

**CWC SPVA LIMITED**  
**Registered Number: 3123292**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**



# **CWC SPVA LIMITED**

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# **CWC SPVA LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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The directors present their report with the audited financial statements for the year ended 31 December 2010. 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 loss after tax for the year was £1,007,529 (2009 £887,656).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £3,184,989 (2009 £4,192,518). 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 2010 is set out on page 7. No dividends have been paid or proposed (2009 £Nil) and the retained loss of £1,007,529 (2009 loss of £887,656) 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.

# **CWC SPVA LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **DIRECTORS**

The directors of the company throughout the year ended 31 December 2010 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 2010 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.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

#### **Cyclical Nature of the Property Market**

The valuation of Canary Wharf Group's assets is subject to many external economic and market factors. The turmoil in the financial markets during 2008 and 2009 was reflected in the property market by such factors as the oversupply of available space in the office market, a 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. In the latter half of 2009 and during the course of 2010 there were signs of a tightening of supply which has resulted in an increase in valuations and a compression of yields. Changes in financial and property markets are kept under constant review so that the company can react appropriately. The impact of the ongoing uncertainty in the financial and property 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 ongoing uncertainty in financial markets continues to significantly limit the availability of funding. In common with other UK property companies, lack of financing facilities may have an impact on the business of Canary Wharf Group if the lending markets remain limited for the foreseeable future.

#### **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**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **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

27 June 2011

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

Registered Number 3123292

## **CWC SPVA LIMITED**

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

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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 accounting 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 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.

# **CWC SPVA LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWC SPVA LIMITED**

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We have audited the financial statements of CWC SPVa Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, Balance Sheet and the related Notes 1 to 13. 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 auditor's 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 auditor**

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 and express an opinion on 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 2010 and of its loss 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.

## **CWC SPVA LIMITED**

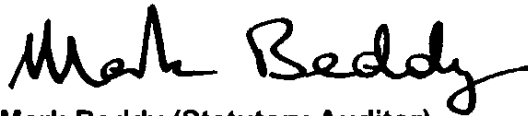
### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWC SPVA LIMITED**

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#### **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



**Mark Beddy (Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
**Chartered Accountant and Statutory Auditor**  
London, UK

27 June 2011



## **CWC SPVA LIMITED**

### **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010**

		Year Ended 31 December 2010 £	Year Ended 31 December 2009 £
	Note		
<b>TURNOVER - RENTAL INCOME</b>		358,520	362,533
Cost of sales		(451)	(756)
<b>GROSS PROFIT</b>		358,069	361,777
Administrative expenses		—	(2,022)
<b>OPERATING PROFIT</b>	2	358,069	359,755
Interest receivable and similar income	3	52	91
Interest payable and similar charges	4	(1,355,899)	(1,228,378)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(997,778)	(868,532)
Tax on loss on ordinary activities	5	(9,751)	(19,124)
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR</b>	10	(1,007,529)	(887,656)

Movements in reserves are shown in Note 10 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 2010 or the year ended 31 December 2009 other than those included in the profit and loss account

The Notes on pages 9 to 14 form an integral part of these financial statements

# CWC SPVA LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	31 December 2010 £	31 December 2009 £
<b>FIXED ASSETS</b>			
Tangible assets	6	6,035,000	6,035,000
<b>CURRENT ASSETS</b>			
Debtors	7	12,918,423	12,221,585
Cash at bank		101,677	99,509
		13,020,100	12,321,094
<b>CREDITORS: Amounts falling due within one year</b>	8	(15,870,111)	(14,163,576)
<b>NET CURRENT LIABILITIES</b>		(2,850,011)	(1,842,482)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,184,989	4,192,518
<b>NET ASSETS</b>		3,184,989	4,192,518
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	9	1	1
Revaluation reserve	10	5,985,000	5,985,000
Profit and loss account	10	(2,800,012)	(1,792,483)
<b>SHAREHOLDERS' FUNDS</b>	11	3,184,989	4,192,518

The Notes on pages 9 to 14 form an integral part of these financial statements

APPROVED BY THE BOARD ON 27 JUNE 2011 AND SIGNED ON ITS BEHALF BY



R J J LYONS  
DIRECTOR

# **CWC SPVA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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### **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. 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.

#### **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 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.

#### **Debt**

Debt instruments are stated initially at the amount of the net proceeds. The finance costs of such debt instruments are allocated to periods over the term of the debt at a constant rate on the carrying amount. The carrying amount is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debt of that period. Finance costs are charged to the profit and loss account.

# CWC SPVA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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### 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 0.4% to 2.5% 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 £1,500 (2009: £500) for the audit of the company has been borne by another group undertaking.

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2010 £	Year Ended 31 December 2009 £
Bank interest receivable	52	91

## CWC SPVA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2010 £	Year Ended 31 December 2009 £
Interest payable to group undertakings	<u>1,355,899</u>	<u>1,228,378</u>

#### 5. TAXATION

	Year Ended 31 December 2010 £	Year Ended 31 December 2009 £
Current tax		
UK Corporation tax (see below)	<u>—</u>	<u>—</u>
Deferred tax		
Net effect of discount	(1,414)	5,231
Origination and reversal of timing differences	<u>11,165</u>	<u>13,893</u>
Total deferred tax (Note 7)	<u>9,751</u>	<u>19,124</u>
Tax reconciliation		
Loss on ordinary activities before tax	<u>(997,778)</u>	<u>(868,532)</u>
Tax on loss on ordinary activities at UK corporation tax rate of 28%	(279,378)	(243,189)
Effects of Other timing differences	<u>279,378</u>	<u>243,189</u>
Current tax charge for the year	<u>—</u>	<u>—</u>

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 £10,981 (2009 £57,572) in respect of unclaimed EZAs.

## CWC SPVA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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#### 6. TANGIBLE FIXED ASSETS

	Freehold Investment & Leasehold Investment Property £
<b>VALUATION</b>	
At 1 January 2010 and 31 December 2010	<u>6,035,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2010	<u>6,035,000</u>
At 31 December 2009	<u>6,035,000</u>

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

	31 December 2010 £	31 December 2009 £
Historic cost	<u>50,000</u>	<u>50,000</u>

As at 31 December 2010 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.

#### 7. DEBTORS

	31 December 2010 £	31 December 2009 £
Trade debtors	1,745	—
Amounts owed by fellow subsidiary undertakings	12,883,938	12,179,094
Deferred tax	32,740	42,491
	<u>12,918,423</u>	<u>12,221,585</u>

At 31 December 2010 the company had a deferred tax asset of £46,197 (2009 £62,336), net of a discount of £13,457 (2009 £19,845)

## CWC SPVA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### 8. CREDITORS: Amounts falling due within one year

	31 December 2010 £	31 December 2009 £
Loan from fellow subsidiary undertaking	14,416,909	13,061,009
Amounts owed to fellow subsidiary undertakings	1,384,347	1,038,261
Other creditors	30,802	26,179
Accruals and deferred income	38,053	38,127
	<u>15,870,111</u>	<u>14,163,576</u>

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

##### Allotted, called up and fully paid:

	31 December 2010 £	31 December 2009 £
1 Ordinary share of £1	<u>1</u>	<u>1</u>

#### 10. RESERVES

	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2010	5,985,000	(1,792,483)	4,192,517
Loss for the year	–	(1,007,529)	(1,007,529)
At 31 December 2010	<u>5,985,000</u>	<u>(2,800,012)</u>	<u>3,184,988</u>

#### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2010 £	31 December 2009 £
Opening shareholders' funds	4,192,518	5,080,174
Loss for the year	(1,007,529)	(887,656)
Closing shareholders' funds	<u>3,184,989</u>	<u>4,192,518</u>

#### 12. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

As at 31 December 2010 and 31 December 2009 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings

## **CWC SPVA LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **13. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS**

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

As at 31 December 2010, 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.