

CANARY WHARF INVESTMENTS (FC4) LIMITED
Registered Number: 5389386

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

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CANARY WHARF INVESTMENTS (FC4) LIMITED

FINANCIAL STATEMENTS

CONTENTS

	PAGE
Directors' Report	1
Statement of the Directors' Responsibilities in Respect of the Financial Statements	4
Independent Auditors' Report	5
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9

CANARY WHARF INVESTMENTS (FC4) LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

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 property investment.

As shown in the company's profit and loss account, the company's loss after tax for the year was £386,073 (2007: £Nil).

The balance sheet shows the company's financial position at the year end and indicates that net liabilities were £386,072 (2007: assets of £1). Details of amounts owed to group companies are shown in Notes 8 and 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 7. No dividends have been paid or proposed.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position (including the principal risks and uncertainties), 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.

As a result of a reduction in the value of its property interests, the company is in a net liability position at the year end. However, the company has the benefit of leases which provide an income stream which the directors forecast will enable it to meet its obligations as they fall due for a period of not less than 12 months from the signing date of the financial statements. 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.

CANARY WHARF INVESTMENTS (FC4) LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

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.

PRINCIPAL RISKS AND UNCERTAINTIES

As a member of the Canary Wharf Group the key risks facing the company include the property market upheaval, financing risk and concentration risk.

Property Market Upheaval

The valuation of Canary Wharf Group's assets is subject to many external economic and market factors which are cyclical in nature. The unprecedented turmoil in the financial markets has been reflected in the property market by such factors as the oversupply of available space in the office market, a recent significant decline in tenant demand for space in London and a change in the market perception of property as an investment resulting in a negative impact on property valuations in general. Such issues are kept under constant review so that the company as part of the Canary Wharf Group can react appropriately. The impact of the ongoing upheaval in the property and financial markets continues to be closely monitored.

Financing Risk

The broader economic cycle inevitably leads to movements in inflation, interest rates and bond yields. The company finances its operations largely through surplus cash and intercompany finance. The terms of the company's borrowings are summarised in Notes 8 and 9.

The unprecedented turmoil in the financial markets has resulted in an unusually pronounced negative impact on the real estate market. In the current difficult economic environment there is an increased risk that further softening of yields could put pressure on the loan to value covenants in the facilities of Canary Wharf Group.

Concentration Risk

The majority of Canary Wharf Group's real estate assets, including the assets of the company, are currently located on or adjacent to the Canary Wharf Estate, with tenants that are mainly linked to the financial services industry. Wherever possible steps are taken to mitigate or avoid material consequences arising from this concentration.

The principal risks facing the Canary Wharf Group are discussed in the Annual Report of Canary Wharf Group plc, which does not form part of this report.

CANARY WHARF INVESTMENTS (FC4) LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

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

26 June 2009

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

CANARY WHARF INVESTMENTS (FC4) LIMITED

STATEMENT OF THE 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 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 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 year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related Notes 1 to 15. 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 INVESTMENTS (FC4) LIMITED

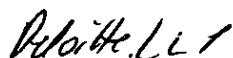
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (FC4) LIMITED

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 2008 and of its loss 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
Chartered Accountants and Registered Auditors
London, UK

26 June 2009

CANARY WHARF INVESTMENTS (FC4) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
TURNOVER		270,120	270,120
GROSS PROFIT		270,120	270,120
Administrative expenses before exceptional items		—	—
Exceptional item:			
Provision against investment properties	6	(410,000)	—
OPERATING (LOSS)/PROFIT	2	(139,880)	270,120
Interest receivable and similar income	3	32,510	52,004
Interest payable and similar charges	4	(278,703)	(322,124)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(386,073)	—
Tax on loss on ordinary activities	5	—	—
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	12	(386,073)	—

Movements in reserves are shown in Note 12 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 9 to 15 form an integral part of these financial statements.

CANARY WHARF INVESTMENTS (FC4) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	31 December 2008 £	31 December 2007 £
FIXED ASSETS			
Tangible assets	6	3,000,000	3,410,000
CURRENT ASSETS			
Debtors	7	331,413	678,548
Cash at bank		1,322,174	1,272,791
		1,653,587	1,951,339
CREDITORS: Amounts falling due within one year	8	(1,418,715)	(1,680,413)
NET CURRENT ASSETS		234,872	270,926
TOTAL ASSETS LESS CURRENT LIABILITIES		3,234,872	3,680,926
CREDITORS: Amounts falling due after more than one year	9	(3,620,944)	(3,680,925)
NET (LIABILITIES)/ASSETS		(386,072)	1
CAPITAL AND RESERVES			
Called-up share capital	11	1	1
Profit and loss account	12	(386,073)	-
SHAREHOLDERS' (DEFICIT)/FUNDS	13	(386,072)	1

The Notes on pages 9 to 15 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 26 JUNE 2009 AND SIGNED ON ITS BEHALF BY:



R J J LYONS
DIRECTOR

CANARY WHARF INVESTMENTS (FC4) LIMITED

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

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.

Turnover

Turnover represents rents receivable net of VAT and is recognised on an accruals basis in the period in which the rents become due.

Interest receivable and interest payable

Interest receivable and payable are recognised on an accruals basis in the period in which they fall due.

Investment properties

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.

Finance leases

As required by SSAP 21 and FRS 5, finance leases are recorded in the balance sheet as an asset and as an obligation to pay future rentals. Rentals payable are apportioned between the finance charge and a reduction in the outstanding obligation for future amounts payable.

The total finance charge is allocated to accounting periods over the lease term so as to produce a constant periodic charge to the remaining balance of the obligation for each accounting period.

CANARY WHARF INVESTMENTS (FC4) LIMITED

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

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.

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 (LOSS)/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.

Auditor's remuneration of £1,500 (2007: £1,500) for the audit of the company for the year has been borne by another group undertaking.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Finance lease income (Note 7)	<u>32,510</u>	<u>52,004</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2008 £	Year Ended 31 December 2007 £
Finance lease charges (Note 10)	18,640	23,158
Interest payable to group undertakings	260,063	298,966
	<u>278,703</u>	<u>322,124</u>

CANARY WHARF INVESTMENTS (FC4) LIMITED

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

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:		
Loss on ordinary activities before tax	<u>(386,073)</u>	<u>—</u>
Tax on loss on ordinary activities at UK corporation tax rate of 28.5% (2007: 30%)	(110,031)	—
Effects of:		
Expenses not deductible for tax purposes	116,850	—
Tax losses and other timing differences	<u>(6,819)</u>	<u>—</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.

6. TANGIBLE FIXED ASSETS

	Freehold Property £
COST	
At 1 January 2008 and 31 December 2008	<u>3,410,000</u>
PROVISION	
Movement for the year	<u>410,000</u>
At 31 December 2008	<u>410,000</u>
NET BOOK VALUE	
At 31 December 2008	<u>3,000,000</u>
At 31 December 2007	<u>3,410,000</u>

CANARY WHARF INVESTMENTS (FC4) LIMITED

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

As at 31 December 2008 the company's freehold property interest was valued by the group's external property advisers, CB Richard Ellis Limited, Surveyors and Valuers, on the basis of Market Value in accordance with the Appraisal and Valuation Manual published by the Royal Institution 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 diminution in value of £410,000 which has been taken to the profit and loss account and treated as an exceptional item. This item did not give rise to deferred tax.

7. DEBTORS

	31 December 2008 £	31 December 2007 £
Amount owed by parent undertaking	1	1
Finance lease receivables	331,412	633,586
Other debtors	—	44,961
	<u>331,413</u>	<u>678,548</u>

The company has acquired assets for use in the running of its property interest, subject to leases to a fellow subsidiary undertaking under finance lease terms.

The amount at which finance lease debtors are stated comprises:

	31 December 2008 £	31 December 2007 £
Opening balance	633,586	922,820
Finance lease rents received	(334,684)	(341,238)
Finance lease income	32,510	52,004
Closing balance	<u>331,412</u>	<u>633,586</u>

CANARY WHARF INVESTMENTS (FC4) LIMITED

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

8. CREDITORS: Amounts falling due within one year

	31 December 2008 £	31 December 2007 £
Loan from fellow subsidiary undertaking	127,021	1,009,375
Amount owed to fellow subsidiary undertaking	1,287,272	671,038
Other creditors	4,422	—
	<u>1,418,715</u>	<u>1,680,413</u>

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

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

	31 December 2008 £	31 December 2007 £
Loans from fellow subsidiary undertaking	3,410,000	3,410,000
Finance lease agreements (Note 10)	210,944	270,925
	<u>3,620,944</u>	<u>3,680,925</u>

£3,069,000 (2007: £3,069,000) of the loans owed to a fellow subsidiary undertaking bears interest at 8% and is repayable on 22 February 2013.

The remaining £341,000 (2007: £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 YEAR ENDED 31 DECEMBER 2008

10. FINANCE LEASES

The amount at which finance lease obligations are stated comprises:

	31 December 2008 £	31 December 2007 £
At 1 January	270,925	326,387
Finance rents paid	(78,621)	(78,620)
Finance lease charges	18,640	23,158
At 31 December	<u>210,944</u>	<u>270,925</u>

The finance lease obligations fall due as follows:

	31 December 2008 £	31 December 2007 £
Amounts payable within 1 year	71,418	66,532
Amounts payable between 1 and 2 years	70,149	64,866
Amounts payable between 3 and 5 years	69,377	139,527
	<u>210,944</u>	<u>270,925</u>

The company's obligations under its finance lease are secured by fixed charges over the finance lease receivables which relate to the same asset and a charge over a fellow subsidiary undertaking. The rate of interest implicit in the finance lease, which is linked to LIBOR, was 8.09% at 31 December 2008 (2007: 8.09%).

11. CALLED-UP SHARE CAPITAL

Authorised share capital:

	31 December 2008 £	31 December 2007 £
20,000,000 Ordinary shares of £1 each	<u>20,000,000</u>	<u>20,000,000</u>

Allotted, called up and fully paid:

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

12. RESERVES

	Profit and loss account £
At 1 January 2008	—
Loss for the year	(386,073)
At 31 December 2008	<u>(386,073)</u>

CANARY WHARF INVESTMENTS (FC4) LIMITED

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

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT)/FUNDS

	31 December 2008	31 December 2007
	£	£
Opening shareholders' funds	1	1
Loss for the year	(386,073)	—
Closing shareholders' (deficit)/funds	<u>(386,072)</u>	<u>1</u>

14. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

As at 31 December 2008 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

15. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is Canary Wharf Funding (FC2/FC4) 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.