

CWC SPVC LIMITED
Registered Number: 3253119

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR FROM 1 JULY 2003 TO 30 JUNE 2004



CWC SPVC LIMITED
FINANCIAL STATEMENTS

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CWC SPVC LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

The directors present their report with the audited financial statements for the year ended 30 June 2004.

ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is CWC SPV HCo Limited, a company registered in England and Wales. On 21 May 2004, Songbird Acquisition Limited declared its offer for Canary Wharf Group plc ('CWG'), the company's previous ultimate parent undertaking, wholly unconditional. As a result of this announcement, Songbird Estates plc is now the ultimate parent company.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company is to act as an investment company.

FUTURE DEVELOPMENTS

The company is expected to continue with its principal activity for the foreseeable future.

DIVIDENDS AND RESERVES

The profit and loss account for the year ended 30 June 2004 is set out on page 6. The directors recommend the payment of an interim dividend of £Nil (2003 :£100,000) and the retained profit of £51,182 is to be transferred to reserves.

DIRECTORS

The directors of the company throughout the year ended 30 June 2004 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 of the intermediate parent companies, Canary Wharf Estate Limited or CWG.

Subsequent to the year end, options have also been granted to subscribe for ordinary shares in Songbird Estates plc, the ultimate parent company and such details are disclosed in the financial statements of Canary Wharf Estate Limited, an intermediate parent undertaking.

Other than the above, no director had any beneficial interest in the shares of the company, its parent undertakings or any of its subsidiaries at 30 June 2004 or at any time throughout the year then ended.

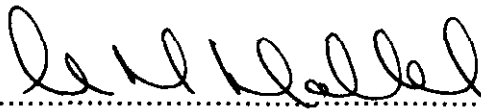
CWC SPVC LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2004

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



..... Joint Secretary
A M Holland

21 December 2004

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

CWC SPVC LIMITED

STATEMENT OF 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 year and of the results for the year then ended. In preparing these financial statements, the directors are required to:

- select suitable accounting policies, as described on page 8, 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.

CWC SPVC LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements of CWC SPVc Limited for the year ended 30 June 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 14. 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 and consider the implications for our report if we become aware of any apparent misstatements.

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 circumstances of the company, consistently applied and adequately disclosed.

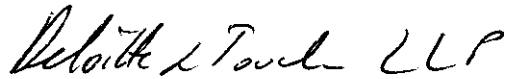
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

CWC SPVC LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Opinion

In our opinion the financial statements give a true and fair view of the company's affairs as at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

21 December 2004

CWC SPVC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

	Note	Year Ended 30 June 2004 £	Year Ended 30 June 2003 £
OPERATING PROFIT	2	—	—
Interest receivable and similar income	3	47,336,125	47,359,186
Interest payable and similar charges	4	(47,284,943)	(47,300,493)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		51,182	58,693
Tax on profit on ordinary activities	5	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		51,182	58,693
Dividends	6	—	(100,000)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	11	51,182	(41,307)

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 30 June 2004 or the period ended 30 June 2003 other than those included in the profit and loss account.

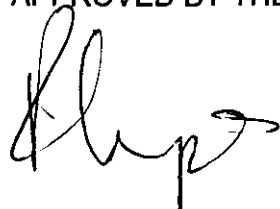
The notes on pages 8 to 12 form an integral part of these financial statements.

CWC SPVC LIMITED**BALANCE SHEET AS AT 30 JUNE 2004**

	Note	30 June 2004 £	30 June 2003 £
CURRENT ASSETS			
Debtors	7		
Amounts falling due after one year		644,155,201	663,525,648
Amounts falling due within one year		1	-
Cash at bank		1	1
		<u>644,155,203</u>	<u>663,525,649</u>
CREDITORS: Amounts falling due within one year	8	<u>(419,319)</u>	<u>(405,950)</u>
NET CURRENT ASSETS		<u>643,735,884</u>	<u>663,119,699</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>643,735,884</u>	<u>663,119,699</u>
CREDITORS: Amounts falling due after more than one year	9	<u>(643,589,163)</u>	<u>(663,024,160)</u>
NET ASSETS		<u>146,721</u>	<u>95,539</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	1	1
Profit and loss account	11	146,720	95,538
SHAREHOLDERS' FUNDS - EQUITY	12	<u>146,721</u>	<u>95,539</u>

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

APPROVED BY THE BOARD ON 21 DECEMBER 2004 AND SIGNED ON ITS BEHALF BY:



R LYONS
DIRECTOR

CWC SPVC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

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. OPERATING PROFIT

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 2004 £	Year Ended 30 June 2003 £
Interest receivable from group undertakings	<u>47,336,125</u>	<u>47,359,186</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 30 June 2004 £	Year Ended 30 June 2003 £
Interest payable to group undertakings	<u>47,284,943</u>	<u>47,300,493</u>

CWC SPVC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

5. TAXATION

	Year Ended 30 June 2004 £	Year Ended 30 June 2003 £
Current tax:		
UK Corporation tax (see below)	—	—
Tax reconciliation:		
Profit on ordinary activities before tax	51,182	58,693
Tax on profit on ordinary activities at UK corporation tax rate of 30%	15,355	17,607
Effects of:		
Tax losses and other timing differences	(15,355)	(17,607)
Current tax charge for the year	—	—

No provision for corporation tax 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. It is anticipated that group relief and other tax reliefs will impact on future tax charges. There is no unprovided deferred taxation.

6. DIVIDENDS

	30 June 2004 £	30 June 2003 £
Interim dividend (2003 - £100,000 per share)	—	100,000

CWC SPVC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

7. DEBTORS

	30 June 2004 £	30 June 2003 £
Due within one year:		
Amount owed by parent undertaking	<u>1</u>	<u>—</u>
Due in more than one year:		
Loans to fellow subsidiary undertakings	<u>644,155,201</u>	<u>663,525,648</u>

The loans to fellow subsidiary undertakings earn interest at a premium to that borne on the loan referred to in Note 9 and are repayable in 2027.

8. CREDITORS: Amounts falling due within one year

	30 June 2004 £	30 June 2003 £
Loan from fellow subsidiary undertaking	419,319	305,951
Amount owed to parent undertaking	<u>—</u>	<u>99,999</u>
	<u>419,319</u>	<u>405,950</u>

The loan from a fellow subsidiary undertaking, due within one year, bears interest at a rate linked to LIBOR, subject to certain caps, and is repayable on demand.

9. CREDITORS: Amounts falling due after more than one year

	30 June 2004 £	30 June 2003 £
Loans from fellow subsidiary undertakings	<u>643,589,163</u>	<u>663,024,160</u>

The loans from a fellow subsidiary undertaking bear interest at a market rate linked to that borne on an issue of publicly quoted debentures by a subsidiary of CWG and is repayable in 2027.

CWC SPVC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

10. CALLED-UP SHARE CAPITAL

Authorised share capital:

	30 June 2004	30 June 2003
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	30 June 2004	30 June 2003
	£	£
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

11. RESERVES

	Profit and loss account
	£
At 1 July 2003	95,538
Profit for the financial year	<u>51,182</u>
At 30 June 2004	<u>146,720</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Shareholders funds as at 1 July 2003	95,539
Profit for the financial year	<u>51,182</u>
Shareholders' funds as at 30 June 2004	<u>146,721</u>

13. CAPITAL COMMITMENTS

As of 30 June 2004 the company had given a guarantee and fixed and floating charges to secure the borrowings of certain other group undertakings.

CWC SPVC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

14. RELATED PARTIES

The company's immediate parent undertaking is CWC SPV HCo Limited, a company registered in England and Wales. On 21 May 2004, Songbird Acquisition Limited declared its offer for Canary Wharf Group plc, the company's previous ultimate parent undertaking, wholly unconditional. As a result of this announcement, Songbird Estates plc is now the ultimate parent company and will have its first financial statements drawn up to the period ending 31 December 2004.

As at 30 June 2004, Canary Wharf Group plc is the parent undertaking of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the 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.