

**CANARY WHARF (CAR PARKS) LIMITED**  
Registered Number: 3682170

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



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## **CANARY WHARF (CAR PARKS) LIMITED**

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### **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 Canary Wharf Investments Limited (CWIL), 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 managing the car parking facilities of the Canary Wharf development.

### **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 £1,621,999 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.

**CANARY WHARF (CAR PARKS) LIMITED**

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**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  
CANARY WHARF (CAR PARKS) LIMITED**

We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

**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*

Arthur Andersen  
Chartered Accountants  
and Registered Auditors  
1 Surrey Street  
London  
WC2R 2PS

19 September 2000

## CANARY WHARF (CAR PARKS) LIMITED

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

|                                      | Notes | Year Ended<br>30 June<br>2000 | Period Ended<br>30 June<br>1999 |
|--------------------------------------|-------|-------------------------------|---------------------------------|
|                                      |       | £                             | £                               |
| Turnover                             |       | 3,615,319                     | 1,541,684                       |
| Cost of sales                        |       | (392,176)                     | (320,261)                       |
| <b>GROSS PROFIT</b>                  |       | <b>3,223,143</b>              | <b>1,221,423</b>                |
| Administrative expenses              |       | (38,082)                      | (30,150)                        |
| <b>OPERATING PROFIT</b>              | 2     | <b>3,185,061</b>              | <b>1,191,273</b>                |
| Interest receivable                  | 3     | 36,417                        | 3,178                           |
| Interest payable and similar charges | 4     | (1,599,479)                   | (614,480)                       |
| <b>PROFIT FOR THE FINANCIAL YEAR</b> | 11    | <b>1,621,999</b>              | <b>579,971</b>                  |

Movements in reserves are shown in Note 11 of these accounts.

All amounts relate to continuing activities.

The notes on pages 8 to 12 form part of these accounts.

## CANARY WHARF (CAR PARKS) LIMITED

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### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2000

|   | Year Ended<br>30 June<br>2000 | Period Ended<br>30 June<br>1999 |
|---|-------------------------------|---------------------------------|
|   | £                             | £                               |
| Profit for the financial year                   | 1,621,999                     | 579,971                         |
| Unrealised surplus on revaluation of properties | 8,600,000                     | 1,800,000                       |
| Total recognised gains relating to the year     | <u>10,221,999</u>             | <u>2,379,971</u>                |

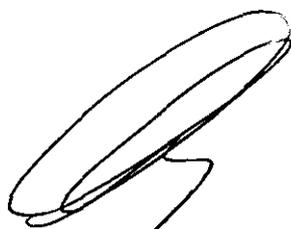
The notes on pages 8 to 12 form part of these accounts.

**CANARY WHARF (CAR PARKS) LIMITED****BALANCE SHEET AS AT 30 JUNE 2000**

|  | Notes | 30 June<br>2000<br>£ | 30 June<br>1999<br>£ |
|--|-------|----------------------|----------------------|
| <b>FIXED ASSETS</b>  |       |                      |                      |
| Tangible assets  | 6     | 47,255,300           | 20,382,950           |
| <b>CURRENT ASSETS</b>  |       |                      |                      |
| Debtors  | 7     | 3,089,669            | 667,160              |
| Cash at bank and in hand                                       |       | 1,399,658            | 868,538              |
|  |       | 4,489,327            | 1,535,698            |
| <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>          | 8     | (1,668,525)          | (7,777,711)          |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>                        |       | 2,820,802            | (6,242,013)          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       | 50,076,102           | 14,140,937           |
| <b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b> | 9     | (37,474,131)         | (11,760,965)         |
| <b>NET ASSETS</b>  |       | 12,601,971           | 2,379,972            |
| <b>CAPITAL AND RESERVES</b>                                    |       |                      |                      |
| Called-up share capital  | 10    | 1                    | 1                    |
| Revaluation reserve  | 11    | 10,400,000           | 1,800,000            |
| Profit and loss account  | 11    | 2,201,970            | 579,971              |
| <b>SHAREHOLDERS' FUNDS - EQUITY</b>                            | 12    | 12,601,971           | 2,379,972            |

The notes on pages 8 to 12 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 period, is set out below.

Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of investment properties, 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.

Turnover

Turnover, representing rents receivable, is recognised net of VAT in the period in which the rents become due.

Tangible fixed assets

Tangible fixed assets are depreciated so as to write off the cost in equal annual instalments over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

|   |    |
|---|----|
|   | %  |
| Plant, machinery, fixtures and fittings | 25 |

Investment properties

Leasehold investment properties, are revalued annually in accordance with SSAP 19. No provision has been made for depreciation of investment properties and this departure from the requirements of the statutory accounting rules, which requires all properties to be depreciated is, in the opinion of the directors, necessary for the accounts to show a true and fair view. Depreciation is only one of the factors reflected in the annual valuation and the amount attributable to this factor is not capable of being separately identified or quantified. Surpluses or deficits are transferred to the revaluation reserve unless a deficit is expected to be permanent and exceeds previous surpluses recognised on the same property, in which case the excess is charged to the profit and loss account.

Deferred Taxation

Taxation deferred or accelerated by the effect of timing differences is accounted for to the extent that it is probable that a liability or asset will crystallise.

**CANARY WHARF (CAR PARKS) LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000****2 OPERATING PROFIT**

|  | Year Ended<br>30 June<br>2000 | Period Ended<br>30 June<br>1999 |
|--|-------------------------------|---------------------------------|
| The operating profit is stated after charging: | £                             | £                               |
| Depreciation (Note 6)                          | 27,650                        | 27,650                          |
| Remuneration of the auditors:<br>Audit fees    | <u>2,500</u>                  | <u>2,500</u>                    |

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.

**3 INTEREST RECEIVABLE**

|                          | Year Ended<br>30 June<br>2000 | Period Ended<br>30 June<br>1999 |
|--------------------------|-------------------------------|---------------------------------|
|                          | £                             | £                               |
| Bank interest receivable | 36,417                        | 3,178                           |
|                          | <u>36,417</u>                 | <u>3,178</u>                    |

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

|  | Year Ended<br>30 June<br>2000 | Period Ended<br>30 June<br>1999 |
|--|-------------------------------|---------------------------------|
|  | £                             | £                               |
| Bank loans and overdrafts              | 764,126                       | 387,179                         |
| Interest payable to group undertakings | 835,353                       | 227,301                         |
|  | <u>1,599,479</u>              | <u>614,480</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 TANGIBLE FIXED ASSETS

|                          | Investment<br>Properties | Fixtures<br>and<br>Fittings | Total             |
|--------------------------|--------------------------|-----------------------------|-------------------|
|                          | £                        | £                           | £                 |
| <b>Cost or valuation</b> |                          |                             |                   |
| At 1st July 1999         | 20,300,000               | 110,600                     | 20,410,600        |
| Additions                | 18,300,000               | -                           | 18,300,000        |
| Revaluation              | 8,600,000                | -                           | 8,600,000         |
| At 30th June 2000        | <u>47,200,000</u>        | <u>110,600</u>              | <u>47,310,600</u> |
| <b>Depreciation</b>      |                          |                             |                   |
| At 1st July 1999         | -                        | 27,650                      | 27,650            |
| Charge for the year      | -                        | 27,650                      | 27,650            |
| At 30th June 2000        | -                        | <u>55,300</u>               | <u>55,300</u>     |
| <b>Net Book Value</b>    |                          |                             |                   |
| At 30th June 2000        | <u>47,200,000</u>        | <u>55,300</u>               | <u>47,255,300</u> |
| At 30th June 1999        | <u>20,300,000</u>        | <u>82,950</u>               | <u>20,382,950</u> |

On 6 June 2000 the company acquired from a fellow subsidiary undertaking a long leasehold interest in a car park at Canary Wharf for a consideration of £18.3 million derived from an external Open Market Valuation.

As at 30 June 2000 the company's leasehold property interests were valued by the group's external property advisers, FPDSavills, Chartered Surveyors, on the basis of Open Market Value in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors. No allowance was made for any expenses of realisation nor for any taxation which might arise in the event of disposal. The external valuation resulted in a revaluation surplus of £8,600,000 which has been transferred to the revaluation reserve.

**CANARY WHARF (CAR PARKS) LIMITED**

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

| <b>7 DEBTORS</b>                               | 30 June<br>2000  | 30 June<br>1999 |
|--|------------------|-----------------|
|  | £                | £               |
| Trade debtors                                  | 181,143          | 73,557          |
| Amount owed by parent undertaking              | 1                | 1               |
| Amounts owed by fellow subsidiary undertakings | 2,873,365        | 574,288         |
| Other debtors                                  | -                | 8,336           |
| Prepayments and accrued income                 | 35,160           | 10,978          |
|  | <u>3,089,669</u> | <u>667,160</u>  |

| <b>8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | 30 June<br>2000  | 30 June<br>1999  |
|---|------------------|------------------|
|   | £                | £                |
| Trade creditors   | 138,573          | -                |
| Loans from fellow subsidiary undertakings               | 474,313          | 7,038,960        |
| Amounts owed to fellow subsidiary undertakings          | 857,675          | 429,418          |
| Other creditors   | 29,936           | 154,059          |
| Accruals  | 2,500            | 155,274          |
| Deferred income   | 165,528          | -                |
|   | <u>1,668,525</u> | <u>7,777,711</u> |

| <b>9 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b> | 30 June<br>2000   | 30 June<br>1999   |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Bank loan  | -                 | 11,760,965        |
| Loan from a fellow subsidiary undertaking              | 37,474,131        | -                 |
|  | <u>37,474,131</u> | <u>11,760,965</u> |

The bank loan was repaid on 6 June 2000. This loan was secured by first ranking fixed and floating charges over the company's car parking interests within the first phase of Canary Wharf and over certain cash deposits. The loan bore interest at a margin of 0.85% over LIBOR.

The loan from a fellow subsidiary company bears interest at 15% and is repayable on 22 April 2034.

**CANARY WHARF (CAR PARKS) LIMITED**

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

| 10 CALLED-UP SHARE CAPITAL                                | 30 June<br>2000 | 30 June<br>1999 |
|---|-----------------|-----------------|
|   | £               | £               |
| Equity Shares<br>Ordinary shares of £1 each<br>Authorised | 100             | 100             |
| Allotted, called-up, and fully paid:                      | 1               | 1               |

| 11 RESERVES                   | Revaluation<br>Reserve | Profit<br>and Loss<br>Account | Total      |
|-------------------------------|------------------------|-------------------------------|------------|
|                               | £                      | £                             | £          |
| At 1 July 1999                | 1,800,000              | 579,971                       | 2,379,971  |
| Profit for the financial year | -                      | 1,621,999                     | 1,621,999  |
| Revaluation                   | 8,600,000              | -                             | 8,600,000  |
| At 30 June 2000               | 10,400,000             | 2,201,970                     | 12,601,970 |

| 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS | £          |
|---|------------|
| Shareholders' funds as at 1 July 1999                 | 2,379,972  |
| Profit for the financial year                         | 1,621,999  |
| Revaluation   | 8,600,000  |
| Shareholders' funds as at 30 June 2000                | 12,601,971 |

**13 RELATED PARTIES**

The company's immediate parent undertaking is Canary Wharf Investments 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.