

**CWE SPV HCO LIMITED**  
**Registered Number: 3123311**

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

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# **CWE SPV HCO LIMITED**

## **CONTENTS**

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	<b>PAGE</b>
Directors' Report	<b>1</b>
Statement of the Directors' Responsibilities in Respect of the Financial Statements	<b>3</b>
Independent Auditor's Report	<b>4</b>
Profit and Loss Account	<b>6</b>
Balance Sheet	<b>7</b>
Notes to the Financial Statements	<b>8</b>

# **CWE SPV HCO 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 to act as an investment holding company.

As shown in the company's profit and loss account, the company's loss after tax for the year was £6,943,370 (2009 £Nil).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £25,092,883 (2009 £32,036,253). Details of amounts owed to group companies are shown in Note 7.

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 6. No dividends have been paid or proposed (2009 £Nil) and the retained loss of £6,943,370 (2009 profit of £Nil) 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, 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. 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 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.

# **CWE SPV HCO LIMITED**

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

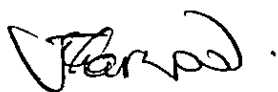
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### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

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 auditor is aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditor is 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

28 July 2011

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

Registered Number 3123311

## **CWE SPV HCO 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, 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.

# **CWE SPV HCO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWE SPV HCO LIMITED**

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We have audited the financial statements of CWE SPV HCo Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, Balance Sheet and the related Notes 1 to 11. 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 Statement of Directors' Responsibilities, 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.

## **CWE SPV HCO LIMITED**

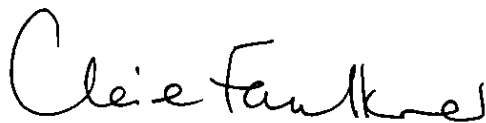
### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWE SPV HCO LIMITED**

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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



**Claire Faulkner (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
**Chartered Accountant and Statutory Auditor**  
London, UK

28 July 2011

# CWE SPV HCO LIMITED

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

	Note	Year Ended 31 December 2010 £	Year Ended 31 December 2009 £
<b>OPERATING PROFIT</b>	<b>2</b>	—	—
Income from shares in group undertakings	<b>5</b>	11,292,711	7,658,811
Exceptional item			
Provision against investments	<b>5</b>	(18,236,081)	(2,512,957)
Interest payable and similar charges	<b>3</b>	—	(5,145,854)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(6,943,370)</b>	—
Tax on loss on ordinary activities	<b>4</b>	—	—
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR</b>	<b>9</b>	<b>(6,943,370)</b>	—

Movements in reserves are shown in Note 9 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 8 to 12 form an integral part of these financial statements



# CWE SPV HCO LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	31 December 2010 £	31 December 2009 £
<b>FIXED ASSETS</b>			
Investments	5	173,859,671	192,095,754
<b>CURRENT ASSETS</b>			
Debtors	6	1	1
<b>CREDITORS: Amounts falling due within one year</b>	7	(148,766,789)	(160,059,502)
<b>NET CURRENT LIABILITIES</b>		(148,766,788)	(160,059,501)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		25,092,883	32,036,253
<b>NET ASSETS</b>		25,092,883	32,036,253
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	8	100	100
Share premium account	9	32,036,153	32,036,153
Profit and loss account	9	(6,943,370)	—
<b>SHAREHOLDERS' FUNDS</b>	10	25,092,883	32,036,253

The Notes on pages 8 to 12 form an integral part of these financial statements

APPROVED BY THE BOARD ON 28 JULY 2011 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 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 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.

#### **Interest receivable and interest payable**

Interest receivable and payable are recognised on an accruals basis in the period in which they fall due.

#### **Income from investments**

Investment income comprises dividends paid by subsidiary undertakings during the accounting period.

#### **Investments**

Investments in subsidiaries are stated at cost less any provision for impairment.

#### **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.

# CWE SPV HCO LIMITED

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

### 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.

### 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 (2009 £500) for the audit of the company has been borne by another group undertaking.

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2010 £	Year Ended 31 December 2009 £
Interest payable to group undertakings	—	5,145,854

### 4. TAXATION

	Year Ended 31 December 2010 £	Year Ended 31 December 2009 £
Current tax		
UK Corporation tax (see below)	—	—
Tax reconciliation		
Loss on ordinary activities before tax	(6,943,370)	—
Tax on loss on ordinary activities at UK corporation tax rate of 28%	(1,944,144)	—
Effects of		
Items not chargeable to tax	(3,161,959)	—
Expenses not deductible for tax purposes	5,106,103	—
Current tax charge for the year	—	—

No charge for taxation has been made since the company recorded neither a profit or a loss, for tax purposes, for the year. There is no unprovided deferred taxation.

# CWE SPV HCO LIMITED

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

### 5. INVESTMENTS

#### Shares in group undertakings

	£
<b>COST</b>	
At 1 January 2010	196,537,825
Disposals	(2)
At 31 December 2010	<u>196,537,823</u>
<b>PROVISION FOR IMPAIRMENT</b>	
At 1 January 2010	4,442,071
Provided during the year	18,236,081
At 31 December 2010	<u>22,678,152</u>
<b>NET BOOK VALUE</b>	
At 31 December 2010	<u>173,859,671</u>
At 1 January 2010	<u>192,095,754</u>

During the year, two of the company's dormant subsidiaries were voluntarily struck off the Companies House register

At 31 December 2010 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 SPVb Limited	Ordinary £1 shares	Property investment
CWE SPVc 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 £11,292,711 (2009 £7,658,811) were paid by the company's subsidiaries during the year ended 31 December 2010

At 31 December 2010, an assessment of the net realisable value of the company's investment in Canary Wharf Investments (Four) Limited has resulted in an increased provision for impairment of £22,678,152 (2009 £4,442,071). The increase of the provision in the year of £18,236,081 (2009 £2,512,957) has been taken to the profit and loss account and treated as an exceptional item.

# CWE SPV HCO LIMITED

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

In accordance with Section 400 of the Companies Act 2006, 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 11)

The directors are of the opinion that the value of the company's investments at 31 December 2010 was not less than the amount shown in the company's balance sheet

### 6 DEBTORS

	31 December 2010 £	31 December 2009 £
Amount owed by parent undertaking	<u>1</u>	<u>1</u>

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

	31 December 2010 £	31 December 2009 £
Loan from fellow subsidiary undertaking	148,766,653	160,059,364
Amounts owed to subsidiary undertakings	<u>136</u>	<u>138</u>
	<u>148,766,789</u>	<u>160,059,502</u>

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

### 8. CALLED-UP SHARE CAPITAL

Allotted, called up and fully paid:

	31 December 2010 £	31 December 2009 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 9. RESERVES

	Share Premium £	Profit and loss account £	Total £
At 1 January 2010	32,036,153	–	32,036,153
Loss for the year	–	(6,943,370)	(6,943,370)
At 31 December 2010	<u>32,036,153</u>	<u>(6,943,370)</u>	<u>25,092,783</u>

## **CWE SPV HCO LIMITED**

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

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#### **10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 December 2010 £	31 December 2009 £
Opening shareholders' funds	32,036,253	32,036,253
Loss for the year	(6,943,370)	—
Closing shareholders' funds	<u>25,092,883</u>	<u>32,036,253</u>

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

The company's immediate parent undertaking is CWE SPV Super 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.