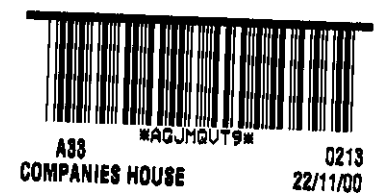


**CWC SPVc LIMITED**  
**Registered Number: 3253119**

**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2000**



**CONTENTS**

	<b>Page</b>
<b>Directors' Report</b>	<b>1 to 2</b>
<b>Statement of the Directors' Responsibilities in Respect of the Accounts</b>	<b>3</b>
<b>Auditors' Report</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>5</b>
<b>Balance Sheet</b>	<b>6</b>
<b>Notes to the Accounts</b>	<b>7 to 10</b>

---

**DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000**

The directors present herewith the audited accounts for the year ended 30 June 2000.

**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 UK parent is Canary Wharf Group plc (CWG).

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

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

On 4 December 1997 the company entered into an inter-company loan agreement to borrow from a fellow subsidiary the proceeds of an issue of securitised debt. On the same date the company entered into loan agreements with certain other group companies to on-lend the sum borrowed.

**DIVIDENDS AND RESERVES**

The profit and loss account for the year ended 30 June 2000 is set out on page 5. The directors do not recommend the payment of a dividend (1999:Nil) and the retained profit of £50,677 is to be transferred to reserves.

**DIRECTORS**

The directors of the company during the year ended 30 June 2000 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 accounts of either Canary Wharf Holdings Limited, an intermediate parent company, or CWG, as appropriate.

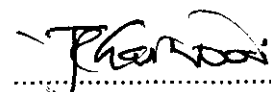
Other than the above, no director had any beneficial interest in the shares of the company, its parent undertaking or any of its United Kingdom subsidiaries at 30 June 2000 or at any time throughout the year then ended.

**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 2000**

BY ORDER OF THE BOARD



J R Garwood

..... Company Secretary

19 September 2000

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

**STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company Law requires the directors to prepare accounts 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 accounts 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 accounts; and
- Prepare the accounts 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 accounts 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.

## **AUDITORS' REPORT TO THE MEMBERS OF CWC SPVc LIMITED**

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

### **Basis of opinion**

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 2000 and of its 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  
1 Surrey Street  
London  
WC2R 2PS

19 September 2000

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000**

	Notes	Year Ended 30 June 2000	Year Ended 30 June 1999
		£	£
Interest receivable	3	38,852,910	44,227,322
Interest payable and similar charges	4	(38,802,233)	(44,177,098)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	9	<u>50,677</u>	<u>50,224</u>

Movements in reserves are shown in Note 9 of these accounts.

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

The notes on pages 7 to 10 form part of these accounts.

## BALANCE SHEET AS AT 30 JUNE 2000

	Notes	30 June 2000 £	30 June 1999 £
<b>CURRENT ASSETS</b>			
Debtors	6		
amounts falling due after one year		524,861,109	568,042,001
amounts falling due within one year		1	1
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>524,861,110</b>	<b>568,042,002</b>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	7	<b>(524,731,532)</b>	<b>(567,963,101)</b>
<b>NET ASSETS</b>		<b>129,578</b>	<b>78,901</b>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	8	1	1
Profit and loss account	9	129,577	78,900
<b>SHAREHOLDERS' FUNDS - EQUITY</b>	10	<b>129,578</b>	<b>78,901</b>

The notes on pages 7 to 10 form part of these accounts.

APPROVED BY THE BOARD ON 19 SEPTEMBER 2000 AND SIGNED ON ITS BEHALF BY:



A P ANDERSON II  
DIRECTOR



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000

**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 accounts have been prepared under the historical cost convention 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 will be included in the accounts 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**

	Year Ended 30 June 2000	Year Ended 30 June 1999
	£	£
Interest receivable from group undertakings	38,852,910	44,227,322
	<u>38,852,910</u>	<u>44,227,322</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 30 June 2000	Year Ended 30 June 1999
	£	£
Interest payable to group undertakings	38,802,233	44,177,098
	<u>38,802,233</u>	<u>44,177,098</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000

**5 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. The group has substantial tax losses which may impact on the company's future tax charge.

**6 DEBTORS**

	30 June 2000	30 June 1999
	£	£
Due within one year:		
Amount owed by parent undertaking	1	1
	<u>1</u>	<u>1</u>
Due in more than one year:		
Loans to fellow subsidiary undertakings	524,861,109	568,042,001

The loans to fellow subsidiary undertakings earn interest at a premium to that borne on the loan referred to in Note 7 and are repayable in 2027.

**7 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	30 June 2000	30 June 1999
	£	£
Loans from fellow subsidiary undertakings	524,731,532	567,963,101
	<u>524,731,532</u>	<u>567,963,101</u>

The loan from a fellow subsidiary undertaking bears 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.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000

**8 CALLED-UP SHARE CAPITAL**

	30 June 2000	30 June 1999
	£	£
Equity Shares		
Ordinary shares of £1 each		
Authorised	100	100
Allotted, called-up, and fully paid:	1	1

**9 RESERVES**

	Profit and Loss Account
	£
At 1 July 1999	78,900
Profit for the financial year	50,677
At 30 June 2000	129,577

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

	£
Shareholders' funds as at 1 July 1999	78,901
Profit for the financial year	50,677
Shareholders' funds as at 30 June 2000	129,578

**11 CAPITAL COMMITMENTS**

As at 30 June 2000 the company had given a guarantee and fixed and floating charges to secure the borrowings of certain other group undertakings.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000**

**12 RELATED PARTIES**

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

Copies of the consolidated accounts of CWG 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.