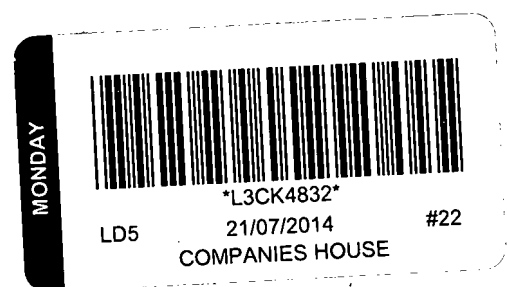


CWCB FINANCE II LIMITED
Registered Number: 3605340

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013



CWCB FINANCE II LIMITED

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CWCB FINANCE II LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report with the audited financial statements for the year ended 31 December 2013. The company qualifies as a small company under section 382 of the Companies Act 2006 and accordingly has not produced a Strategic Report.

PRINCIPAL ACTIVITIES

The principal activity of the company is to act as a finance company.

DIVIDENDS AND RESERVES

The profit and loss account for the year ended 31 December 2013 is set out on page 5. The company made neither a profit or loss for the year (2012: £Nil). No dividends have been paid or proposed (2012: £Nil).

DIRECTORS

The directors of the company throughout the year ended 31 December 2013 were:

A P Anderson II
Sir George Iacobescu CBE
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 2013 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.

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


..... Company Secretary
J R Garwood

27 June 2014

Registered office:
30th Floor
One Canada Square
Canary Wharf
London
E14 5AB
Registered Number: 3605340

CWCB FINANCE II LIMITED

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

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; 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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.

CWCB FINANCE II LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWCB FINANCE II LIMITED

We have audited the financial statements of CWCB Finance II Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, Balance Sheet and the related Notes 1 to 14. 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 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its result 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.

CWCB FINANCE II LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWCB FINANCE II LIMITED

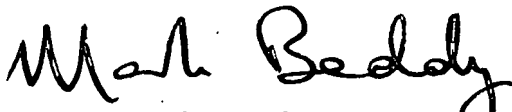
Opinion on other matters prescribed by the Companies Act 2006

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.

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 Strategic Report and the Directors' Report.



Mark Beddy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountant and Statutory Auditor
LONDON, UK

27 June 2014

CWCB FINANCE II LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Administrative expenses before exceptional items		(40,000)	(40,000)
Exceptional items:			
Movement in provision against group debtors	6	158,878,518	(37,228,488)
Group creditor adjustment	8	(158,878,518)	37,228,488
OPERATING LOSS	2	(40,000)	(40,000)
Interest receivable and similar income	3	166,977,685	173,053,513
Interest payable and similar charges	4	(166,937,685)	(173,013,513)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		—	—
Tax on profit on ordinary activities	5	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	10	—	—

Movements in reserves are shown in Note 10 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 2013 or the year ended 31 December 2012 other than those included in the profit and loss account.

The Notes on pages 7 to 11 form an integral part of these financial statements.

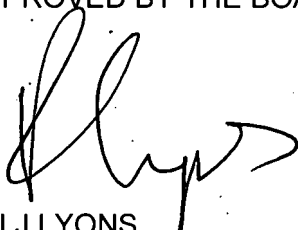
CWCB FINANCE II LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	31 December 2013 £	31 December 2012 £
CURRENT ASSETS			
Debtors	6		
Amounts falling due after one year		3,257,707,929	3,098,886,567
Amounts falling due within one year		55,542,619	76,985,245
Cash at bank		7,468,006	7,437,208
		<u>3,320,718,554</u>	<u>3,183,309,020</u>
CREDITORS: Amounts falling due within one year	7	(92,290,235)	(82,716,465)
NET CURRENT ASSETS		<u>3,228,428,319</u>	<u>3,100,592,555</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,228,428,319</u>	<u>3,100,592,555</u>
CREDITORS: Amounts falling due after more than one year	8	(3,228,428,318)	(3,100,592,554)
NET ASSETS		<u>1</u>	<u>1</u>
CAPITAL AND RESERVES			
Called-up share capital	9	1	1
SHAREHOLDERS' FUNDS	11	<u>1</u>	<u>1</u>

The Notes on pages 7 to 11 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 27 JUNE 2014 AND SIGNED ON ITS BEHALF BY:


 R J J LYONS
 DIRECTOR

CWCB FINANCE II LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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.

Having made the requisite enquiries and assessed the resources at the disposal of the company, the directors have a reasonable expectation that the company will have adequate resources to continue its operation for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

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.

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.

CWCB FINANCE II LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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.

In accordance with FRS5, debt instruments should only be derecognised when the liability is legally extinguished. However, following the company recognising a provision of £103,877,654 (2012: £262,756,173) against loans receivable from other group entities, this treatment would result in the company showing a net liability position, despite the fact that the company's liability upon maturity under certain of its intergroup loans is contractually capped at the net assets of the company. In the opinion of the directors, this would not result in a true and fair presentation of the company's financial position. To avoid such a mismatch between the carrying value of the company's assets and contractually linked liabilities, certain loans payable to other group entities have therefore been adjusted from their initial carrying amount. The effect of this departure from the requirements of FRS5 has been to reduce the company's liabilities by £103,877,654 (2012: £262,756,173) and decrease its profit after tax by £158,878,518 (2012: increase of £37,228,488).

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.

2. OPERATING LOSS

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 £3,000 (2012: £3,000) for the audit of the company has been borne by another group undertaking.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Interest receivable from group undertakings	<u>166,977,685</u>	<u>173,053,513</u>

CWCB FINANCE II LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Interest payable to group undertakings	<u>166,937,685</u>	<u>173,013,513</u>

5. TAXATION

No charge for taxation has been made since the company recorded neither a profit or a loss, for tax purposes, for the year. It is anticipated that group relief and other reliefs will impact on future tax charges. There is no unprovided deferred taxation.

6. DEBTORS

	31 December 2013 £	31 December 2012 £
Due within one year:		
Amount owed by parent undertaking	1	1
Loans to fellow subsidiary undertaking	43,673,984	60,030,174
Amount owed by fellow subsidiary undertaking	<u>11,868,634</u>	<u>16,955,070</u>
	<u>55,542,619</u>	<u>76,985,245</u>
Due in more than one year:		
Loans to fellow subsidiary undertakings	<u>3,257,707,929</u>	<u>3,098,886,567</u>

The loans to a fellow subsidiary undertaking, due within one year, bear interest at a rate linked to bank deposits held by a fellow subsidiary undertaking and are repayable on demand.

£313,885,583 (2012: £313,885,583) of the loans to fellow subsidiary undertakings due after more than one year carries interest at 10%, subject to certain caps, and is repayable on 22 April 2034.

£564,697,104 (2012: £564,524,213) of the loans to fellow subsidiary undertakings due after more than one year carries interest at 6.95%, subject to certain caps, and is repayable on 22 April 2038.

The remaining £2,379,125,242 (2012: £2,220,419,614) of the loans to fellow subsidiary undertakings due after more than one year carries interest at 10%, subject to certain caps, and is repayable on 22 April 2038.

During the year the company reduced its provision against loans to fellow subsidiary undertakings by £158,878,518. The total provision at 31 December 2013 was £103,877,654 (2012: £262,756,173). These amounts relate to fellow subsidiary undertakings which were in a net liability position at 31 December 2013 as a result of reduced property valuations.

CWCB FINANCE II LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

7. CREDITORS: Amounts falling due within one year

	31 December 2013 £	31 December 2012 £
Loans from fellow subsidiary undertakings (Note 8)	65,133,680	61,333,161
Amounts owed to fellow subsidiary undertakings	27,156,555	21,383,304
	<u>92,290,235</u>	<u>82,716,465</u>

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

	31 December 2013 £	31 December 2012 £
Loans from fellow subsidiary undertakings linked to debentures	2,323,358,250	2,388,491,930
Other loans from fellow subsidiary undertakings	905,070,068	712,100,624
	<u>3,228,428,318</u>	<u>3,100,592,554</u>

£2,388,491,930 (2012: £2,449,825,091) of the loans from fellow subsidiary undertakings is repayable in instalments until April 2030 and bears interest at a rate linked to an issue of debentures by a fellow subsidiary undertaking. The instalments due within one year total £65,133,680 (2012: £61,333,161).

The remaining £905,070,068 (2012: £712,100,624) accrues interest at 10% per annum, subject to certain caps, and is repayable on 22 April 2034. The company's liability under these loans is capped upon maturity at the net assets of the company. As explained in Note 6, the company has recognised a provision against certain loans to other group companies. To avoid a mismatch between the carrying value of such loans and the carrying value of the company's contractually linked liabilities, loans to other group entities have been reduced from their initial carrying amount by £103,877,654 (2012: £262,756,173).

9. CALLED-UP SHARE CAPITAL

Allotted, called up and fully paid:

	31 December 2013 £	31 December 2012 £
1 Ordinary share of £1	<u>1</u>	<u>1</u>

CWCB FINANCE II LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

10. RESERVES

	Profit and loss account £
At 1 January 2013	—
At 31 December 2013	—

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2013 £	31 December 2012 £
Opening shareholders' funds	1	1
Closing shareholders' funds	1	1

12. POST BALANCE SHEET EVENTS

On 20 June 2014, subsequent to the year end, the company received a £795.0 million part repayment of a loan to a fellow subsidiary undertaking. On the same day the company borrowed £17.5 million adding to the 'other loans from fellow subsidiary undertakings'. The total of £812.5 million was used to part repay its 'loans from fellow subsidiary undertakings linked to debentures'.

13. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

As at 31 December 2013 and 31 December 2012 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

14. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is Canary Wharf Holdings Limited.

As at 31 December 2013, 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.