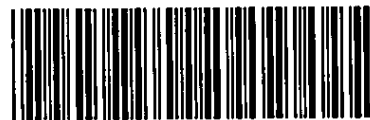


CANARY WHARF CONTRACTORS (BP3) LIMITED
Registered Number: 5601366

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION ON 24 OCTOBER 2005 TO
31 DECEMBER 2006

THURSDAY



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CANARY WHARF CONTRACTORS (BP3) LIMITED

FINANCIAL STATEMENTS

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CANARY WHARF CONTRACTORS (BP3) LIMITED

THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2006

The directors present their report with the audited financial statements for the period ended 31 December 2006

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company was incorporated on 24 October 2005 with an authorised share capital of 100 ordinary £1 00 shares, of which 1 share 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 building contracting. 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.

As shown in the company's profit and loss account, the company's profit after tax for the period was £156,660.

The balance sheet shows the company's financial position at the period end and indicates that net assets were £156,661. Details of amounts owed to group companies are shown in note 9.

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 period ended 31 December 2006 is set out on page 7. No dividends have been paid or proposed and the retained profit of £156,660 has been transferred to reserves.

DIRECTORS

The directors of the company throughout the period ended 31 December 2006, except as noted, were

A P Anderson II	(Appointed 24 October 2005)
G Iacobescu	(Appointed 24 October 2005)
R J J Lyons	(Appointed 24 October 2005)
Mawlaw Corporate Services Limited	(Served from 24 October 2005 to 24 October 2005)

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

CANARY WHARF CONTRACTORS (BP3) LIMITED

THE DIRECTORS' REPORT FOR THE PERIOD 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 period 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.

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.

CANARY WHARF CONTRACTORS (BP3) LIMITED

THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2006

AUDITORS

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

BY ORDER OF THE BOARD



J R Garwood

Company Secretary

23 August 2007

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

CANARY WHARF CONTRACTORS (BP3) 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.

CANARY WHARF CONTRACTORS (BP3) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF CONTRACTORS (BP3) LIMITED

We have audited the financial statements of Canary Wharf Contractors (BP3) Limited for the period from 24 October 2005 to 31 December 2006 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 CONTRACTORS (BP3) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANARY WHARF CONTRACTORS (BP3) 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 period 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

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

23 August 2007

CANARY WHARF CONTRACTORS (BP3) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2006

		Period from 24 October 2005 to 31 December 2006 £
	Note	
TURNOVER		15,661,702
Cost of sales		(15,506,635)
GROSS PROFIT		<u>155,067</u>
Administrative expenses		(5,500)
OPERATING PROFIT	2	<u>149,567</u>
Interest receivable and similar income	3	7,398
Interest payable and similar charges	4	(305)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>156,660</u>
Tax on profit on ordinary activities	5	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD	12	<u>156,660</u>

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 period ended 31 December 2006 other than those included in the profit and loss account

The notes on pages 9 to 14 form an integral part of these financial statements

CANARY WHARF CONTRACTORS (BP3) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

		31 December 2006 £
	Note	
CURRENT ASSETS		
Work in progress	6	3,866,470
Debtors	7	5,342,900
Cash at bank	8	120,877,580
		<u>130,086,950</u>
CREDITORS: Amounts falling due within one year	9	<u>(129,930,289)</u>
NET CURRENT ASSETS		<u>156,661</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>156,661</u>
NET ASSETS		<u>156,661</u>
CAPITAL AND RESERVES		
Called-up share capital	11	1
Profit and loss account	12	<u>156,660</u>
SHAREHOLDERS' FUNDS	13	<u>156,661</u>

The notes on pages 9 to 14 form an integral part of these financial statements

APPROVED BY THE BOARD ON 23 AUGUST 2007 AND SIGNED ON ITS BEHALF BY



R J J LYONS
DIRECTOR

CANARY WHARF CONTRACTORS (BP3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 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 period, is set out below

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom law and accounting standards

In accordance with the provisions of FRS 1 (Revised) the company is exempt from the requirements to prepare a cash flow statement, as it is a wholly-owned subsidiary of Canary Wharf Group plc, which has prepared a consolidated cash flow statement

Interest receivable and interest payable

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

Turnover

Turnover represents amounts charged, net of VAT, in respect of the provision of building services

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost includes construction costs and development expenditure, including employee and related costs

CANARY WHARF CONTRACTORS (BP3) LIMITED

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

2 OPERATING PROFIT

Operating profit is stated after charging

Period from
24 October
2005
to
31 December
2006
£

Remuneration of the auditors

Audit fees

5,500

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

3. INTEREST RECEIVABLE AND SIMILAR INCOME

Period from
24 October
2005
to
31 December
2006
£

Bank interest receivable

717,478

Less transferred to payment on account (Note 10)

(710,080)

7,398

4. INTEREST PAYABLE AND SIMILAR CHARGES

Period from
24 October
2005
to
31 December
2006
£

Bank charges

305

CANARY WHARF CONTRACTORS (BP3) LIMITED

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

5. TAXATION

	Period from 24 October 2005 to 31 December 2006 £
Current tax	
UK Corporation tax (see below)	—
Tax reconciliation	
Profit on ordinary activities before tax	156,660
Tax on profit on ordinary activities at UK corporation tax rate of 30%	46,998
Effects of	
Tax losses and other timing differences	(46,998)
Current tax charge for the period	—

No provision for corporation tax has been made since the profit for the period will be covered by the group relief expected to be made available to the company by other companies in the group. No charge will be made by other group companies for the surrender of group relief. It is anticipated that group relief and other tax reliefs will impact on future tax charges. There is no unprovided deferred taxation.

6. WORK IN PROGRESS AT COST

	31 December 2006 £
Work in progress at cost	3,866,470
Movement in the carrying value of work in progress during the period	
Additions	19,373,105
Released to cost of sales	(15,506,635)
At 31 December 2006	3,866,470

CANARY WHARF CONTRACTORS (BP3) LIMITED

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

7. DEBTORS

	31 December 2006 £
Amount owed by parent undertaking	1
Other debtors	955,325
Prepayments and accrued income	4,387,574
	<u>5,342,900</u>

8. FINANCIAL ASSETS

The company has received payments on account totalling £142,354,828 in respect of certain construction expenditure. These payments on account were paid into a sterling cash deposit account which, together with interest earned on the account, are drawn on to fund construction work. The cash deposits, which totalled £120,612,873 at 31 December 2006, have been charged as security for the company's construction commitments.

At 31 December 2006, the company had other cash balances totalling £264,707.

9. CREDITORS: Amounts falling due within one year

	31 December 2006 £
Payments received on account (note 10)	127,928,962
Trade creditors	977,856
Amount owed to fellow subsidiary undertaking	1,017,971
Accruals and deferred income	5,500
	<u>129,930,289</u>

10. PAYMENTS ON ACCOUNT

	31 December 2006 £
Received	142,354,828
Interest	710,080
Allocated to Turnover	(15,135,946)
	<u>127,928,962</u>

The company has entered into an agreement with a fellow subsidiary whereby it will design and construct a building and the associated infrastructure at Canary Wharf in return for a fee which will accrue over the life of the project. The company received a payment on account, equal to the estimated sums due including the fee. The fee is allocated against the initial payment as it becomes due.

CANARY WHARF CONTRACTORS (BP3) LIMITED

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

11. CALLED-UP SHARE CAPITAL

Authorised share capital:

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

Allotted, called up and fully paid:

	31 December 2006
	£
1 Ordinary share of £1	1

The company was incorporated on 24 October 2005 with an authorised share capital of 100 ordinary £1 00 shares, of which 1 share was issued at par

12. RESERVES

	Profit and loss account
	£
At 24 October 2005	—
Profit for the period	156,660
At 31 December 2006	156,660

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2006
	£
Issue of ordinary share capital	1
Profit for the period	156,660
Closing shareholders' funds	156,661

14. CAPITAL COMMITMENTS

As at 31 December 2006 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings

CANARY WHARF CONTRACTORS (BP3) LIMITED

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

15. RELATED PARTIES

The company's immediate parent undertaking is Canary Wharf (BP3) 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, 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.