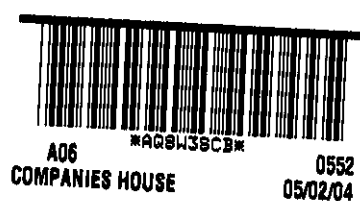


CABOT PLACE HOLDINGS LIMITED
Registered Number: 3302749

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**



CONTENTS

	Page
Directors' Report	1 to 2
Statement of the Directors' Responsibilities in Respect of the Financial Statements	3
Independent Auditors' Report	4 to 5
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	9 to 16

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

The directors present their report with the audited financial statements for the year ended 30 June 2003.

ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Canary Wharf Investments Limited, a company registered in England and Wales. The company's ultimate parent undertaking is Canary Wharf Group plc ('CWG').

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company is property investment. At present this activity is concentrated on the Canary Wharf development in London's Docklands.

DIVIDENDS AND RESERVES

The profit and loss account for the year ended 30 June 2003 is set out on page 6. The directors recommend the payment of an interim dividend of £2,400,000 (2002: £2,000,000) and the retained profit of £77 is to be transferred to reserves.

DIRECTORS

The directors of the company throughout the year ended 30 June 2003 were:

A P Anderson II
G Iacobescu
R Lyons

DIRECTORS' INTERESTS

The directors have been granted options to subscribe for ordinary shares in CWG. Details of interests and options to subscribe for shares in CWG are disclosed as appropriate in the financial statements of either the intermediate parent company, Canary Wharf Estate Limited, or CWG, the ultimate parent company.

Other than the above, no director had any beneficial interest in the shares of the company, its parent undertaking or any of its subsidiaries at 30 June 2003 or at any time throughout the year then ended.

CABOT PLACE HOLDINGS LIMITED

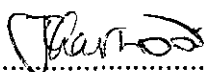
DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

AUDITORS

On 1 August 2003 Deloitte & Touche, the company's auditors, transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP under the provisions of s26(5) of the Companies Act 1989.

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

23 December 2003

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

STATEMENT OF THE 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 financial year 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, 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.

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 30 June 2003 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, and the related notes 1 to 16. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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.

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 of the state of the company's affairs as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

23 December 2003

CABOT PLACE HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Year Ended 30 June 2003	Year Ended 30 June 2002
		£	£
Turnover - rental income		6,245,821	5,920,558
GROSS PROFIT		6,245,821	5,920,558
Administrative expenses		(9,270)	(5,300)
OPERATING PROFIT	2	6,236,551	5,915,258
Income from shares in group undertakings		200,000	300,000
Interest payable and similar charges	3	(4,022,069)	(3,891,265)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		2,414,482	2,323,993
Tax on profit on ordinary activities	4	(14,405)	(8,667)
PROFIT FOR THE FINANCIAL YEAR	13	2,400,077	2,315,326
Dividends	5	(2,400,000)	(2,000,000)
RETAINED PROFIT FOR THE YEAR	14	77	315,326

Movements in reserves are shown in Note 13 of these financial statements.

All amounts relate to continuing activities in the United Kingdom.

The notes on pages 9 to 16 form an integral part of these financial statements.

CABOT PLACE HOLDINGS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2003**

	Year Ended 30 June 2003	Year Ended 30 June 2002
	£	£
Profit for the financial year	2,400,077	2,315,326
Unrealised surplus on revaluation of properties	12,550,000	12,680,000
Total recognised gains relating to the year	<u>14,950,077</u>	<u>14,995,326</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

CABOT PLACE HOLDINGS LIMITED

BALANCE SHEET AS AT 30 JUNE 2003

	Notes	30 June 2003 £	30 June 2002 £
FIXED ASSETS			
Tangible assets	6	105,800,000	93,250,000
Investments	7	50,005	50,002
		<u>105,850,005</u>	<u>93,300,002</u>
CURRENT ASSETS			
Debtors	8	3,905,568	2,060,744
		<u>3,905,568</u>	<u>2,060,744</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(12,980,546)	(11,162,247)
NET CURRENT LIABILITIES		<u>(9,074,978)</u>	<u>(9,101,503)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		96,775,027	84,198,499
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	(41,129,744)	(41,117,698)
Provisions for liabilities and charges	11	(162,804)	(148,399)
NET ASSETS		<u>55,482,479</u>	<u>42,932,402</u>
CAPITAL AND RESERVES			
Called-up share capital	12	2	2
Reserves:			
Revaluation reserve	13	55,414,882	42,864,882
Profit and loss account	13	67,595	67,518
SHAREHOLDERS' FUNDS - EQUITY	14	<u>55,482,479</u>	<u>42,932,402</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 23 DECEMBER 2003 AND SIGNED ON ITS BEHALF BY:



R LYONS
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

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, as modified by the revaluation of investment properties, and in accordance with applicable United Kingdom accounting standards.

In accordance with the provisions of FRS 1 (Revised), a cash flow statement has not been prepared as the company is a wholly-owned subsidiary of a body incorporated in the European Union. A consolidated cash flow statement is included in the financial statements of CWG.

Turnover

Turnover, representing rents receivable, is recognised net of VAT in the period in which the rents become due.

Income from investments

Investment income comprises dividends receivable on investments in subsidiaries during the accounting period.

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.

Investments in subsidiary undertakings

The company's investments in subsidiaries are stated at cost less any provision for impairment.

CABOT PLACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

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 2.3% 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.

Interest receivable and interest payable

Interest receivable and payable are recognised in the period in which they fall due.

2 OPERATING PROFIT

	Year Ended 30 June 2003	Year Ended 30 June 2002
The operating profit is stated after charging:	£	£
Remuneration of the auditors:		
Audit fees	5,500	2,500

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

No staff were employed by the company other than the directors.

CABOT PLACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

3 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 30 June 2003	Year Ended 30 June 2002
	£	£
Financing costs	12,046	12,045
Interest payable to group undertakings	4,010,023	3,879,220
	<u>4,022,069</u>	<u>3,891,265</u>

4 TAXATION

	Year Ended 30 June 2003	Year Ended 30 June 2002
	£	£
Current tax:		
UK corporation tax (see below)	-	-
Deferred tax:		
Net effect of discount	14,405	8,667
Total deferred tax (Note 11)	14,405	8,667
Total tax on profit on ordinary activities	<u>14,405</u>	<u>8,667</u>
Tax reconciliation:		
Profit on ordinary activities before tax	2,414,482	2,323,993
Tax on profit on ordinary activities at UK corporation tax rate of 30%	724,344	697,197
Effects of:		
Items not chargeable to tax	(60,000)	(90,000)
Tax losses and other timing differences	(664,344)	(607,197)
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.

CABOT PLACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

If the company's property was sold at its market value, a tax liability of £2,928,115 would arise (2002: £11,095,645). 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 property, it is not expected that any liability will arise in the foreseeable future and no provision for this contingent liability has been made.

5	DIVIDENDS	Year Ended 30 June 2003	Year Ended 30 June 2002
		£	£
	Interim dividend (£1,200,000 per share) (2002 - £1,000,000 per share)	2,400,000	2,000,000
		<u>2,400,000</u>	<u>2,000,000</u>

6 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Long Leasehold Land and Buildings	Total
Valuation	£	£	£
At 1 July 2002	58,000,000	35,250,000	93,250,000
Revaluation	9,500,000	3,050,000	12,550,000
At 30 June 2003	<u>67,500,000</u>	<u>38,300,000</u>	<u>105,800,000</u>

CABOT PLACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

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

	30 June 2003	30 June 2002
	£	£
Historical cost	50,385,118	50,385,118

As at 30 June 2003 the company's freehold and leasehold property interests were valued by the group's external property advisers, FPD Savills, Chartered Surveyors, on the basis of Market Value in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute 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 £12,550,000 which has been transferred to the revaluation reserve.

7 INVESTMENTS

	Shares in Group Undertakings
Cost	£
At 1 July 2002	50,002
Additions	3
At 30 June 2003	50,005

At 30 June 2003 the company's subsidiary undertakings were as follows:

<u>Name</u>	<u>Description of shares held</u>	<u>Principal activities</u>
Cabot Place Limited	Ordinary £1 shares	Retail property management
Cabot Place (RT2) Limited	Ordinary £1 shares	Retail property management
Nash Court Retail Limited	Ordinary £1 shares	Retail property management
Canary Wharf Retail (DS4) Limited	Ordinary £1 shares	Retail property management
Canary Wharf Retail (RT4) Limited	Ordinary £1 shares	Retail property management
Heron Quays Retail Limited	Ordinary £1 shares	Retail property management

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

During the year the company acquired the entire share capital of Canary Wharf Retail (DS4) Limited, Canary Wharf Retail (RT4) Limited and Heron Quays Retail Limited.

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 16).

CABOT PLACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

The directors are of the opinion that the value of the company's investments at 30 June 2003 was not less than the amount shown in the company's balance sheet.

8 DEBTORS

	30 June 2003	30 June 2002
	£	£
Amounts owed by fellow subsidiary undertakings	2,110,178	2,060,744
Amounts owed by subsidiary undertakings	1,795,390	-
	<u>3,905,568</u>	<u>2,060,744</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2003	30 June 2002
	£	£
Loans from fellow subsidiary undertakings	10,416,676	8,848,210
Amounts owed to parent undertaking	2,399,999	1,999,999
Amounts owed to fellow subsidiary undertakings	152,117	152,117
Amounts owed to subsidiary undertakings	4	156,222
Other creditors	-	2,761
Accruals	5,500	2,938
Deferred income	6,250	-
	<u>12,980,546</u>	<u>11,162,247</u>

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

10 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	30 June 2003	30 June 2002
	£	£
Loan from a fellow subsidiary undertaking	41,129,744	41,117,698
	<u>41,129,744</u>	<u>41,117,698</u>

The loan from a fellow subsidiary undertaking bears interest at 10%, subject to certain caps, and is repayable on 22 April 2034.

11 PROVISION FOR LIABILITIES AND CHARGES

CABOT PLACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

Deferred taxation:

	Year ended 30 June 2003	Year ended 30 June 2002
	£	£
Accelerated capital allowances	243,666	243,666
Undiscounted deferred tax liability	243,666	243,666
Discount	(80,862)	(95,267)
Discounted deferred tax liability	162,804	148,399
At 1 July	148,399	139,732
Deferred tax charge in profit and loss account for the period	14,405	8,667
At 30 June	162,804	148,399

As the company has no intention to sell its investment properties it is not expected that the deferred tax liability will crystallise in the foreseeable future.

12 CALLED-UP SHARE CAPITAL

	30 June 2003	30 June 2002
	£	£
Equity Shares		
Authorised, 100 ordinary shares of £1 each	100	100
Allotted, called-up and fully paid, 2 ordinary shares of £1 each	2	2

13 RESERVES

	Revaluation Reserve	Profit and Loss Account
	£	£
At 1 July 2002	42,864,882	67,518
Profit for the financial year	-	2,400,077
Dividend	-	(2,400,000)
Revaluation in the year	12,550,000	-
At 30 June 2003	55,414,882	67,595

CABOT PLACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Shareholders' funds as at 1 July 2002	42,932,402
Profit for the financial year	2,400,077
Dividend	(2,400,000)
Revaluation in the year	12,550,000
	<hr/>
Shareholders' funds as at 30 June 2003	55,482,479
	<hr/>

15 CAPITAL COMMITMENTS

As at 30 June 2003 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

16 RELATED PARTIES

The company's immediate parent undertaking is Canary Wharf Investments Limited, a company registered in England and Wales. The company's ultimate parent was Canary Wharf Group plc (subsequently renamed Canary Wharf Estate Limited) until 4 December 2001. Following the completion of a group reconstruction on this date the new holding company, New Canary Wharf plc, subsequently renamed Canary Wharf Group plc, a company registered in England and Wales, is considered the company's ultimate parent undertaking.

Canary Wharf Group plc is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up.

Copies of the consolidated financial statements of 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.