

CWE SPV HCO LIMITED
Registered Number: 3123311

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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CWE SPV HCO LIMITED

FINANCIAL STATEMENTS

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CWE SPV HCO LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report with the audited financial statements for the year ended 31 December 2007. 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 to act as an investment holding company.

As shown in the company's profit and loss account, the company's profit after tax for the year was £16,000,000 (2006 £72,700,000).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £32,036,253 (2006 £32,036,253). 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 2007 is set out on page 6. The company recorded a profit after tax of £16,000,000 (2006 profit of £72,700,000) and dividends of £16,000,000 (2006 £72,700,000) have been paid during the year.

DIRECTORS

The directors of the company throughout the year ended 31 December 2007 were:

A P Anderson II
G Iacobescu
R J J Lyons

The group has in place liability insurance covering the directors and other officers of group companies.

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 234 ZA of the Companies Act 1985.

CWE SPV HCO LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

AUDITORS

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 LLP, 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



A M Holland

Joint Secretary

14 August 2008

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

CWE SPV HCO LIMITED

STATEMENT OF 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 profit or loss 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

CWE SPV HCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CWE SPV HCO LIMITED

We have audited the financial statements of CWE SPV HCo Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, 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.

CWE SPV HCO LIMITED

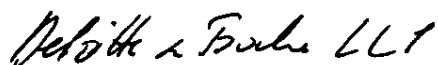
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CWE SPV HCO LIMITED

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 company's affairs as at 31 December 2007 and of its profit 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 & Touche LLP
Chartered Accountants and Registered Auditors
London, UK

14 August 2008

CWE SPV HCO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
OPERATING PROFIT	2	—	—
Income from shares in group undertakings	7	24,301,406	72,700,000
Exceptional item			
Provision against investments	7	(7,514,704)	3,575,148
Interest receivable and similar income	3	236,191	622,090
Interest payable and similar charges	4	(1,022,893)	(4,197,238)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,000,000	72,700,000
Tax on profit on ordinary activities	5	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	11	16,000,000	72,700,000

Movements in reserves are shown in Note 11 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 2007 or the year ended 31 December 2006 other than those included in the profit and loss account

The Notes on pages 8 to 13 form an integral part of these financial statements

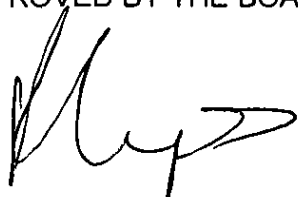
CWE SPV HCO LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	31 December 2007 £	31 December 2006 £
FIXED ASSETS			
Investments	7	<u>170,068,241</u>	<u>177,582,944</u>
CURRENT ASSETS			
Debtors	8	4,416,234	4,180,044
Cash at bank		<u>146</u>	<u>145</u>
		4,416,380	4,180,189
CREDITORS: Amounts falling due within one year	9	<u>(142,448,368)</u>	<u>(149,726,880)</u>
NET CURRENT LIABILITIES		<u>(138,031,988)</u>	<u>(145,546,691)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>32,036,253</u>	<u>32,036,253</u>
NET ASSETS		<u>32,036,253</u>	<u>32,036,253</u>
CAPITAL AND RESERVES			
Called-up share capital	10	100	100
Share premium account	11	<u>32,036,153</u>	<u>32,036,153</u>
SHAREHOLDERS' FUNDS	12	<u>32,036,253</u>	<u>32,036,253</u>

The Notes on pages 8 to 13 form an integral part of these financial statements

APPROVED BY THE BOARD ON 14 AUGUST 2008 AND SIGNED ON ITS BEHALF BY



R J J LYONS
DIRECTOR

CWE SPV HCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 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

Interest receivable and interest payable

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

Investments in subsidiary undertakings

The company's investment in subsidiary undertakings is stated at cost less any provision for impairment

Income from investments

Investment income comprises dividends paid by the company's subsidiary undertakings during the accounting period

Debt

Debt instruments are stated immediately after issue 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 in that period. Finance costs are charged to the profit and loss account.

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 (2006: £500) for the audit of the company has been borne by another group undertaking.

CWE SPV HCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Bank interest receivable	1	—
Interest receivable from group undertakings	236,190	622,090
	<u>236,191</u>	<u>622,090</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Interest payable to group undertakings	<u>1,022,893</u>	<u>4,197,238</u>

5 TAXATION

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Current tax UK Corporation tax (see below)	<u>—</u>	<u>—</u>
Tax reconciliation Profit on ordinary activities before tax	<u>16,000,000</u>	<u>72,700,000</u>
Tax on profit on ordinary activities at UK corporation tax rate of 30%	4,800,000	21,810,000
Effects of Items not chargeable to tax	(7,290,422)	(21,810,000)
Expenses not deductible for tax purposes	2,254,411	—
Tax losses and other timing differences	236,011	—
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. It is anticipated that tax losses will impact on future tax charges. There is no unprovided deferred taxation.

CWE SPV HCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

6. DIVIDENDS

	Year Ended 31 December 2007 £	Year Ended 31 December 2006 £
Dividends paid during the year (£160,000 per share) (2006 £727,000 per share)	16,000,000	72,700,000

7. INVESTMENTS

	Shares in Group Undertakings £
COST	
At 1 January 2007 and 31 December 2007	196,537,824
PROVISION FOR IMPAIRMENT	
At 1 January 2007	18,954,880
Provided during the year	7,514,703
At 31 December 2007	26,469,583
NET BOOK VALUE	
At 31 December 2007	170,068,241
At 31 December 2006	177,582,944

At 31 December 2007 the company's subsidiary undertakings were as follows

Name	Description of shares held	Principal activities
Canary Wharf Investments (Two) Limited	Ordinary US\$1 shares	Property investment
Canary Wharf Investments (Four) Limited	Ordinary US\$1 shares	Property investment
CWE SPVa Limited	Ordinary £1 shares	Property investment
CWE SPVb Limited	Ordinary £1 shares	Property investment
CWE SPVc Limited	Ordinary £1 shares	Property investment
CWE SPVd Limited	Ordinary £1 shares	Property investment
CWE SPVe Limited	Ordinary £1 shares	Property investment
CWE SPVf Limited	Ordinary £1 shares	Property investment
CWE SPVg Limited	Ordinary £1 shares	Property investment
CWE SPVh Limited	Ordinary £1 shares	Property investment

The above are wholly owned subsidiaries registered in England and Wales

Dividends totalling £24,301,406 (2006 £72,700,000) were paid by the company's subsidiaries during the year ended 31 December 2007

CWE SPV HCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

The company has recognised a provision against its investment in Canary Wharf Investments (Four) Limited of £26,469,583 (2006 £18,954,880). The increase of the provision in the year of £7,514,703 (2006 decrease of £3,575,148) has been taken to the profit and loss account and treated as an exceptional item.

In accordance with Section 228 of Companies Act 1985, financial information is only presented in these financial statements about the company as an individual undertaking and not about its group because the company and its subsidiary undertakings are included in the consolidated financial statements of a larger group (Note 13).

The directors are of the opinion that the value of the company's investments at 31 December 2007 was not less than the amount shown in the company's balance sheet.

8. DEBTORS

	31 December 2007 £	31 December 2006 £
Amount owed by parent undertaking	1	1
Loan to fellow subsidiary undertaking	4,416,233	4,180,043
	<u>4,416,234</u>	<u>4,180,044</u>

Loans to group undertakings bear interest at rates linked to LIBOR, subject to certain caps, and are repayable on demand.

9 CREDITORS: Amounts falling due within one year

	31 December 2007 £	31 December 2006 £
Loan from parent undertaking	16,280,653	16,044,461
Loan from fellow subsidiary undertaking	126,167,578	129,122,605
Amounts owed to subsidiary undertakings	137	137
Amount owed to fellow subsidiary undertaking	–	4,559,677
	<u>142,448,368</u>	<u>149,726,880</u>

The loan from the parent undertaking carries interest at a market rate linked to LIBOR subject to a cap equal to the amount of net income receivable, and is repayable on demand.

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

CWE SPV HCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

10. CALLED-UP SHARE CAPITAL

Authorised share capital:

	31 December 2007	31 December 2006
	£	£
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	31 December 2007	31 December 2006
	£	£
100 Ordinary shares of £1 each	100	100

11. RESERVES

	Share Premium	Profit and loss account	Total
	£	£	£
At 1 January 2007	32,036,153	–	32,036,153
Profit for the year	–	16,000,000	16,000,000
Dividends	–	(16,000,000)	(16,000,000)
At 31 December 2007	32,036,153	–	32,036,153

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2007	31 December 2006
	£	£
Opening shareholders' funds	32,036,253	32,036,253
Profit for the year	16,000,000	72,700,000
Dividends paid	(16,000,000)	(72,700,000)
Closing shareholders' funds	32,036,253	32,036,253

CWE SPV HCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

13. RELATED PARTIES

The company's immediate parent undertaking is CWE SPV Super HCo Limited and its ultimate parent undertaking is Songbird Estates plc. Both companies are registered in England and Wales.

As at 31 December 2007, Songbird Estates plc was the parent company of the largest group of which the company is a member and Canary Wharf Group plc was the parent undertaking of the smallest group of which the company is a member. Copies of the financial statements of Songbird Estates plc and 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.