

**CANARY WHARF (DS5) LIMITED**  
**Registered Number: 3719075**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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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 2008**

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The directors present their report with the audited financial statements for the year ended 31 December 2008. 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 £26,965 (2007: £25,111).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £90,374 (2007: £163,409). Details of amounts owed to group companies are shown in Note 9.

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 2008 is set out on page 6. Dividends of £100,000 (2007: £Nil) have been paid during the year and the retained loss of £73,035 (2007: profit of £25,111) has been transferred from reserves.

### **GOING CONCERN**

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out in this Directors' Report. The finances of the company and its liquidity position and borrowings are, where appropriate, also described in this report.

The company is in a net asset position at the year end. In addition, as a member of the Canary Wharf Group, the company has access to considerable resources.

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

### **DIRECTORS**

The directors of the company throughout the year ended 31 December 2008 were:

A P Anderson II  
G Iacobescu  
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. Neither the indemnity or the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

# **CANARY WHARF (DS5) LIMITED**

## **THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

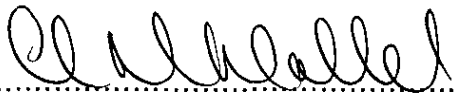
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### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

BY ORDER OF THE BOARD

  
.....Joint Secretary  
A M Holland

21 October 2009

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

## **CANARY WHARF (DS5) LIMITED**

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

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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 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; 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 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**

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We have audited the financial statements of Canary Wharf (DS5) Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related Notes 1 to 13. 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**

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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 state of the company's affairs as at 31 December 2008 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 LLP*

**Deloitte LLP**  
**Chartered Accountants and Registered Auditors**  
London, UK

21 October 2009

# CANARY WHARF (DS5) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
<b>OPERATING PROFIT</b>	<b>2</b>	–	–
Income from shares in group undertakings	<b>7</b>	1,000	–
Interest receivable and similar income	<b>3</b>	167,511	217,301
Interest payable and similar charges	<b>4</b>	(141,546)	(192,190)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>26,965</b>	<b>25,111</b>
Tax on profit on ordinary activities	<b>5</b>	–	–
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR</b>	<b>11</b>	<b>26,965</b>	<b>25,111</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 and losses for the year ended 31 December 2008 or the year ended 31 December 2007 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 2008

	Note	31 December 2008 £	31 December 2007 £
<b>FIXED ASSETS</b>			
Investments	7	3	3
<b>CURRENT ASSETS</b>			
Debtors	8	90,375	3,843,878
<b>CREDITORS: Amounts falling due within one year</b>	9	(4)	(3,680,472)
<b>NET CURRENT ASSETS</b>		90,371	163,406
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		90,374	163,409
<b>NET ASSETS</b>		90,374	163,409
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	1	1
Profit and loss account	11	90,373	163,408
<b>SHAREHOLDERS' FUNDS</b>	12	90,374	163,409

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

APPROVED BY THE BOARD ON 21 OCTOBER 2009 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 2008**

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### **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. The financial statements have been prepared on the going concern basis as described in the Directors' Report.

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.

#### **Income from investments**

Investment income comprises dividends paid by subsidiary undertakings during the accounting period.

#### **Investments**

Investments in subsidiaries are stated at cost less any provision for impairment.

#### **Taxation**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. The company is part of a UK group for group relief purposes and accordingly may take advantage of the group relief provisions whereby current taxable profits can be offset by current tax losses arising in other companies in that group. The group's policy is that no payment will be made for tax losses surrendered under the group relief provisions.

### **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 of £100 (2007: £500) for the audit of the company has been borne by another group undertaking.

# CANARY WHARF (DS5) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Interest receivable from group undertakings	<u>167,511</u>	<u>217,301</u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Interest payable to group undertakings	<u>141,546</u>	<u>192,190</u>

### 5. TAXATION

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Current tax:		
UK Corporation tax (see below)	<u>-</u>	<u>-</u>
Tax reconciliation:		
Profit on ordinary activities before tax	<u>26,965</u>	<u>25,111</u>
Tax on profit on ordinary activities at UK corporation tax rate of 28.5% (2007: 30%)	7,685	7,533
Effects of:		
Tax losses and other timing differences	<u>(7,685)</u>	<u>(7,533)</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

The tax rate of 28.5% is calculated by reference to the current corporation tax rate of 28% which was in effect for the final three quarters of the year and the previous rate of 30% which was in effect for the first quarter of the year.

No provision for corporation tax has been made since the taxable 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.

# CANARY WHARF (DS5) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 6. DIVIDENDS

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Dividends paid during the year (£100,000 per share)	<u>100,000</u>	<u>—</u>

### 7. INVESTMENTS

#### Shares in group undertakings

At 1 January 2008	£ <u>3</u>
At 31 December 2008	<u>3</u>

At 31 December 2008 the company's 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.

Dividends totalling £1,000 (2007: £nil) were paid by the company's subsidiary during the year ended 31 December 2008.

In accordance with Section 228 of the Companies Act 1985, 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 13).

The directors are of the opinion that the value of the company's investments at 31 December 2008 was not less than the amount shown in the company's balance sheet.

# CANARY WHARF (DS5) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 8. DEBTORS

	31 December 2008	31 December 2007
	£	£
Loan to parent undertaking	–	3,843,377
Amount owed by parent undertaking	1	1
Loan to fellow subsidiary undertaking	89,374	–
Amount owed by fellow subsidiary undertaking	1,000	500
	<u>90,375</u>	<u>3,843,878</u>

The loan to a parent undertaking carried interest at a rate linked to LIBOR and was repaid during the year.

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

### 9. CREDITORS: Amounts falling due within one year

	31 December 2008	31 December 2007
	£	£
Loan from parent undertaking	–	3,680,468
Amounts owed to subsidiary undertakings	3	3
Amount owed to fellow subsidiary undertaking	1	1
	<u>4</u>	<u>3,680,472</u>

The loan from a parent undertaking carried interest at a rate linked to LIBOR, subject to certain caps, and was repaid during the year.

### 10. CALLED-UP SHARE CAPITAL

#### Authorised share capital:

	31 December 2008	31 December 2007
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### Allotted, called up and fully paid:

	31 December 2008	31 December 2007
	£	£
1 Ordinary share of £1	<u>1</u>	<u>1</u>

# CANARY WHARF (DS5) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 11. RESERVES

	Profit and loss account £
At 1 January 2008	163,408
Profit for the year	26,965
Dividends	(100,000)
At 31 December 2008	<u>90,373</u>

### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2008 £	31 December 2007 £
Opening shareholders' funds	163,409	138,298
Profit for the year	26,965	25,111
Dividends paid	(100,000)	—
Closing shareholders' funds	<u>90,374</u>	<u>163,409</u>

### 13. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is Canary Wharf Holdings (DS5) Limited.

As at 31 December 2008, 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.