

**CWC SPVa LIMITED**  
**Registered Number: 3123292**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**



**CONTENTS**

	<b>Page</b>
<b>Directors' Report</b>	<b>1 to 2</b>
<b>Statement of the Directors' Responsibilities in Respect of the Financial Statements</b>	<b>3</b>
<b>Auditors' Report</b>	<b>4 to 5</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9 to 13</b>

---

**DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2001**

The directors present herewith the audited financial statements for the year ended 30 June 2001.

**ULTIMATE PARENT UNDERTAKING**

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

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the company is property investment. At present this activity is concentrated on the Canary Wharf development in London's Docklands.

**DIVIDENDS AND RESERVES**

The profit and loss account for the year ended 30 June 2001 is set out on page 6. The directors do not recommend the payment of a dividend (2000:Nil) and the retained profit of £1,182,607 is to be transferred to reserves.

**DIRECTORS**

The directors of the company during the year ended 30 June 2001 were:

A P Anderson II  
G Iacobescu  
G Rothman

**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 in the financial statements of either Canary Wharf Holdings Limited, an intermediate parent company, or CWG, as appropriate.


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 2001 or at any time throughout the year then ended.

**AUDITORS**

The company's incumbent auditors, Arthur Andersen, have indicated their willingness to continue in office and a resolution confirming their re-appointment will be submitted at the Annual General Meeting.

**DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2001**

BY ORDER OF THE BOARD

  
..... Company Secretary  
J R Garwood

31 October 2001

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

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

Company Law requires the directors 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 SHAREHOLDERS OF CWC SPVa LIMITED**

We have audited the financial statements of CWC SPVa Limited for the year ended 30 June 2001 which comprise the primary financial statements, such as the Profit and Loss Account, the Balance Sheet and the Statement of Total Recognised Gains and Losses, and the related Notes numbered 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

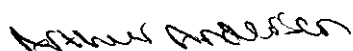
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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 SHAREHOLDERS OF  
CWC SPV<sub>a</sub> LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the affairs of the company at 30 June 2001 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen  
Chartered Accountants and Registered Auditors**

180 Strand  
London  
WC2R 1BL

31 October 2001

**CWC SPVa LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2001**

	Notes	Year Ended 30 June 2001	Year Ended 30 June 2000
		£	£
Turnover	2	2,824,573	1,431,319
Cost of sales		(372,084)	(38,139)
<b>GROSS PROFIT</b>		2,452,489	1,393,180
Administrative expenses (net)		25,566	(97,571)
Other operating income		74,259	8,102
<b>OPERATING PROFIT</b>	3	2,552,314	1,303,711
Interest receivable	4	162,396	2,438
Interest payable and similar charges	5	(1,532,103)	(1,450,441)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	11	1,182,607	(144,292)

Movements in reserves are shown in Note 11 of these financial statements.

All amounts relate to continuing activities.

The notes on pages 9 to 13 form an integral part of these financial statements.



**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 30 JUNE 2001**

	Year Ended 30 June 2001	Year Ended 30 June 2000
	£	£
Profit/(loss) for the financial year	1,182,607	(144,292)
Unrealised surplus on revaluation of properties	833,624	4,463,260
Total recognised gains relating to the year	<u>2,016,231</u>	<u>4,318,968</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

**CWC SPVa LIMITED**

**BALANCE SHEET AS AT 30 JUNE 2001**

	Notes	30 June 2001 £	30 June 2000 £
<b>FIXED ASSETS</b>			
Tangible assets	7	34,000,000	33,000,000
<b>CURRENT ASSETS</b>			
Debtors	8	9,040,239	2,920,361
Cash at bank and in hand		391,398	131,094
		9,431,637	3,051,455
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(30,325,912)	(24,961,961)
<b>NET CURRENT LIABILITIES</b>		(20,894,275)	(21,910,506)
<b>NET ASSETS</b>		13,105,725	11,089,494
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	1	1
Revaluation reserve	11	12,483,909	11,650,285
Profit and loss account	11	621,815	(560,792)
<b>SHAREHOLDERS' FUNDS - EQUITY</b>	12	13,105,725	11,089,494

The notes on pages 9 to 13 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 31 OCTOBER 2001 AND SIGNED ON ITS BEHALF BY:



A.P. ANDERSON II  
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

**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, as modified by the revaluation of investment properties, and in accordance with applicable 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.

Turnover

Turnover, which is stated net of VAT, represents rents receivable which are recognised in the profit and loss account in the period in which they become due.

Tangible fixed assets

Tangible fixed assets, comprising freehold investment properties, are revalued annually in accordance with SSAP 19. No provision has been made for depreciation of investment properties and 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.

Deferred taxation

Taxation deferred or accelerated by the effect of timing differences is accounted for to the extent that it is probable that a liability or asset will crystallise.

**2 TURNOVER**

The turnover, which is stated net of VAT, comprises rental income which arose wholly in the UK.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

**3 OPERATING PROFIT**

	Year Ended 30 June 2001	Year Ended 30 June 2000
The operating profit is stated after charging:	£	£
Remuneration of the auditors:		
Audit fees	2,500	2,500

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.

**4 INTEREST RECEIVABLE**

	Year Ended 30 June 2001	Year Ended 30 June 2000
	£	£
Interest receivable from group undertakings	162,396	2,438
	162,396	2,438

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 30 June 2001	Year Ended 30 June 2000
	£	£
Interest payable to group undertakings	1,532,103	1,450,441
	1,532,103	1,450,441

**6 TAXATION**

No provision for taxation 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.

There is no unprovided deferred taxation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

## 7 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings
<b>Cost or valuation</b>	£
At 1st July 2000	33,000,000
Additions	166,376
Revaluation	833,624
At 30th June 2001	<u>34,000,000</u>

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

	30 June 2001	30 June 2000
	£	£
Historical cost	<u>21,516,091</u>	<u>21,349,715</u>

As at 30 June 2001 the company's freehold property interest was valued by the group's external property advisers, FPD Savills, Chartered Surveyors, on the basis of Open 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 valuation resulted in a revaluation surplus of £833,624 which has been transferred to the revaluation reserve.

## 8 DEBTORS

	30 June 2001	30 June 2000
	£	£
Trade debtors	72,986	2,500
Loans to fellow subsidiary undertakings	4,549,447	19,249
Amounts owed by fellow subsidiary undertakings	3,744,601	2,525,571
Other debtors	141,593	75,629
Prepayments and accrued income	531,612	297,412
	<u>9,040,239</u>	<u>2,920,361</u>

The loans to fellow subsidiary undertakings bear interest at a rate linked to an issue of debentures by a fellow group company and are repayable in 2027.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

## 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2001	30 June 2000
	£	£
Trade creditors	103,230	-
Loans from fellow subsidiary undertakings	28,419,896	24,427,574
Amounts owed to fellow subsidiary undertakings	1,702,493	297,337
Accruals and deferred income	100,293	237,050
	<u>30,325,912</u>	<u>24,961,961</u>

The loans from fellow subsidiary undertakings bear interest at a rate linked to LIBOR and are repayable on demand.

## 10 CALLED-UP SHARE CAPITAL

	30 June 2001	30 June 2000
	£	£
Equity Shares		
Ordinary shares of £1 each		
Authorised	100	100
Allotted, called-up and fully paid	<u>1</u>	<u>1</u>

## 11 RESERVES

	Revaluation Reserve	Profit and Loss Account	Total
	£	£	£
At 1 July 2000	11,650,285	(560,792)	11,089,493
Profit for the financial year	-	1,182,607	1,182,607
Revaluation	833,624	-	833,624
At 30 June 2001	<u>12,483,909</u>	<u>621,815</u>	<u>13,105,724</u>

## 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Shareholders' funds as at 1 July 2000	11,089,494
Profit for the financial year	1,182,607
Revaluation	<u>833,624</u>
Shareholders' funds as at 30 June 2001	<u>13,105,725</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001**

**13 CAPITAL COMMITMENTS**

As at 30 June 2001 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

**14 RELATED PARTIES**

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

Copies of the consolidated financial statements of 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.