CWC SPVA LIMITED
Registered Number: 3123292

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

CWC SPVA LIMITED

FINANCIAL STATEMENTS

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CWC SPVA LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report with the audited financial statements for the year ended 31 December 2008. 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.

As shown in the company's profit and loss account, the company's loss after tax for the year was £470,389 (2007: £572,746).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £5,080,174 (2007: £7,350,563). Details of amounts owed to group companies are shown in Note 8.

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 2008 is set out on page 7. No dividends have been paid or proposed (2007: £Nil) and the retained loss of £470,389 (2007: loss of £572,746) 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 (including the principal risks and uncertainties), 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. The company has the benefit of leases which provide an income stream which the directors forecast will enable it to meet its obligations as they fall due for a period of not less than 12 months from the signing date of the financial statements. 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 2008 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. Neither the indemnity or the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

PRINCIPAL RISKS AND UNCERTAINTIES

As a member of the Canary Wharf Group the key risks facing the company include the property market upheaval, financing risk and concentration risk.

Property Market Upheaval

The valuation of Canary Wharf Group's assets is subject to many external economic and market factors which are cyclical in nature. The unprecedented turmoil in the financial markets has been reflected in the property market by such factors as the oversupply of available space in the office market, a recent significant decline in tenant demand for space in London and a change in the market perception of property as an investment resulting in a negative impact on property valuations in general. Such issues are kept under constant review so that the company as part of the Canary Wharf Group can react appropriately. The impact of the ongoing upheaval in the property and financial markets continues to be closely monitored.

Financing Risk

The broader economic cycle inevitably leads to movements in inflation, interest rates and bond yields. The company finances its operations largely through surplus cash and intercompany finance. The terms of the company's borrowings are summarised in Note 8.

The unprecedented turmoil in the financial markets has resulted in an unusually pronounced negative impact on the real estate market. In the current difficult economic environment there is an increased risk that further softening of yields could put pressure on the loan to value covenants in the facilities of Canary Wharf Group.

Concentration Risk

The majority of Canary Wharf Group's real estate assets, including the assets of the company, are currently located on or adjacent to the Canary Wharf Estate, with tenants that are mainly linked to the financial services industry. Wherever possible steps are taken to mitigate or avoid material consequences arising from this concentration.

The principal risks facing the Canary Wharf Group are discussed in the Annual Report of Canary Wharf Group plc, which does not form part of this report.

CWC SPVA LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

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 234ZA of the Companies Act 1985.

BY ORDER OF THE BOARD

....Joint Secretary 26 June 2009
A M Holland

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

CWC SPVA LIMITED

STATEMENT OF THE 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 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CWC SPVA LIMITED

We have audited the financial statements of CWC SPVa Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related Notes 1 to 13. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CWC SPVA 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 state of the company's affairs as at 31 December 2008 and of its loss 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 LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, UK

26 June 2009

CWC SPVA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
TURNOVER		374,844	390,832
Cost of sales		(809)	(380)
GROSS PROFIT		374,035	390,452
Administrative expenses		(16,294)	(8,637)
OPERATING PROFIT	**2**	357,741	381,815
Exceptional item:			
Profit on sale of fixed asset	**6**	400,000	–
Interest receivable and similar income	**3**	66,537	91,752
Interest payable and similar charges	**4**	(1,257,908)	(1,013,441)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(433,630)	(539,874)
Tax on loss on ordinary activities	**5**	(36,759)	(32,872)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	**10**	(470,389)	(572,746)

Movements in reserves are shown in Note 10 of these financial statements.

All amounts relate to continuing activities in the United Kingdom.

The Notes on pages 10 to 15 form an integral part of these financial statements.

CWC SPVA LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2008

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Loss for the financial year	(470,389)	(572,746)
Unrealised deficit on revaluation of properties	(1,800,000)	–
Total recognised losses relating to the year	(2,270,389)	(572,746)

The Notes on pages 10 to 15 form an integral part of these financial statements.

CWC SPVA LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	31 December 2008 £	31 December 2007 £
FIXED ASSETS			
Tangible assets	**6**	6,035,000	7,835,000
CURRENT ASSETS			
Debtors	**7**	11,569,493	12,550,223
Cash at bank		102,379	67,270
		11,671,872	12,617,493
CREDITORS: Amounts falling due within one year	**8**	(12,626,698)	(13,101,930)
NET CURRENT LIABILITIES		(954,826)	(484,437)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,080,174	7,350,563
NET ASSETS		5,080,174	7,350,563
CAPITAL AND RESERVES			
Called-up share capital	**9**	1	1
Revaluation reserve	**10**	5,985,000	7,785,000
Profit and loss account	**10**	(904,827)	(434,438)
SHAREHOLDERS' FUNDS	**11**	5,080,174	7,350,563

The Notes on pages 10 to 15 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 26 JUNE 2009 AND SIGNED ON ITS BEHALF BY:

R J J LYONS
DIRECTOR

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.

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.

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.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially 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

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.

Auditors' remuneration of £500 (2007: £500) for the audit of the company has been borne by another group undertaking.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Bank interest receivable	359	1,305
Interest receivable from group undertakings	66,178	90,447
	66,537	91,752

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Interest payable to group undertakings	1,257,908	1,013,441

5. TAXATION

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Current tax:		
UK Corporation tax (see below)	–	–
Deferred tax:		
Net effect of discount	(6,308)	24,122
Effect of change in future tax rates	–	8,750
Origination and reversal of timing differences	43,067	–
Total deferred tax (Note 7)	36,759	32,872
Tax reconciliation:		
Loss on ordinary activities before tax	(433,630)	(539,874)
Tax on loss on ordinary activities at UK corporation tax rate of 28.5% (2007: 30%)	(123,585)	(161,962)
Effects of:		
Items not chargeable to tax	(114,000)	–
Tax losses and other timing differences	237,585	161,962
Current tax charge for the year	–	–

The tax rate of 28.5% is calculated by reference to the current corporation tax rate of 28% which was in effect for the final three quarters of the year and the previous rate of 30% which was in effect for the first quarter of the year.

No provision for taxation has been made in view of the tax loss for the year. The company has an unrecognised deferred tax asset of £103,757 in respect of unclaimed EZAs. Other than this there is no unprovided deferred taxation.

6. TANGIBLE FIXED ASSETS

	Freehold & Leasehold Property £
VALUATION	
At 1 January 2008	7,835,000
Revaluation	(1,800,000)
At 31 December 2008	6,035,000
NET BOOK VALUE	
At 31 December 2008	6,035,000
At 31 December 2007	7,835,000

In September 2008, the company granted a lease of a retail unit at One Canada Square to a fellow subsidiary undertaking for a consideration of £400,000. At 31 December 2007, the unit had a carrying value of £nil. This gave rise to a profit on disposal of £400,000, which has been taken to the profit and loss account and treated as an exceptional item.

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

	31 December 2008 £	31 December 2007 £
Historic cost	50,000	50,000

As at 31 December 2008 the company's freehold and leasehold property interests were 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. The external valuations resulted in a revaluation deficit of £1,800,000 which has been transferred from the revaluation reserve.

7. DEBTORS

	31 December 2008 £	31 December 2007 £
Trade debtors	39,886	34,819
Loan to fellow subsidiary undertaking	–	1,657,184
Amounts owed by fellow subsidiary undertakings	11,464,486	10,757,553
Deferred tax	61,615	98,374
Prepayments and accrued income	3,506	2,293
	11,569,493	12,550,223

The loan to a fellow subsidiary undertaking carried interest at a rate linked to LIBOR and was repaid during the year.

At 31 December 2008 the company had a deferred tax asset of £80,370 (2007: £142,868), net of a discount of £18,755 (2007: £44,494).

8. CREDITORS: Amounts falling due within one year

	31 December 2008 £	31 December 2007 £
Trade creditors	–	15,343
Loan from fellow subsidiary undertaking	11,832,629	12,687,667
Amounts owed to fellow subsidiary undertakings	692,175	346,096
Other creditors	26,130	15,141
Accruals and deferred income	75,764	37,683
	12,626,698	13,101,930

The loan from a fellow subsidiary undertaking bears interest at 10%, subject to certain caps, and is repayable on demand.

9. CALLED-UP SHARE CAPITAL

Authorised share capital:

	31 December 2008 £	31 December 2007 £
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	31 December 2008 £	31 December 2007 £
1 Ordinary share of £1	1	1

10. RESERVES

	Revaluation reserve	Profit and loss account	Total
	£	£	£
At 1 January 2008	7,785,000	(434,438)	7,350,562
Loss for the year	–	(470,389)	(470,389)
Revaluation of fixed assets	(1,800,000)	–	(1,800,000)
At 31 December 2008	5,985,000	(904,827)	5,080,173

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2008	31 December 2007
	£	£
Opening shareholders' funds	7,350,563	7,923,309
Loss for the year	(470,389)	(572,746)
Revaluation	(1,800,000)	–
Closing shareholders' funds	5,080,174	7,350,563

12. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

As of 31 December 2008 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

13. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is CWC SPV HCo Limited.

As at 31 December 2008, 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.