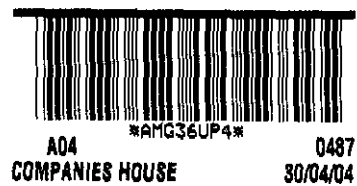


**CW DEPOSITOR DS7B LIMITED**  
**Registered Number: 3441875**

**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 CW Leasing DS7B 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 is to act as an investment company.*

**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) and the retained profit of £1,094 is to be transferred to reserves.

**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**



.....  
J R Garwood

..... Company Secretary

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 CW DEPOSITOR DS7B LIMITED**

We have audited the financial statements of CW Depositor DS7B Limited for the year ended 30 June 2003 which comprise the profit and loss account, the 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 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  
CW DEPOSITOR DS7B 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 profit 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

## CW DEPOSITOR DS7B 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	4,104,154	4,765,798
Interest payable and similar charges	4	(4,103,060)	(4,764,688)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11	<b>1,094</b>	<b>1,110</b>

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 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 12 form an integral part of these financial statements.



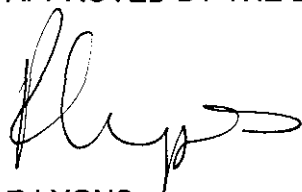
**CW DEPOSITOR DS7B LIMITED**

**BALANCE SHEET AS AT 30 JUNE 2003**

	Notes	30 June 2003	30 June 2002
		£	£
<b>CURRENT ASSETS</b>			
Debtors	6	16,368	46,859
Investments	7	109,398,324	109,393,671
		<u>109,414,692</u>	<u>109,440,530</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	(2,530,148)	(2,530,772)
<b>NET CURRENT ASSETS</b>		<u>106,884,544</u>	<u>106,909,758</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		106,884,544	106,909,758
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	9	(106,877,871)	(106,904,179)
<b>NET ASSETS</b>		<u>6,673</u>	<u>5,579</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	1	1
Profit and loss account	11	6,672	5,578
<b>SHAREHOLDERS' FUNDS - EQUITY</b>	12	<u>6,673</u>	<u>5,579</u>

The notes on pages 8 to 12 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.

Investments

Investments, comprising monetary deposits, are stated at the amount from time to time on deposit plus interest accrued thereon.

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
	£	£
Bank interest receivable	4,104,154	4,765,798
	<u>4,104,154</u>	<u>4,765,798</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	4,103,060	4,764,688
	<u>4,103,060</u>	<u>4,764,688</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	1,094	1,110
Tax on profit on ordinary activities at UK corporation tax rate of 30%	328	333
Effects of:		
Tax losses and other timing differences	(328)	(333)
Current tax charge for the year	<u>-</u>	<u>-</u>

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 DEBTORS**

	30 June 2003	30 June 2002
	£	£
Amount owed by parent undertaking	1	1
Amounts owed by fellow subsidiary undertakings	6,016	4,922
Prepayments and accrued income	10,351	41,936
	<u>16,368</u>	<u>46,859</u>

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

## 7 INVESTMENTS

	£
Monetary deposit:	
As at 30 June 2002	109,393,671
Interest accrued thereon	4,104,154
Withdrawals	(4,099,501)
	<u>109,398,324</u>

The deposit account accrues interest at a rate of LIBOR less 0.1875%.

The company has granted first ranking fixed and floating security over the above deposit, plus the accumulated interest thereon, in connection with the obligations under a finance lease entered into by a parent company.

## 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2003	30 June 2002
	£	£
Loan from fellow subsidiary undertaking	2,530,138	2,530,762
Amounts owed to fellow subsidiary undertakings	10	10
	<u>2,530,148</u>	<u>2,530,772</u>

The loan from a fellow subsidiary undertaking is repayable on demand and bears interest at a rate linked to the monetary deposits referred to in Note 7.

## 9 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	30 June 2003	30 June 2002
	£	£
Loans from fellow subsidiary undertakings	106,877,871	106,904,179
	<u>106,877,871</u>	<u>106,904,179</u>

The loan from a fellow subsidiary undertaking is repayable in full in November 2007 but may be repaid at an earlier date with the consent of the lender. Interest is charged on the balance at a rate linked to that earned on the monetary deposit referred to in Note 7.

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

**10 CALLED-UP SHARE CAPITAL**

	30 June 2003	30 June 2002
	£	£
Equity Shares		
Authorised, 500,000,000 ordinary shares of £1 each	500,000,000	500,000,000
Allotted, called-up and fully paid, 1 ordinary share of £1	1	1

**11 RESERVES**

	Profit and Loss Account
	£
At 1 July 2002	5,578
Profit for the financial year	1,094
At 30 June 2003	6,672

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

	£
Shareholders' funds as at 1 July 2002	5,579
Profit for the financial year	1,094
Shareholders' funds as at 30 June 2003	6,673

**13 CAPITAL COMMITMENTS**

The company has entered into a guarantee and has granted charges over its assets in connection with the obligations in relation to a finance lease entered into by a parent company.

**14 RELATED PARTIES**

The company's immediate parent undertaking is CW Leasing DS7B 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.

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

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.

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.