

CANARY WHARF (DS5) LIMITED
Registered Number: 3719075

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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CANARY WHARF (DS5) LIMITED

FINANCIAL STATEMENTS

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CANARY WHARF (DS5) LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report with the audited financial statements for the year ended 31 December 2006. This report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Canary Wharf Group plc and its ultimate parent undertaking is Songbird Estates plc.

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

As shown in the company's profit and loss account, the company's profit after tax for the year was £14,896 (2005 £9,560).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £138,298 (2005 £123,402). Details of amounts owed to group companies are shown in note 8.

The Canary Wharf Group (comprising Canary Wharf Group plc and its subsidiaries) manages its operations on a unified basis. For this reason, the company's directors believe that key performance indicators specific to the company are not necessary or appropriate for an understanding of the development, performance or position of its business. The performance of the Canary Wharf Group, which includes the company, is discussed in the Annual Report of Canary Wharf Group plc, which does not form part of this report.

There have been no significant events since the balance sheet date.

DIVIDENDS AND RESERVES

The profit and loss account for the year ended 31 December 2006 is set out on page 6. No dividends have been paid or proposed (2005 £Nil) and the retained profit of £14,896 (2005 profit of £9,560) has been transferred to reserves.

DIRECTORS

The directors of the company throughout the year ended 31 December 2006 were

A P Anderson II
G Iacobescu
R J J Lyons

The group has in place liability insurance covering the directors and other officers of group companies.

DIRECTORS' INTERESTS

Details of directors' interests in and options to subscribe for ordinary class B shares in Songbird Estates plc are disclosed in the financial statements of either of the intermediate parent companies, Canary Wharf Estate Limited or Canary Wharf Group plc, as appropriate.

Other than the above, no director had any beneficial interest in the shares of the company, its parent undertakings or other group undertakings at 31 December 2006 or at any time throughout the year then ended.

CANARY WHARF (DS5) LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

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

4 September 2007

A M Holland

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

CANARY WHARF (DS5) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

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 that 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CANARY WHARF (DS5) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF (DS5) LIMITED

We have audited the financial statements of Canary Wharf (DS5) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

CANARY WHARF (DS5) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF (DS5) LIMITED

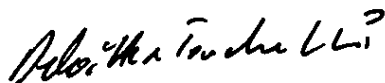
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the company's affairs as at 31 December 2006 and of its profit for the year then ended,

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

4 September 2007

CANARY WHARF (DS5) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
OPERATING PROFIT	2	—	—
Interest receivable and similar income	3	169,566	157,602
Interest payable and similar charges	4	(154,670)	(148,042)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,896	9,560
Tax on profit on ordinary activities	5	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	10	14,896	9,560

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 2006 or the year ended 31 December 2005 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

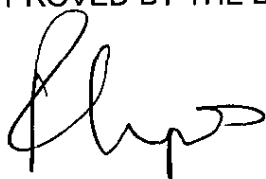
CANARY WHARF (DS5) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	31 December 2006 £	31 December 2005 £
FIXED ASSETS			
Investments	6	3	3
CURRENT ASSETS			
Debtors	7	3,626,576	3,457,010
CREDITORS: Amounts falling due within one year	8	(3,488,281)	(3,333,611)
NET CURRENT ASSETS		138,295	123,399
TOTAL ASSETS LESS CURRENT LIABILITIES		138,298	123,402
NET ASSETS		138,298	123,402
CAPITAL AND RESERVES			
Called-up share capital	9	1	1
Profit and loss account	10	138,297	123,401
SHAREHOLDERS' FUNDS	11	138,298	123,402

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

APPROVED BY THE BOARD ON 4 SEPTEMBER 2007 AND SIGNED ON ITS BEHALF BY



R J J LYONS
DIRECTOR

CANARY WHARF (DS5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 law and accounting standards

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 in the period in which they fall due

Investments in subsidiary undertakings

The company's investment in subsidiary undertakings is stated at cost less any provision for impairment

2 OPERATING PROFIT

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 for the year and the prior year have been borne by another group undertaking

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Interest receivable from group undertakings	<u>169,566</u>	<u>157,602</u>

CANARY WHARF (DS5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Interest payable to group undertakings	<u>154,670</u>	<u>148,042</u>

5. TAXATION

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Current tax		
UK Corporation tax (see below)	<u>—</u>	<u>—</u>
Tax reconciliation		
Profit on ordinary activities before tax	<u>14,896</u>	<u>9,560</u>
Tax on profit on ordinary activities at UK corporation tax rate of 30%	4,469	2,868
Effects of		
Tax losses and other timing differences	<u>(4,469)</u>	<u>(2,868)</u>
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.

CANARY WHARF (DS5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

6. INVESTMENTS

	<u>Shares in Group Undertakings</u>
	£
COST	
At 1 January 2006 and 31 December 2006	<u>3</u>
NET BOOK VALUE	
At 31 December 2006	<u>3</u>
At 31 December 2005	<u>3</u>

At 31 December 2006 the company's principal subsidiary undertakings were as follows

Name	Description of shares held	Principal activities
Canary Wharf (DS5) T1 Limited	Ordinary £1 share	Trustee Company
Canary Wharf (DS5) T2 Limited	Ordinary £1 share	Trustee Company
Canary Wharf Leasing (DS5) Limited	Ordinary £1 share	Property Investment

The above are wholly owned subsidiaries registered in England and Wales

Financial information is only presented in these financial statements about the company as an individual undertaking and not about its group because the company and its subsidiary undertakings are included in the consolidated financial statements of a larger group (Note 12)

The directors are of the opinion that the value of the company's investments at 31 December 2006 was not less than the amount shown in the company's balance sheet

7 DEBTORS

	31 December 2006	31 December 2005
	£	£
Loan to parent undertaking	3,626,075	3,456,509
Amount owed by parent undertaking	1	1
Amount owed by fellow subsidiary undertaking	500	500
	<u>3,626,576</u>	<u>3,457,010</u>

The loan to a parent undertaking bears interest at a rate linked to LIBOR and is repayable on demand

CANARY WHARF (DS5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

8. CREDITORS: Amounts falling due within one year

	31 December 2006 £	31 December 2005 £
Loan from parent undertaking	3,488,277	3,333,607
Amounts owed to subsidiary undertakings	3	3
Amount owed to fellow subsidiary undertaking	1	1
	<u>3,488,281</u>	<u>3,333,611</u>

The loan from a parent undertaking bears interest at a rate linked to LIBOR, subject to certain caps, and is repayable on demand

9. CALLED-UP SHARE CAPITAL

Authorised share capital:

	31 December 2006 £	31 December 2005 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid.

	31 December 2006 £	31 December 2005 £
1 Ordinary share of £1	<u>1</u>	<u>1</u>

10. RESERVES

	Profit and loss account £
At 1 January 2006	123,401
Profit for the year	14,896
At 31 December 2006	<u>138,297</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2006 £	31 December 2005 £
Opening shareholders' funds	123,402	113,842
Profit for the year	14,896	9,560
Closing shareholders' funds	<u>138,298</u>	<u>123,402</u>

CANARY WHARF (DS5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

12. RELATED PARTIES

The company's immediate parent undertaking is Canary Wharf Holdings (DS5) Limited and its ultimate parent undertaking is Songbird Estates plc. Both companies are registered in England and Wales.

As at 31 December 2006, Songbird Estates plc was the parent company of the largest group of which the company is a member and Canary Wharf Group plc was the parent undertaking of the smallest group of which the company is a member. Copies of the financial statements of Songbird Estates plc and Canary Wharf Group plc 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.