 3511556
Canary Wharf Contractors (B5) Limited	- 3442704
Canary Wharf Contractors (DS6) Limited	- 3194822
CW Properties DS7B Limited	- 3441686
CW Leasing DS7B Limited	- 3441728
CW Depositor DS7B Limited	- 3441875
CW Properties DS7F Limited	- 3441707
CW Leasing DS7F Limited	- 3441740
CW Depositor DS7F Limited	- 3441844
CW Properties FC3 Limited	- 3441720
CW Leasing FC3 Limited	- 3441742
CW Depositor FC3 Limited	- 3441846
CW Properties B2 Limited	- 3441730
CW Leasing B2 Limited	- 3441833
CW Depositor B2 Limited	- 3441851
Canary Wharf Contractors (RT2) Limited	- 3510961
Canary Wharf Contractors (DS2) Limited	- 3605337
Armoric Investments Limited	- 4218720
South Quay Amenities Limited	- 2115313
South Quay Management Limited	- 1848094
Canary Wharf Contractors (BP1) Limited	- 4066332

CANARY WHARF

GROUP PLC

Canary Wharf Contractors (DS3) Limited	- 4075126
Canary Wharf Contractors (DS4) Limited	- 4042130
Seven Westferry Circus (No 2) Limited	- 2732121
Canary Wharf Investments (Two) Limited	- 2863616
CWE SPV Super HCo Limited	- 3123346
CWE SPV HCo Limited	- 3123311
CWE SPVb Limited	- 3123333
CWE SPVd Limited	- 3123296
CWE SPVe Limited	- 3123330
CWE SPVf Limited	- 3123299
CWE SPVg Limited	- 3123286
CWE SPVh Limited	- 3123281
CWC SPVb Limited	- 3123060
CWE SPVj Limited	- 3230302
CWC SPVd Limited	- 3302741
CWC SPVe Limited	- 3302707
CWC SPVi Limited	- 3375952
Canary Wharf (B4) Limited	- 3666185
CW Riverside Investments (UK) Limited	- 3261344
Armoric Holdings Limited	- 4218869
CWC SPVc Limited	- 3253119
CW Lending Limited	- 3376070
Heron Quays Developments Limited	- 2303491
CWC SPV HCo Limited	- 3123064
Canary Wharf Trustees Limited	- 3425975
CWCB Holdings Limited	- 3452890
Canary Wharf (DS4) T1 Limited	- 4290519
Canary Wharf (DS4) T2 Limited	- 4290511
Canary Wharf Investment Holdings (DS4) Limited	- 4292561
Canary Wharf Investments (DS4) Limited	- 4290513
Canary Wharf (BP1) Limited	- 4066322
Canary Wharf Holdings (BP1) Limited	- 4066771
Canary Wharf (DS4) Limited	- 4042136
CW Investments (Phase 1) Limited	- 2820116
Canary Cannon Limited	- 2067511
Hazelway Limited	- 2444670
First Tower T1 Limited	- 2550906
First Tower T2 Limited	- 2558070
CWE SPVa Limited	- 3123352
CWE SPVi Limited	- 3230287
Canary Wharf Holdings (B4) Limited	- 3666935
Canary Wharf (B4) T2 Limited	- 3666329
Canary Wharf Holdings (B5) Limited	- 3442716
Canary Wharf (B5) Limited	- 3442708
Canary Wharf (B5) T1 Limited	- 3442705
Canary Wharf (B5) T2 Limited	- 3442710
Canary Wharf Leasing (DS6) Limited	- 3321101
Canary Wharf (DS6) Limited	- 3321660
Canary Wharf Holdings (DS6) Limited	- 3321061
HQ1 Limited	- 3541218
Canary Wharf Holdings (DS2) Limited	- 3605331
Canary Wharf (DS2) Limited	- 3605334
Canary Wharf Finance Holdings Limited	- 3929240

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G R O U P P L C

<i>CW Finance Holdings II Limited</i>	- 4007784
<i>Canary Wharf Leasing (DS5) Limited</i>	- 4093513
<i>Canary Wharf SPV Limited</i>	- 3806493
<i>Canary Wharf Contractors (HQ Infrastructure) Limited</i>	- 4173592
<i>Heron Quays Leasing (HQ3) Limited</i>	- 4290528
<i>Canary Wharf Contractors (RT3) Limited</i>	- 4140230
<i>Canary Wharf (DS3) Limited</i>	- 4075124
<i>Canary Wharf Holdings (DS3) Limited</i>	- 4075639

Please acknowledge receipt by returning the enclosed copy letter duly receipted.

Yours faithfully



J R Garwood
Group Company Secretary