

CABOT PLACE HOLDINGS LIMITED
Registered Number: 3302749

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

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CABOT PLACE HOLDINGS 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
Statement of Total Recognised Gains and Losses	8
Note of Historical Cost Profits and Losses	8
Balance Sheet	9
Notes to the Financial Statements	10

CABOT PLACE HOLDINGS 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

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. All activities take place within the United Kingdom. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

On 15 March 2006, the company sold leasehold interests to certain Jersey Property Unit Trusts in consideration for 147,500,000 £1 units in the Trusts.

As shown in the company's profit and loss account, the company's profit after tax for the year was £4,886,264 (2005 £10,369,143).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £150,072,383 (2005 £133,778,618). Details of amounts owed to group companies are shown in notes 10 and 11.

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 7. Dividends of £25,000,000 (2005 £Nil) have been paid during the year and the retained loss of £20,113,736 (2005 profit of £10,369,143) 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.

CABOT PLACE HOLDINGS LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

The valuation of Canary Wharf Group's assets is subject to many external economic and market factors which are cyclical in nature. These cycles manifest themselves in the property market by such factors as the oversupply of available space in the office market, a decline in tenant demand for space in London or a change in the market perception of property as an investment. Such potential factors are monitored in order to ensure that the company can react swiftly and flexibly should the need arise.

The broader economic cycle inevitably leads to movement 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 10 and 11.

Canary Wharf Group's real estate assets are currently located on or adjacent to the Canary Wharf Estate. Wherever possible steps are taken to mitigate or avoid material consequence arising.

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.

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.

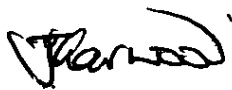
CABOT PLACE HOLDINGS LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

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



J R Garwood

Company Secretary

28 June 2007

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

CABOT PLACE HOLDINGS 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.

CABOT PLACE HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CABOT PLACE HOLDINGS LIMITED

We have audited the financial statements of Cabot Place Holdings Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Note of Historical Cost Profits and Losses, Balance Sheet and the related notes 1 to 17. 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 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.

CABOT PLACE HOLDINGS LIMITED

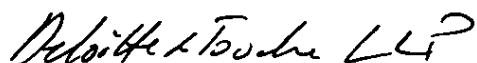
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CABOT PLACE HOLDINGS LIMITED

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

28 June 2007

CABOT PLACE HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
TURNOVER - RENTAL INCOME		1,211,155	6,854,677
Cost of sales		—	(341)
GROSS PROFIT		1,211,155	6,854,336
Administrative expenses		(3,525)	(6,463)
OPERATING PROFIT	2	1,207,630	6,847,873
Income from shares in group undertakings	8	500,000	—
Income from investments	8	5,401,063	—
Exceptional item			
Profit on sale of fixed assets	7	—	6,910,000
Interest receivable and similar income	3	3,987,568	2,120,680
Interest payable and similar charges	4	(6,395,106)	(6,041,877)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,701,155	9,836,676
Tax on profit on ordinary activities	5	185,109	532,467
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	14	4,886,264	10,369,143

Movements in reserves are shown in Note 14 of these financial statements

All amounts relate to continuing activities in the United Kingdom

The notes on pages 10 to 18 form an integral part of these financial statements

CABOT PLACE HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2006

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Profit for the financial year	4,886,264	10,369,143
Unrealised surplus on revaluation of properties	51,000	48,062,188
Unrealised surplus on JPUT investment attributable to the company (Note 8)	36,356,501	—
Total recognised gains relating to the year	<u>41,293,765</u>	<u>58,431,331</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Reported profit on ordinary activities before taxation	4,701,155	9,836,676
Realisation of gains recognised in previous periods	—	11,931,288
Historical cost profit on ordinary activities before taxation	<u>4,701,155</u>	<u>21,767,964</u>
Historical cost (loss)/profit for the year retained after taxation and dividends	<u>(20,113,736)</u>	<u>22,300,431</u>

The notes on pages 10 to 18 form an integral part of these financial statements

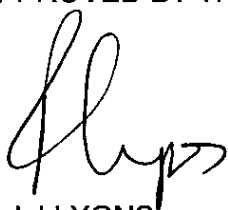
CABOT PLACE HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	31 December 2006 £	31 December 2005 £
FIXED ASSETS			
Tangible assets	7	10,000	144,500,000
Investments	8	183,906,506	50,005
		<u>183,916,506</u>	<u>144,550,005</u>
CURRENT ASSETS			
Debtors	9	79,883,035	65,953,369
CREDITORS: Amounts falling due within one year	10	(4,386,231)	(17,535,711)
NET CURRENT ASSETS		<u>75,496,804</u>	<u>48,417,658</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		259,413,310	192,967,663
CREDITORS: Amounts falling due after more than one year	11	(109,340,927)	(59,003,936)
Provisions for liabilities	12	–	(185,109)
NET ASSETS		<u>150,072,383</u>	<u>133,778,618</u>
CAPITAL AND RESERVES			
Called-up share capital	13	2	2
Reserves:			
Revaluation reserve	14	147,803,283	111,395,782
Profit and loss account	14	2,269,098	22,382,834
SHAREHOLDERS' FUNDS	15	<u>150,072,383</u>	<u>133,778,618</u>

The notes on pages 10 to 18 form an integral part of these financial statements

APPROVED BY THE BOARD ON 28 JUNE 2007 AND SIGNED ON ITS BEHALF BY



R J J LYONS
DIRECTOR

CABOT PLACE HOLDINGS 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, modified to include the revaluation of properties, 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 investments in subsidiaries are stated at cost less any provision for impairment. Investment income comprises dividends received during the accounting period

Investments in Jersey Property Unit Trusts

The company's investment in Jersey Property Unit Trusts ('JPUTs') is carried at the company's share of net assets. The company's share of the realised profit of the JPUTs is recorded in the profit and loss account and the company's share of the unrealised profit of the JPUTs is taken to the revaluation reserve

Turnover

Turnover, representing rents receivable, is recognised net of VAT in the period in which the rents become due and arises wholly in the United Kingdom

Tangible fixed assets

Tangible fixed assets, comprising freehold and 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 require 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

CABOT PLACE HOLDINGS LIMITED

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

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.

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 3.3% 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.

CABOT PLACE HOLDINGS LIMITED

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

2. OPERATING PROFIT

Operating profit is stated after charging

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Remuneration of the auditors		
Audit fees	3,000	5,500

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

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Interest receivable from group undertakings	3,987,568	2,120,680

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Interest payable to group undertakings	5,793,652	4,574,622
Financing costs	601,454	154,706
Premium on repayment of loan	—	1,312,549
	<u>6,395,106</u>	<u>6,041,877</u>

5. TAXATION

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Current tax		
UK Corporation tax (see below)	—	—
Deferred tax		
Net effect of discount	—	11,154
Origination and reversal of timing differences	(185,109)	(543,621)
Total deferred tax	<u>(185,109)</u>	<u>(532,467)</u>

CABOT PLACE HOLDINGS LIMITED

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

Tax reconciliation		
Profit on ordinary activities before tax	<u>4,701,155</u>	<u>9,836,676</u>
Tax on profit on ordinary activities at UK corporation tax rate of 30%	1,410,346	2,951,003
Effects of		
Items not chargeable to tax	(150,000)	(2,073,000)
Tax losses and other timing differences	<u>(1,260,346)</u>	<u>(878,003)</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.

If the company's investment was sold at its market value, a tax liability of £9,357,643 would arise. This tax liability is stated after taking into account realised and unrealised capital losses of other group companies which would be available to reduce the tax liability. No charge will be made for the utilisation of capital losses. As the company has no intention to sell its investment, it is not expected that any liability will arise in the foreseeable future and no provision for this contingent liability has been made.

6. DIVIDENDS

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Dividends paid during the year (£12,500,000 per share)	<u>25,000,000</u>	<u>-</u>

CABOT PLACE HOLDINGS LIMITED

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

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Leasehold Property £	Total £
VALUATION			
At 1 January 2006	117,500,000	27,000,000	144,500,000
Additions	3,000,000	–	3,000,000
Disposals	(120,541,000)	(27,000,000)	(147,541,000)
Revaluation	51,000	–	51,000
At 31 December 2006	10,000	–	10,000
NET BOOK VALUE			
At 31 December 2006	10,000	–	10,000
At 31 December 2005	117,500,000	27,000,000	144,500,000

During the prior year, the company sold its leasehold interests in the retail units at 7 Westferry Circus for a consideration of £6,150,000, the retail units at 25 The North Colonnade for a consideration of £11,725,000, the retail units at 10 Cabot Square for a consideration of £9,980,000 and the retail units at 20 Cabot Square for a consideration of £8,405,000. These disposals gave rise to a profit on disposal of £6,910,000, which was taken to the profit and loss account and treated as an exceptional item. These transactions did not give rise to deferred tax.

On 15 March 2006, the company acquired the freehold interest in Cabot Hall from a fellow subsidiary undertaking for a consideration of £3,000,000. The company then granted an underlease to a fellow subsidiary undertaking for a consideration of £41,000.

Also on 15 March 2006, the company transferred its interests in the retail units of One Canada Square and granted underleases in Cabot Place Mall and Cabot Hall to Jersey Property Unit Trusts (Note 8) in exchange for units of equal value. The company did not realise any profit in respect of these transactions. The company retains the freehold interest in Cabot Place Mall and Cabot Hall.

On a historic cost basis, investment properties would have been included as follows

	31 December 2006 £	31 December 2005 £
Historic cost	–	33,104,218

Prior to the transfers to the Jersey Property Unit Trusts, the company's leasehold property interests were valued by the group's external property advisers, Cushman & Wakefield Healey & Baker, Real Estate Consultants, 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 revaluation surplus of £41,000 which has been transferred to the revaluation reserve.

CABOT PLACE HOLDINGS LIMITED

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

As at 31 December 2006, the company's leasehold property interest was valued by Cushman & Wakefield Healey & Baker. The external valuation resulted in a revaluation surplus of £10,000 which has been transferred to the revaluation reserve.

8. INVESTMENTS

	31 December 2006 £	31 December 2005 £
Historic cost of property contributed	36,063,218	—
Unrealised revaluation of property contributed	111,436,782	—
Cost of investment in Jersey Property Unit Trust	147,500,000	—
Revaluation of units	36,356,501	—
Investment in Jersey Property Unit Trust	183,856,501	—
Investment in subsidiary undertakings	50,005	50,005
	<u>183,906,506</u>	<u>50,005</u>

On 10 March 2006, the company transferred its investment property interests in the retail units of One Canada Square and Cabot Place Retail Mall to JPUTs. The value of the properties at 15 March 2006 were £147,500,000. The company received 147,500,000 units in consideration for the transfers.

During the year the JPUTs paid distributions of £4,618,248 and at 31 December 2006 the JPUTs had accrued £782,815 attributable to the company, but not yet distributed. The JPUTs also had £36,356,501 of unrealised revaluation gains attributable to the company.

At 31 December 2006 the company held 99.8% of the units in Cabot Place (Retail) Unit Trust and 99.1% of the units in One Canada Square (Retail) Unit Trust.

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

Name	Description of shares held	Principal activities
Cabot Place Limited	Ordinary £1 shares	Retail property management
Cabot Place (RT2) Limited	Ordinary £1 shares	Retail property management
Canary Wharf Retail (DS3) Limited	Ordinary £1 shares	Retail property management
Nash Court Retail Limited	Ordinary £1 shares	Retail property management
Canary Wharf Retail (RT4) Limited	Ordinary £1 shares	Retail property management
Canary Wharf Retail (DS4) Limited	Ordinary £1 shares	Retail property management

The above are wholly owned subsidiaries registered in England and Wales.

Dividends totalling £500,000 (2005: £nil) were paid by the company's subsidiaries during the year ended 31 December 2006.

CABOT PLACE HOLDINGS LIMITED

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

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 17)

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

9. DEBTORS

	31 December 2006 £	31 December 2005 £
Amount owed by parent undertaking	1	1
Loan to fellow subsidiary undertaking	79,100,219	54,922,172
Amounts owed by fellow subsidiary undertakings	–	11,031,196
Prepayments and accrued income	782,815	–
	<u>79,883,035</u>	<u>65,953,369</u>

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

10. CREDITORS: Amounts falling due within one year

	31 December 2006 £	31 December 2005 £
Loan from parent undertaking	2,664,622	2,546,409
Loan from fellow subsidiary undertaking	–	14,069,542
Amounts owed to subsidiary undertakings	5	761,180
Amount owed to fellow subsidiary undertaking	1,718,079	152,117
Accruals and deferred income	3,525	6,463
	<u>4,386,231</u>	<u>17,535,711</u>

Loans from group undertakings carry interest at a rate linked to LIBOR and are repayable on demand

CABOT PLACE HOLDINGS LIMITED

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

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

	31 December 2006	31 December 2005
	£	£
Loan from fellow subsidiary undertaking	109,340,927	59,003,936

The loan from a fellow subsidiary undertaking outstanding at 31 December 2005 carried interest at a rate linked to LIBOR and was repaid on 14 March 2006

On the same day the company received a new loan for £109,724,927 from a fellow subsidiary undertaking. The loan bears interest at a rate linked to the bank loan of a fellow subsidiary undertaking, and is repayable on 8 March 2011

At 31 December 2006, there were capitalised financing costs of £384,000 (2005 £395,349) offset against the loans

12. DEFERRED TAXATION

Deferred taxation

	31 December 2006	31 December 2005
	£	£
Accelerated capital allowances	–	251,331
Undiscounted deferred tax liability	–	251,331
Discount	–	(66,222)
Discounted deferred tax liability	–	185,109
Brought forward	185,109	717,576
Deferred tax credit in profit and loss account for the period	(185,109)	(532,467)
Carried forward	–	185,109

13. CALLED-UP SHARE CAPITAL

Authorised share capital:

	31 December 2006	31 December 2005
	£	£
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	31 December 2006	31 December 2005
	£	£
2 Ordinary shares of £1 each	2	2

CABOT PLACE HOLDINGS LIMITED

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

14. RESERVES

	Revaluation reserve	Profit and loss account	Total
	£	£	£
At 1 January 2006	111,395,782	22,382,834	133,778,616
Profit for the year	—	4,886,264	4,886,264
Dividends	—	(25,000,000)	(25,000,000)
Revaluation of investment properties	51,000	—	51,000
Revaluation of investments	36,356,501	—	36,356,501
At 31 December 2006	<u>147,803,283</u>	<u>2,269,098</u>	<u>150,072,381</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2006 £	31 December 2005 £
Opening shareholders' funds	133,778,618	75,347,287
Profit for the year	4,886,264	10,369,143
Dividends	(25,000,000)	—
Revaluation of investment properties	51,000	48,062,188
Revaluation of investments	36,356,501	—
Closing shareholders' funds	<u>150,072,383</u>	<u>133,778,618</u>

16. CAPITAL COMMITMENTS

As at 31 December 2006 the company had given a fixed charge over all its assets, including first fixed charges over its bank accounts, to secure the debentures referred to in Note

17. RELATED PARTIES

The company's immediate parent undertaking is Canary Wharf Investments 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, 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