

CANARY WHARF INVESTMENTS (FC4) LIMITED
Registered Number: 5389386

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON 11 MARCH 2005 TO
31 DECEMBER 2005

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CANARY WHARF INVESTMENTS (FC4) LIMITED

FINANCIAL STATEMENTS

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CANARY WHARF INVESTMENTS (FC4) LIMITED

THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2005

The directors present their report with the audited financial statements for the period ended 31 December 2005.

ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Canary Wharf Funding (FC2/FC4) Limited and its ultimate parent undertaking is Songbird Estates plc ('Songbird'), both companies are registered in England and Wales.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company is property investment.

The company was incorporated on 11 March 2005, with an authorised share capital of 20,000,000 ordinary £1 shares, of which 1 share was issued at par.

On 25 May 2005, the company acquired the freehold interest in 20 Cabot Square, Canary Wharf, for a consideration of £3,410,000.

FUTURE DEVELOPMENTS

The company is expected to continue with its principal activity for the foreseeable future.

DIVIDENDS AND RESERVES

The profit and loss account for the period ended 31 December 2005 is set out on page 6. No dividends have been paid or proposed.

DIRECTORS

The directors of the company throughout the period ended 31 December 2005 were:

A P Anderson II
G Iacobescu
R Lyons

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

DIRECTORS' INTERESTS

The directors have been granted options to subscribe for ordinary class B shares in Songbird. Details of interests and options to subscribe for shares in Songbird 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 2005 or at any time throughout the period then ended.

CANARY WHARF INVESTMENTS (FC4) LIMITED

THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2005

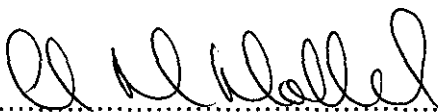
FINANCIAL INSTRUMENTS

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant are credit risk and liquidity risk. These risks are mitigated by the nature of the debtor balances owed, with these due from other group companies who are able to repay these if required.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD


..... Joint Secretary
A M Holland

28 June 2006

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

CANARY WHARF INVESTMENTS (FC4) LIMITED

STATEMENT OF 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 period and of the results for the period then ended. In preparing these financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 8 to 9, 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.

CANARY WHARF INVESTMENTS (FC4) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (FC4) LIMITED

We have audited the financial statements of Canary Wharf Investments (FC4) Limited for the period from 11 March 2005 to 31 December 2005 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 may 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 annual report and 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 United Kingdom 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 in accordance with the relevant financial reporting framework 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 circumstances of the company, consistently applied and adequately disclosed.


CANARY WHARF INVESTMENTS (FC4) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (FC4) 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 state of the company's affairs as at 31 December 2005 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

28 June 2006

CANARY WHARF INVESTMENTS (FC4) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2005

		Period from 11 March 2005 to 31 December 2005 £
	Note	
TURNOVER		161,775
GROSS PROFIT		161,775
OPERATING PROFIT	2	161,775
Interest payable and similar charges	3	(155,432)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,343
Tax on profit on ordinary activities	4	(6,343)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		—
RETAINED PROFIT FOR THE FINANCIAL PERIOD TRANSFERRED TO RESERVES	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 period ended 31 December 2005 other than those included in the profit and loss account.

The notes on pages 8 to 13 form an integral part of these financial statements.

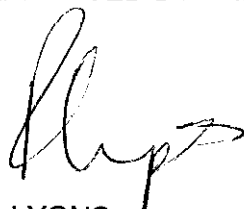
CANARY WHARF INVESTMENTS (FC4) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	31 December 2005 £
FIXED ASSETS		
Tangible assets	5	3,410,000
CURRENT ASSETS		
Debtors	6	6,344
NET CURRENT ASSETS		6,344
TOTAL ASSETS LESS CURRENT LIABILITIES		3,416,344
CREDITORS: Amounts falling due after more than one year	7	(3,410,000)
Provisions for liabilities and charges	8	(6,343)
NET ASSETS		1
CAPITAL AND RESERVES		
Called-up equity share capital	9	1
SHAREHOLDERS' FUNDS - EQUITY	11	1

The notes on pages 8 to 13 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 28 JUNE 2006 AND SIGNED ON ITS BEHALF BY:



R LYONS
DIRECTOR

CANARY WHARF INVESTMENTS (FC4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

1. PRINCIPAL ACCOUNTING POLICIES

A summary of the principal accounting policies of the company, all of which have been applied consistently throughout the period, 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.

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, comprising leasehold investment properties, are revalued annually and in accordance with SSAP 19 (Accounting for Investment Properties) no provision is made for depreciation. 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.

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.

CANARY WHARF INVESTMENTS (FC4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

1. PRINCIPAL ACCOUNTING POLICIES

Deferred taxation

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the corporation tax return.

Under FRS 19 deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a discounted basis to reflect the time value of money over the period between the balance sheet date and the dates on which it is estimated that the timing differences will reverse, or where the timing differences are not expected to reverse, a period not exceeding 50 years. Discount rates of 3.1% to 3.2% have been adopted reflecting the post-tax yield to maturity that can be obtained on government bonds with similar maturity dates and currencies to those of the deferred tax assets or liabilities.

2. OPERATING PROFIT

None of the directors received any emoluments in respect of their services to the company during the period.

No staff were employed by the company during the period.

Auditors' remuneration for the period have been borne by another group undertaking.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from
	11 March
	2005
	to
	31 December
	2005
	£
Interest payable to group undertakings	<u>155,432</u>

CANARY WHARF INVESTMENTS (FC4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

4. TAXATION

	Period from 11 March 2005 to 31 December 2005 £
Current tax:	
UK Corporation tax (see below)	—
Deferred tax:	
Origination and reversal of timing differences	6,343
Total deferred tax	6,343
Total tax on profit on ordinary activities	6,343
Tax reconciliation:	
Profit on ordinary activities before tax	6,343
Tax on profit on ordinary activities at UK corporation tax rate of 30%	1,903
Effects of:	
Tax losses and other timing differences	(1,903)
Current tax charge for the period	—

No provision for corporation tax has been made since the profit for the period 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 INVESTMENTS (FC4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

5. TANGIBLE FIXED ASSETS

	Freehold Property £
COST	
Additions	3,410,000
At 31 December 2005	<u>3,410,000</u>
 NET BOOK VALUE	
At 31 December 2005	<u>3,410,000</u>

On 25 May 2005, the company acquired the freehold interest of 20 Cabot Square from an intermediate parent undertaking, for a consideration of £3,410,000.

6. DEBTORS

	31 December 2005 £
Amount owed by parent undertaking	1
Amount owed by fellow subsidiary undertaking	6,343
	<u>6,344</u>

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

	31 December 2005 £
Loans from fellow subsidiary undertaking	<u>3,410,000</u>

£3,069,000 of the loans owed to a fellow subsidiary undertaking bears interest at 8% and is repayable on 21 May 2008.

The remaining £341,000 of the loans owed to a fellow subsidiary undertaking bears interest at 10%, subject to certain caps, and is repayable on 21 April 2015.

CANARY WHARF INVESTMENTS (FC4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

8. DEFERRED TAXATION

Deferred taxation:

	31 December 2005 £
Accelerated capital allowances	8,717
Undiscounted deferred tax liability	8,717
Discount	(2,374)
Discounted deferred tax liability	6,343
Brought forward	—
Deferred tax charge in profit and loss account for the period	6,343
Carried forward	6,343

9. CALLED-UP SHARE CAPITAL

Authorised share capital:

	31 December 2005 £
20,000,000 Ordinary shares of £1 each	20,000,000

Allotted, called up and fully paid:

	31 December 2005 £
1 Ordinary shares of £1 each	1

The company was incorporated on 11 March 2005, with an authorised share capital of 20,000,000 ordinary £1 shares, of which 1 share was issued at par.

10. RESERVES

	Profit and loss account £
At 11 March 2005	—
At 31 December 2005	—

CANARY WHARF INVESTMENTS (FC4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2005

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2005 £
Issue of ordinary share capital	1
Closing shareholders' funds - equity	<u>1</u>

12. CAPITAL COMMITMENTS

As at 31 December 2005 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

13. RELATED PARTIES

The company's immediate parent undertaking is Canary Wharf Funding (FC2/FC4) Limited and its ultimate parent undertaking is Songbird Estates plc, both companies are registered in England and Wales.

As at 31 December 2005, 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, 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.