

CANARY WHARF (FS INVEST) LIMITED
Registered Number: 07321412

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON 21 JULY 2010 TO 31 DECEMBER 2011

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CANARY WHARF (FS INVEST) LIMITED

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CANARY WHARF (FS INVEST) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

The directors present their report with the audited financial statements for the period ended 31 December 2011. This report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company was incorporated on 21 July 2010 with an issued share capital of 1 ordinary £1 00 share, which was issued at par.

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.

During the period the Group and Land Securities formed the 20 Fenchurch Street Limited Partnership, a 50/50 joint venture to develop 20 Fenchurch Street in the City of London. Simultaneously the Group entered into syndication arrangements with Chengdong Investment Corporation, Morgan Stanley and Qatar Holdings. After syndication, the Group retained a 15% equity interest in the project.

As a part of this acquisition the company acquired 139,026 ordinary £1 shares in Canary Wharf (FS Two) Limited for a consideration of £139,026 representing a 30% interest in the company.

As shown in the company's profit and loss account, the company's profit after tax for the period was £4,800.

The balance sheet shows the company's financial position at the period end and indicates that net assets were £4,801. Details of amounts owed to group companies are shown in Notes 7 and 8.

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

DIVIDENDS AND RESERVES

The profit and loss account for the period ended 31 December 2011 is set out on page 6. No dividends have been paid or proposed and the retained profit of £4,800 has been transferred to 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 period 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.

CANARY WHARF (FS INVEST) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2011

DIRECTORS

The directors of the company throughout the period ended 31 December 2011 were

A P Anderson II
Sir George Iacobescu CBE
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. Both the indemnity and insurance were in force during the period ended 31 December 2011 and at the time of the approval of this Directors' Report. Neither the indemnity nor the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

BY ORDER OF THE BOARD



J R Garwood

Company Secretary

19 April 2012

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

Registered Number 07321412

CANARY WHARF (FS INVEST) LIMITED

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

The directors are responsible for preparing the 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting 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 2006. 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 (FS INVEST) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF (FS INVEST) LIMITED

We have audited the financial statements of Canary Wharf (FS Invest) Limited for the period from incorporation on 21 July 2010 to 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet and the related Notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CANARY WHARF (FS INVEST) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF (FS INVEST) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Mark Beddy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountant and Statutory Auditor
London, UK

19 April 2012

CANARY WHARF (FS INVEST) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2011

		Period from 21 July 2010 to 31 December 2011 £
Other operating income		4,900
OPERATING PROFIT	2	4,900
Interest payable and similar charges	3	(100)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,800
Tax on profit on ordinary activities	4	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD	10	4,800

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 2011 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

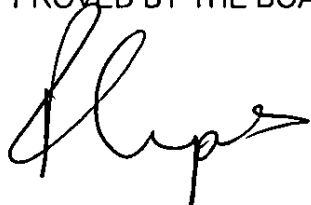
CANARY WHARF (FS INVEST) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

		31 December 2011 £
	Note	
FIXED ASSETS		
Investments	5	<u>139,026</u>
CURRENT ASSETS		
Debtors	6	1,225
Cash at bank		<u>3,675</u>
		4,900
CREDITORS: Amounts falling due within one year	7	<u>(100)</u>
NET CURRENT ASSETS		<u>4,800</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>143,826</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(139,025)</u>
NET ASSETS		<u>4,801</u>
CAPITAL AND RESERVES		
Called-up share capital	9	1
Profit and loss account	10	<u>4,800</u>
SHAREHOLDERS' FUNDS	11	<u>4,801</u>

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

APPROVED BY THE BOARD ON 19 APRIL 2012 AND SIGNED ON ITS BEHALF BY



R J J LYONS
DIRECTOR

CANARY WHARF (FS INVEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

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 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.

Investments

Investments are stated at cost less any provision for impairment.

Trade and other debtors

Debtors are recognised initially at fair value. A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtor concerned.

Trade and other creditors

Trade and other creditors are stated at cost.

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 substantively 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.

CANARY WHARF (FS INVEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

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

The auditor's remuneration of £500 for the audit of the company has been borne by another group undertaking

3. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 21 July 2010 to 31 December 2011 £
Bank charges	<u>100</u>

4. TAXATION

	Period from 21 July 2010 to 31 December 2011 £
Current tax	
UK corporation tax	<u>-</u>
Tax reconciliation	
Profit on ordinary activities before tax	<u>4,800</u>
Tax on profit on ordinary activities at UK Corporation tax rate of 26.5%	1,272
Effects of Group relief	<u>(1,272)</u>
Total tax charge on profit on ordinary activities	<u>-</u>

The tax rate of 26.5% has been calculated by reference to the current corporation tax rate of 26% which was in effect for the final three quarters of the year and the previous rate of 28% 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 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. There is no unprovided deferred taxation.

CANARY WHARF (FS INVEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

5. INVESTMENTS

Other investments

	£
COST	
Additions	139,026
At 31 December 2011	<u>139,026</u>
NET BOOK VALUE	
At 31 December 2011	<u>139,026</u>

During the period the company acquired 139,026 ordinary £1 shares in Canary Wharf (FS Two) Limited for a consideration of £139,026, representing a 30% interest in the company

The directors are of the opinion that the value of the company's investments at 31 December 2011 was not less than the amount shown in the company's balance sheet

6. DEBTORS

	31 December 2011 £
Trade debtors	<u>1,225</u>

7. CREDITORS: Amounts falling due within one year

	31 December 2011 £
Amount owed to parent undertaking	<u>100</u>

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

	31 December 2011 £
Loan from parent undertaking	<u>139,025</u>

The loan owed to the parent undertaking bears no interest and is repayable within three years of the date of practical completion of the development at 20 Fenchurch Street.

CANARY WHARF (FS INVEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

9. CALLED-UP SHARE CAPITAL

Allotted, called up and fully paid.

	31 December 2011 £
1 Ordinary share of £1	<u>1</u>

The company was incorporated on 21 July 2010 with an issued share capital of 1 ordinary £1 00 share, which was issued at par

10. RESERVES

	Profit and loss account £
At 21 July 2010	—
Profit for the period	<u>4,800</u>
At 31 December 2011	<u>4,800</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2011 £
Issue of ordinary share capital	1
Profit for the period	<u>4,800</u>
Closing shareholders' funds	<u>4,801</u>

CANARY WHARF (FS INVEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

12 ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is Canary Wharf Developments Limited

As at 31 December 2011, 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.

The company holds a 30% investment in Canary Wharf (FS Two) Limited. During the period the company billed £4,900 to Canary Wharf (FS Two) Limited for administrative services in relation to the 20 Fenchurch Street development. At 31 December 2011, £1,225 of the billed amount was still outstanding.