

CWE SPVb LIMITED
Registered Number: 3123333

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003



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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

The directors present their report with the audited financial statements for the year ended 30 June 2003.

ULTIMATE PARENT UNDERTAKING

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

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company remains property investment, although it held no investment properties during the year ended 30 June 2003.

DIVIDENDS AND RESERVES

The profit and loss account for the year ended 30 June 2003 is set out on page 6. The directors do not recommend the payment of a dividend (2002: Nil).

DIRECTORS

The directors of the company throughout the year ended 30 June 2003 were:

A P Anderson II
G Iacobescu
R Lyons

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 as appropriate in the financial statements of either the intermediate parent company, Canary Wharf Estate Limited, or CWG, the ultimate parent company.

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 2003 or at any time throughout the year then ended.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

AUDITORS

On 1 August 2003 Deloitte & Touche, the company's auditors, transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP under the provisions of s26(5) of the Companies Act 1989.

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



..... Company Secretary
J R Garwood

28 April 2004

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

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

The directors are required by the Companies Act 1985 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 MEMBERS OF CWE SPVb LIMITED

We have audited the financial statements of CWE SPVb Limited for the year ended 30 June 2003 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 10. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CWE SPVb LIMITED**

Basis of audit 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 company's circumstances, 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.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

28 April 2004

CWE SPVb LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Year Ended 30 June 2003	Year Ended 30 June 2002
		£	£
Interest receivable and similar income	3	1,391,705	1,554,907
Interest payable and similar charges	4	(1,391,705)	(1,526,682)
PROFIT FOR THE FINANCIAL YEAR		-	28,225

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 or losses for the year ended 30 June 2003 or the year ended 30 June 2002 other than those included in the profit and loss account.

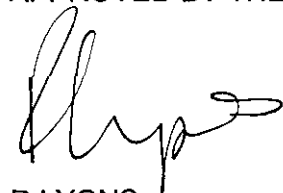
The notes on pages 8 to 11 form an integral part of these financial statements.

CWE SPVb LIMITED**BALANCE SHEET AS AT 30 JUNE 2003**

	Notes	30 June 2003 £	30 June 2002 £
CURRENT ASSETS			
Debtors	6	37,738,206	36,741,806
		<u>37,738,206</u>	<u>36,741,806</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(37,664,884)	(36,668,484)
NET CURRENT ASSETS		<u>73,322</u>	<u>73,322</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>73,322</u>	<u>73,322</u>
NET ASSETS		<u>73,322</u>	<u>73,322</u>
CAPITAL AND RESERVES			
Called-up share capital	8	1	1
Profit and loss account		<u>73,321</u>	<u>73,321</u>
SHAREHOLDERS' FUNDS - EQUITY	9	<u>73,322</u>	<u>73,322</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 28 APRIL 2004 AND SIGNED ON ITS BEHALF BY:



R LYONS
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

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), 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.

Interest receivable and interest payable

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

2 ADMINISTRATIVE EXPENSES

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.

Auditors' remuneration has been borne by another group undertaking.

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 30 June 2003	Year Ended 30 June 2002
	£	£
Interest receivable from group undertakings	1,391,705	1,554,907
	<u>1,391,705</u>	<u>1,554,907</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

4 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 30 June 2003	Year Ended 30 June 2002
	£	£
Interest payable to group undertakings	1,391,705	1,526,682
	<u>1,391,705</u>	<u>1,526,682</u>

5 TAXATION

	Year Ended 30 June 2003	Year Ended 30 June 2002
	£	£
Current tax:		
UK corporation tax (see below)	-	-
Tax reconciliation:		
Profit on ordinary activities before tax	-	28,225
Tax on profit on ordinary activities at UK corporation tax rate of 30%	-	8,467
Effects of:		
Tax losses and other timing differences	-	(8,467)
Current tax charge for the year	<u>-</u>	<u>-</u>

No charge for taxation has been made since the company recorded neither a profit nor loss for the year. It is anticipated that group relief and other tax reliefs will impact on any future tax charges. There is no unprovided deferred taxation.

6 DEBTORS

	30 June 2003	30 June 2002
	£	£
Loans to parent undertaking	2,871,129	2,761,466
Loans to fellow subsidiary undertakings	33,552,114	32,665,501
Amount owed by parent undertaking	1	1
Amounts owed by fellow subsidiary undertakings	1,314,962	1,314,838
	<u>37,738,206</u>	<u>36,741,806</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

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

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2003	30 June 2002
	£	£
Loans from parent undertaking	2,268,514	2,185,230
Loans from fellow subsidiary undertakings	35,395,907	34,482,874
Amounts owed to fellow subsidiary undertakings	463	380
	<u>37,664,884</u>	<u>36,668,484</u>

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

8 CALLED-UP SHARE CAPITAL

	30 June 2003	30 June 2002
	£	£
Equity Shares		
Authorised, 100 ordinary shares of £1 each	100	100
Allotted, called-up and fully paid, 1 ordinary share of £1	<u>1</u>	<u>1</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Shareholders' funds	
as at 30 June 2002 and 30 June 2003	<u>73,322</u>

10 RELATED PARTIES

The company's immediate parent undertaking is CWE SPV HCo Limited, a company registered in England and Wales. The company's ultimate parent was Canary Wharf Group plc (subsequently renamed Canary Wharf Estate Limited) until 4 December 2001. Following the completion of a group reconstruction on this date the new holding company, New Canary Wharf plc, subsequently renamed Canary Wharf Group plc, a company registered in England and Wales, is considered the company's ultimate parent undertaking.

Canary Wharf Group plc is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

Copies of the consolidated financial statements of Canary Wharf Group plc may be obtained from the Company Secretary, 30th Floor, 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.