



CANARY WHARF LIMITED

Registered number: 01971312

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



CANARY WHARF LIMITED

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CANARY WHARF LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors, in preparing this Strategic Report, have complied with section 414C of the Companies Act 2006.

This Strategic Report has been prepared for the company and not for the group of which it is a member and therefore focuses only on matters which are significant to the company.

BUSINESS MODEL

The principal activity of the company continues to be property development for the purposes of sale either to fellow subsidiary undertakings or external to the group.

BUSINESS REVIEW

As shown in the company's statement of comprehensive income, the company's loss after tax for the year was £85,343,796 (2021 - profit £82,280,364).

The statement of financial position shows the company's financial position at the year end and indicates that net assets were £1,410,825,316 (2021 - £1,496,169,112).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has adopted Canary Wharf Group plc ('the Group') principal risks and uncertainties monitoring and management policies. The risks and uncertainties facing the business are monitored through continuous assessment, regular formal reviews and discussion at the Canary Wharf Group Investment Holdings plc audit committee and board. Such discussion focuses on the risks identified as part of the system of internal control which highlights key risks faced by the Group and allocates specific day to day monitoring and control responsibilities as appropriate. As a member of Canary Wharf Group, the current key risks of the company include: the current geopolitical climate and its potential impact on the economy, the financing risk, the cyclical nature of the property market, concentration risk and policy and planning risks.

Geopolitical climate

The geopolitical backdrop has been exceptionally turbulent in the UK and internationally over the past few years. The COVID-19 pandemic led to numerous lockdowns and other related restrictions between March 2020 and February 2022, disrupting global supply chains and significantly impacting UK GDP. COVID-19 also brought about significant changes in the behaviour of office workers, with the majority of UK based companies now working on a hybrid basis.

We have also seen a marked increase in Industrial Action, in part due to falling real wages, resulting in numerous days of tube and train strikes impacting the Estate.

Russia's invasion of Ukraine in February 2022 has driven significant security, economic, and energy policy shifts within Europe, with implications for UK businesses and consumers. The Group has no contractual relationships with any entity or individuals based in Russia, Belarus or Ukraine. However, the impact of a war in Europe and sanctions targeted at Russia and certain individuals may impact on the UK and world economy, particularly on energy prices. The long term impacts of these issues remain difficult to predict.

Financing risk

The broader economic cycle inevitably leads to movements in inflation, interest rates and bond yields. The company finances its operations largely through surplus cash and intercompany finance.

CANARY WHARF LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Cyclical nature of the property market

The valuation of the Company and Group's assets are subject to many other external economic and market factors. In recent years, the London real estate market has had to cope with fluctuations in demand caused by key events such as the 2008/2009 financial crisis, uncertainty in the Eurozone and the implications of the UK's withdrawal from the EU, the Russian invasion of Ukraine and sanctions imposed on Russia as a consequence. During the year, the rapid rise in interest rates has caused a significant turmoil to the debt and capital markets impacting adversely on investor confidence, whilst the longer term impact of Covid-19 on flexible working has prompted the tenants to review their requirements for office space. These factors have had negative implications for the investor sentiment towards property market and particularly office assets which has impacted the valuations at the year end.

The real estate market has to date, however, been assisted by the depreciation of sterling since the EU referendum and the continuing presence of overseas investors attracted by the relative transparency of the real estate market in London which is still viewed as both relatively stable and secure.

Concentration risk

The Group's real estate assets are currently located on or adjacent to the Estate. Although a majority of tenants have traditionally been linked to the financial services industry, this proportion has now fallen to around only 54% of tenants. Wherever possible steps are still taken to mitigate or avoid material consequences arising from this concentration.

Although the focus of the Group has been on and around the Estate, where value can be added the Group will also consider opportunities elsewhere. The Group is involved as construction manager and joint development manager in the joint venture with Qatari Diar to redevelop the Shell Centre in London's South Bank. The Group has also reviewed current consents for development to react to changes in the market. This review has led to an increased focus on the residential build to rent sector as reflected in the composition of the master plan for the mixed-use development at Wood Wharf.

Policy and planning risks

All of the Group's assets are currently located within London. Appropriate contact is maintained with local and national Government, but changes in Governmental policy on planning, tax or other regulations could limit the ability of the Group to maximise the long term potential of its assets. These risks are closely monitored.

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

CANARY WHARF LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

CORPORATE & SOCIAL RESPONSIBILITY

The Company has not adopted its own sustainability, environmental and social policies. However, the directors are conscious of sustainability, environmental and social issues and adhere, where applicable, to the policies of Canary Wharf Group plc.

Sustainability is front and centre for Canary Wharf Group. Canary Wharf Group are aware of the increasing sustainability requirements of current and prospective customers. To deliver sustainability, the Group integrate actions and targets into every phase of project delivery and are improving the environmental performance of existing facilities through effective retrofitting and facilities management. The Group aims to design, build and manage central London's highest quality, best value and most sustainable office, retail and residential buildings and districts. In doing this, the Group works with all its stakeholders to create and nurture vibrant, inclusive communities that meet today's economic, environmental and social needs while anticipating those of tomorrow for the benefit of the environment, tenants, employees, the community and stakeholders. Since 1997, over £3.0bn of business has been generated for local businesses in East London through initiatives supported by the Group. Canary Wharf Group has maintained ISO 14001 accreditation since early 2005 and environmental management has been an inherent part of construction since 2002.

Canary Wharf Group is an active member of many industry groups including the UK Green Building Council (UKGBC), the Better Building Partnership (BBP) and Concrete Zero. The Group has also signed the BBP Climate Change Commitment, as well as The Climate Pledge, joining Amazon and other companies in pledging to achieve net zero carbon at least 10 years ahead of the Paris Agreement. Canary Wharf Group targets the reduction of energy, water and resource use, and the reuse and the recycling of waste where possible during the design, construction, and management of properties. The minimisation of disruption and disturbance to the environment and local community is targeted during the construction and management of buildings. Canary Wharf Group is also committed to preventing and monitoring pollution and to reducing any emissions which may have an adverse impact on the environment and/or local community.

Canary Wharf Group endeavours to raise awareness and promote effective management of sustainability, environmental and social issues with staff, designers, suppliers, and contractors and also works closely with suppliers and contractors to establish effective environmental supply chain management and to promote the procurement of sustainable products and materials.

In 2020, the Group published its Net Zero Carbon Pathway, a roadmap for reaching net zero carbon by 2030, 20 years ahead of the Paris Agreement. The Group also published ambitious Science Based Targets (SBTs) ratified by the Science Based Targets Initiative (SBTi). Progress against both the Net Zero Carbon Pathway and SBTs are published in the annual Sustainability Report.

In 2022, the Group participated in GRESB and CDP Sustainability Benchmarking schemes, receiving a GRESB 5 star rating, ranked first in our peer group and a CDP score of B.

The Group has purchased 100.0% renewable electricity for all operations since 2012, which has reduced our Scope 2 emissions (using a market based approach) from electricity to zero during this reporting year. This electricity supply is backed by Renewable Energy Guarantee of Origin (REGO) certificates. The Group are also investigating Power Purchase Agreements (PPAs) to further reduce tenant Scope 2 emissions.

The annual Group Sustainability Report, produced in accordance with EPRA guidelines, provides details of performance against a range of specified targets and objectives with third party verification in line with ISAE 3000. This report, together with additional supporting information and Group publications related to this area can be downloaded from the Canary Wharf Group website, www.group.canarywharf.com.

CANARY WHARF LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

SECTION 172(1) STATEMENT COMPANIES ACT 2006

Section 172 (1) of the Companies Act 2006 requires that a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term

The Board meets regularly to discuss and make decisions on matters of strategic importance to the business, to promote the long-term success of the Company and to consider the likely long term impact of any such decisions.

In accordance with the Articles of Association the Company has by ordinary resolution appointed each of the directors. Accordingly, there is an alignment of the interests between shareholders and the Board. The Group Executive Chairman and Group Chief Executive Officer are also members of the Board.

(b) the interests of the Company's employees

The Company has no employees other than the directors, who did not receive remuneration from the Company during the year.

(c) the need to foster the Company's business relationships with suppliers, customers and others

The Group has strong and well-established long-term relationships with its suppliers, tenants and customers. This is evidenced by the continuation of links across the full value chain, over many years, with the full range of contractors, advisors and suppliers who interact directly with employees of the company without the intervention of sub-contractors.

(d) the impact of the Company's operations on the community and the environment

The Group publishes an annual Corporate Responsibility report which is available on the Group website. However, in addition to the above, the Group is committed to fostering positive links within the local communities in which it works. The Group has an appointed Group Strategy Director who manages a team which works collaboratively with the London Boroughs of Tower Hamlets and of Lambeth. The Director is also engaged politically and is responsible for the Group's long-term strategy, planning, community and sports events, links with local educational establishments and promotional arts events.

The Group is an established member of the Tower Hamlets Partnership Executive Group which engages with a range of local business leaders. The Group's Personnel Department has well established links with local schools, colleges, universities and with the local job centre.

(e) the desirability of the Company maintaining a reputation for high standards of business conduct

The Group expects the highest standards of conduct from its employees, business partners and suppliers with which it engages. The Group has an established internal risk control and audit process with a range of official policies. In addition, the Internal Audit process is provided independently by Ernst & Young LLP.

The Group is fully compliant with all current GDPR laws and employment legislation.

(f) the need to act fairly between members of the Company

The Company's articles of association may be amended by special resolution of the Company's shareholder. The Company is a wholly owned subsidiary within the Stork HoldCo LP group of companies and is a single member company under section 123 (1) of the Companies Act 2006.

Throughout 2023 the Board will continue to review how the Group can improve engagement with its employees and stakeholders.

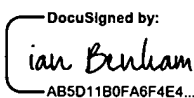
CANARY WHARF LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

KEY PERFORMANCE INDICATORS

The group 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 group, which includes the company, is discussed in the Annual Report of Canary Wharf Group Investment Holdings plc, which does not form part of this report.

This report was approved by the board on 25 September 2023 and signed on its behalf.

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I Benham
Director

CANARY WHARF LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £85,343,796 (2021 - profit £82,280,364).

Dividends of £Nil were paid during the year and to the date of this report (2021 - £3,703,159).

DIRECTORS

The directors who served during the year were:

A S J Daffern
J Hollinshead
S Z Khan
K J Kingston
R J Worthington

On 16 June 2023, after the year end, Ian Benham has been appointed as a director and on 8 September 2023 A S J Daffern resigned as a director of the company.

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 year ended 31 December 2022 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.

FUTURE DEVELOPMENTS

The company will continue to develop properties for the purposes of sale.

GOING CONCERN

For details in respect of going concern refer to Note 2.

FINANCIAL INSTRUMENTS

The principal risks and uncertainties of the company are contained within the Strategic Report. The financial risk management objectives and policies are managed at a group level and are not material to the company.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

CANARY WHARF LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

AUDITOR

Deloitte LLP have indicated their willingness to continue as auditors to the company.

This report was approved by the board on 25 September 2023 and signed on its behalf.

DocuSigned by:

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I Benham
Director

CANARY WHARF LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

CANARY WHARF LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Canary Wharf Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

CANARY WHARF LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF LIMITED

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

CANARY WHARF LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF LIMITED

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

Investment Property Portfolio: We have identified a fraud risk in the valuation of the property, pinpointed specifically to the risk of management manipulation of the information provided to the valuers on lease length, rental values etc, which the valuers rely on during their valuation process. Our audit procedures included:

- Obtaining an understanding of the relevant controls in the investment properties' valuation.
- In respect of investment properties, validating the tenancy data sent to the valuers for completeness and accuracy by agreeing a sample of data through to underlying lease agreements

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

CANARY WHARF LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic and the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

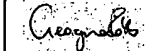
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

We have nothing to report in respect of these matters.

USE OF OUR REPORT

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.

DocuSigned by:


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Georgina Robb FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
25 September 2023

CANARY WHARF LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Note | 2022 £ | 2021 £ |
|--|------|---------------------|--------------------|
| Turnover | 5 | 34,040,786 | 39,238,196 |
| Cost of sales | | (5,978,651) | (15,153,528) |
| GROSS PROFIT | | 28,062,135 | 24,084,668 |
| Administrative expenses | | (337,121) | (379,927) |
| Other operating income | | 2,528,396 | 1,829,699 |
| Movement in provision against intercompany debtors | 14 | (48,082,641) | (7,283,034) |
| Movement in fair value of investment properties | 12 | (47,945,505) | 28,464,206 |
| OPERATING (LOSS)/PROFIT | | (65,774,736) | 46,715,612 |
| Interest receivable and similar income | 8 | 17,984,411 | 83,171,094 |
| Interest payable and similar charges | 9 | (51,328,410) | (24,341,534) |
| (LOSS)/PROFIT BEFORE TAX | | (99,118,735) | 105,545,172 |
| Tax on (loss)/profit | 10 | 13,774,939 | (23,264,808) |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | (85,343,796) | 82,280,364 |
| Other comprehensive income for the year | | - | - |
| TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR | | (85,343,796) | 82,280,364 |

The notes on pages 16 to 30 form part of these financial statements.


CANARY WHARF LIMITED
REGISTERED NUMBER: 01971312

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

| | Note | 2022 £ | As restated 2021 £ |
|---|------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | |
| Investments | 11 | 6 | 6 |
| Investment property | 12 | 236,131,572 | 284,337,116 |
| | | <u>236,131,578</u> | <u>284,337,122</u> |
| CURRENT ASSETS | | | |
| Debtors: amounts falling due after more than one year | 14 | 1,072,357,276 | 1,073,025,518 |
| Debtors: amounts falling due within one year | 14 | 3,638,045,879 | 3,492,774,969 |
| Cash at bank and in hand | | 31,633,145 | 41,999,349 |
| | | <u>4,742,036,300</u> | <u>4,607,799,836</u> |
| Creditors: amounts falling due within one year | 15 | (3,565,771,832) | (3,394,070,078) |
| NET CURRENT ASSETS | | <u>1,176,264,468</u> | <u>1,213,729,758</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,412,396,046</u> | <u>1,498,066,880</u> |
| Provisions | 17 | (1,570,730) | (1,897,768) |
| NET ASSETS | | <u><u>1,410,825,316</u></u> | <u><u>1,496,169,112</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 18 | 662,516,350 | 662,516,350 |
| Retained earnings | | 748,308,966 | 833,652,762 |
| | | <u><u>1,410,825,316</u></u> | <u><u>1,496,169,112</u></u> |

For details of restatement, see Note 4.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2023.

DocuSigned by:

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I Benham
 Director

The notes on pages 16 to 30 form part of these financial statements.

CANARY WHARF LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|--|---------------------------------|---------------------------|----------------------|
| At 1 January 2022 | 662,516,350 | 833,652,762 | 1,496,169,112 |
| COMPREHENSIVE INCOME FOR THE YEAR | | | |
| Loss for the year | - | (85,343,796) | (85,343,796) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | - | (85,343,796) | (85,343,796) |
| AT 31 DECEMBER 2022 | <u>662,516,350</u> | <u>748,308,966</u> | <u>1,410,825,316</u> |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|--|---------------------------------|---------------------------|----------------------|
| At 1 January 2021 | 662,516,350 | 755,075,557 | 1,417,591,907 |
| COMPREHENSIVE INCOME FOR THE YEAR | | | |
| Profit for the year | - | 82,280,364 | 82,280,364 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | - | 82,280,364 | 82,280,364 |
| Dividends: Equity capital | - | (3,703,159) | (3,703,159) |
| AT 31 DECEMBER 2021 | <u>662,516,350</u> | <u>833,652,762</u> | <u>1,496,169,112</u> |

The notes on pages 16 to 30 form part of these financial statements.

CANARY WHARF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Canary Wharf Limited is a private company limited by shares incorporated in the UK under the Companies Act 2006 and registered in England and Wales at One Canada Square, Canary Wharf, London, E14 5AB.

The nature of the company's operations and its principal activities are set out in the Strategic Report.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland").

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see Note 3).

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which they operate.

The principal accounting policies have been applied consistently throughout the year and the preceding year and are summarised below:

2.2 Replacement of LIBOR as an interest rate benchmark

From 24th January 2022, LIBOR has been replaced by SONIA (Sterling Overnight Index Average) as the Risk-Free Reference Rate for Sterling Transactions. The group has obtained its lenders approval to adopt SONIA from 24 January 2022 for all LIBOR related loans, plus a Credit Adjustment Spread. This has not resulted in any changes to group's financial instrument effectiveness.

2.3 Going concern

In assessing the going concern basis of the company the directors have considered a period of at least 12 months from the date of approval of these financial statements.

At the year end the company was in a net current asset position. Having made the requisite enquiries and assessed the resources at the disposal of the company, the directors have a reasonable expectation that the company will have adequate resources to continue its operation for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. In addition, the company's ultimate shareholders Brookfield Property Partners LP and Qatar Investment Authority have confirmed that they have the intent and ability to provide such financial support to the Stork Holdco LP Group and its wholly owned subsidiaries to meet their liabilities if required for a period of at least 12 months from the date of approving these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

2.4 Cash flow statement

The company has taken the exemption from preparing the cash flow statement under Section 1.12(b) as it is a member of a group where the parent of the group prepares publicly available consolidated accounts which are intended to give a true and fair view.

CANARY WHARF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Revenue

Rental income from operating leases is recognised in the Income Statement on a straight-line basis over the term of the lease. Lease incentives granted, including rent free periods, are recognised as an integral part of the net consideration for the use of the property and are therefore also recognised on the same straight line basis. Direct costs incurred in negotiating and arranging new leases are also amortised on the same straight line basis. Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example turnover rents, are recorded in the periods in which they are earned.

Where revenue is obtained by the sale of assets, it is recognised when significant risks and returns have been transferred to the buyer. In the case of the sale of properties, this is on completion.

Revenue from the provision of building services is recognised on a straight-line basis over the period of construction of the associated development property.

2.6 Investment properties

Investment properties, including land and buildings held for development and investment properties under construction, are measured initially at cost including related transaction costs. The finance costs associated with direct expenditure on properties under construction or undergoing refurbishment are capitalised.

Where an investment property interest is acquired under a lease the associated lease liability is initially recognised at the lower of the fair value and the present value of the minimum lease payments including any initial premium. Lease payments are apportioned between the finance charge and a reduction in the outstanding obligation for future amounts payable. The total finance charge is allocated to accounting periods over the lease term so as to produce a constant periodic charge to the remaining balance of the obligation for each accounting period.

Investment properties are subsequently revalued, at each reporting date, to an amount comprising the fair value of the property interest plus the carrying value of the associated lease liability less any separately identified lease incentive assets. The gain or loss on remeasurement is recognised in the income statement.

2.7 Finance lease agreements: lessor

Assets leased out under finance leases are recognised as receivables at the amount equal to the present value of the minimum lease payments and any residual interest accruing to the lessor. The total finance income is allocated to accounting periods over the lease term so as to produce a constant periodic return on the remaining balance of the receivable for each accounting period.

2.8 Investments

Investments in subsidiaries and joint ventures are stated at cost less any provision for impairment.

Income from investments is recognised as the company becomes entitled to receive payment. Dividend income from investments in companies is recognised when received or irrevocably declared.

CANARY WHARF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Financial instruments

The directors have taken advantage of the exemption in paragraph 1.12c of FRS 102 allowing the company not to disclose the summary of financial instruments by the categories specified in paragraph 11.41.

Trade and other receivables

Trade and other receivables 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.

Loans receivable

Loans receivable are recognised initially at the transaction price including transaction costs. Subsequent to initial recognition, loans receivable are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Income Statement over the period of the loan, using the effective interest method.

Where loans are subject to contractual terms and arrangements that are non-standard they are recognised initially at fair value. The fair value is assessed as the present value of most likely cash flows, subject to the limitations of the underlying terms. Any movements are recognised in the income statement.

Trade and other payables

Trade and other creditors are stated at cost.

Borrowings

Standard loans payable are recognised initially at transaction price including transaction costs, unless the total cost does not represent the value of a financing transaction on an arm's length basis. In this case the present value of future payments discounted at a market rate of interest for a similar debt instrument is used in place of proceeds and the difference between the two amounts is accounted for as a capital contribution.

Subsequent to initial recognition, loans payable are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Income Statement over the period of the loan, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

Where loans are subject to contractual terms and arrangement that are non-standard they are carried at fair value. The fair value is assessed as the present value of most likely cash flows, subject to the limitations of the underlying terms. Any movements are recognised in the income statement.

CANARY WHARF LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.10 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.

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. Timing differences are differences between the company's taxable profits and its results as stated in financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, 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 measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expenses or income.

2.11 Provisions

A provision is recognised in the Statement of Financial Position when the company has a present obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The preparation of financial statements also requires use of judgements, apart from those involving estimation, that management makes in the process of applying the entity's accounting policies.

Valuation of investment properties

The company uses valuations performed by independent valuers as the fair value of its properties. The valuations are based upon assumptions including future rental income, anticipated void costs and the appropriate discount rate or yield. The valuers also make reference to market evidence of transaction prices for similar properties.

Valuation of intercompany debt

In assessing the carrying value of the non-standard loans, the company forecasts the present value of the most likely contractual cash flows of the underlying instrument. Estimates and judgements are made in the timing and quantum of the cash flows, the discount rate applied as well as the impact of the underlying terms that can be triggered in the agreements to change the cash flows. These assessments are reviewed and amended annually.

For the year ended 31 December 2022, the financial statements of the company did not contain any significant items that required the application of judgements, apart from those involving estimation.

4. PRIOR YEAR ADJUSTMENT

In the prior period fair value amounts relating to a loan to a fellow subsidiary undertaking was separated from the associated loan amount. The prior period comparatives have now been restated by £234,488,180 to group the balances together. The effect of the restatement had no effects on tax, profit after tax and net assets and is summarised in the following table.

| | As previously stated 31 December 2021 £ | Restatement £ | As restated 31 December 2021 £ |
|--|---|------------------|--------------------------------------|
| Debtors: Due after more than one year | | | |
| Loan to fellow subsidiary undertaking | 1,251,639,713 | (234,488,180) | 1,017,151,533 |
| Creditors: Due after more than one year | | | |
| Amounts owed to group undertakings | 234,488,180 | (234,488,180) | - |

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****5. TURNOVER**

An analysis of turnover by class of business is as follows:

| | 2022 £ | 2021 £ |
|-----------------------------|-------------------|-------------------|
| Development management fees | 6,493,660 | 4,462,471 |
| Rent receivable | 24,810,301 | 24,698,278 |
| Construction revenue | 2,736,825 | 10,077,447 |
| | <u>34,040,786</u> | <u>39,238,196</u> |

All turnover arose within the United Kingdom.

6. OPERATING PROFIT

The operating profit is stated after charging:

| | 2022 £ | 2021 £ |
|-------------------------|----------------|----------------|
| Operating lease rentals | <u>202,500</u> | <u>202,500</u> |

The operating lease rentals are in respect of the leaseback properties referred to in Note 17.

Auditor's remuneration of £13,400 (2021 - £13,289) for the audit of the company for the year has been borne by another group undertaking.

7. EMPLOYEES

The company has no employees other than the directors, who did not receive any remuneration during 2022 in respect of their duties for the company (2021 - £Nil).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Interest receivable from loans to group undertakings | 235,276,159 | 192,106,584 |
| Fair value adjustment to loans to group undertakings | (217,657,936) | (109,025,611) |
| Unwind of discount on provisions | 84,251 | 85,875 |
| Bank and other interest receivable | 281,937 | 4,246 |
| | <u>17,984,411</u> | <u>83,171,094</u> |

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****9. INTEREST PAYABLE AND SIMILAR CHARGES**

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Bank interest payable | 43,459 | 15,854 |
| Interest payable to group undertakings | 50,607,180 | 23,578,354 |
| Other interest payable | 677,771 | 747,326 |
| | <u>51,328,410</u> | <u>24,341,534</u> |

10. TAXATION

| | 2022 £ | 2021 £ |
|---|---------------------|-------------------|
| CORPORATION TAX | | |
| Current tax on (loss)/profit for the year | (13,847,688) | 23,318,946 |
| TOTAL CURRENT TAX | <u>(13,847,688)</u> | <u>23,318,946</u> |
| DEFERRED TAX | | |
| Origination and reversal of timing differences | 72,749 | (54,138) |
| TOTAL DEFERRED TAX | <u>72,749</u> | <u>(54,138)</u> |
| TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES | <u>(13,774,939)</u> | <u>23,264,808</u> |

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19.0% (2021 - 19.0%). The differences are explained below:

| | 2022 £ | 2021 £ |
|---|---------------------|--------------------|
| (Loss)/profit on ordinary activities before tax | <u>(99,118,735)</u> | <u>105,545,172</u> |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2021 - 19.0%) | (18,832,560) | 20,053,583 |
| EFFECTS OF: | | |
| Property rental business | (2,061,724) | (346,730) |
| Expenses not deductible for tax purposes | 50,461,320 | 27,142,291 |
| Adjustments to tax charge in respect of prior periods | (15,856,479) | (17,288) |
| Fair value movements not subject to tax | 9,109,646 | (5,408,199) |
| Interest restriction | (20,946,925) | (21,284,897) |
| Changes in tax rates | 17,461 | (103,965) |
| Group relief | (15,665,678) | 3,230,013 |
| TOTAL TAX (CREDIT)/CHARGE FOR THE YEAR | <u>(13,774,939)</u> | <u>23,264,808</u> |

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10. TAXATION (CONTINUED)****FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Enacted in the Finance Act 2021 is a provision for the main rate of corporation tax to increase to 25% from 1 April 2023. Deferred tax has been provided by reference to this enacted corporation tax rate.

The company is a member of a REIT headed by Stork Holdings Limited. As a consequence all qualifying property rental business is exempt from corporation tax. Only income and expenses relating to non-qualifying activities will continue to be taxable.

11. FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £ | Investment in joint venture £ | Total £ |
|--------------------------|--|-------------------------------------|------------|
| COST OR VALUATION | | | |
| At 1 January 2022 | 7 | 1 | 8 |
| At 31 December 2022 | 7 | 1 | 8 |
| IMPAIRMENT | | | |
| At 1 January 2022 | 2 | - | 2 |
| At 31 December 2022 | 2 | - | 2 |
| NET BOOK VALUE | | | |
| At 31 December 2022 | 5 | 1 | 6 |
| At 31 December 2021 | 5 | 1 | 6 |

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****11. FIXED ASSET INVESTMENTS (CONTINUED)****SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

| Name | Principal activity | Class of shares | Holding |
|--|---------------------------|------------------------|----------------|
| Canary Wharf Management Limited | Property management | Ordinary £1 | 100% |
| L39 Limited | Dormant | Ordinary £1 | 100% |
| Level 39 Limited | Serviced offices | Ordinary £1 | 100% |
| Southbank Place Management Limited | Property management | Ordinary £1 | 100% |
| Canary Wharf Facilities Management Limited | Property management | Ordinary £1 | Indirect |

The subsidiaries are registered at One Canada Square, Canary Wharf, London E14 5AB.

Dividends totalling £Nil (2021 - £Nil) were paid by the company's subsidiaries during the year ended 31 December 2022.

In accordance with Section 400 of the Companies Act 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 21).

The directors are of the opinion that the value of the company's investments at 31 December 2022 was not less than the amount shown in the company's balance sheet.

During 2011, Canary Wharf Group plc and Qatari Diar Real Estate Investment Company concluded an agreement to redevelop the Shell Centre. The group and Qatari Diar have entered into a 50:50 joint venture and have committed to contributing £150.0m each to the joint venture to secure the 5.25 acre site on a 999 year lease. The group is acting as construction manager for the project and is also a joint development manager with Qatari Diar Real Estate Investment Company. As a part of this arrangement, the company subscribed for 1 ordinary £1 share in Braeburn Estates Development Management Limited at par, which represents 50% of its issued share capital.

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****12. INVESTMENT PROPERTY**

| | Long term leasehold investment property £ |
|-------------------------------|---|
| VALUATION | |
| At 1 January 2022 | 284,337,116 |
| Reversal of retention accrual | (260,039) |
| Revaluation | (47,945,505) |
| AT 31 DECEMBER 2022 | 236,131,572 |

At 31 December 2022, the property was valued externally by CB Richard Ellis Limited, with recent experience in office properties at Canary Wharf. The fair value was determined in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, using:

- Discounted cash flow based on inputs provided by the company (current rents, terms and conditions of lease agreements) and assumptions and valuation models adopted by the valuers (estimated rental values, terminal values and discount rates).

- Yield methodology based on inputs provided by the company (current rents) and assumptions and valuation models adopted by the valuers (estimated rental values and market capitalisation rates).

The resulting valuations are cross checked against the initial yields and the fair market values per square foot derived from actual market transactions. No allowance was made for any expenses of realisation nor for any taxation which might arise in the event of disposal.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

| | 2022 £ | 2021 £ |
|--|--------------------|--------------------|
| Historic cost | 255,363,409 | 255,623,448 |
| Accumulated depreciation and impairments | (19,231,837) | - |
| | <u>236,131,572</u> | <u>255,623,448</u> |

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The fair value has been allocated to the following balance sheet items:

| | 2022 £ | 2021 £ |
|----------------------|--------------------|--------------------|
| Leasehold properties | 236,131,572 | 284,155,169 |
| Negotiation costs | 2,934,713 | 3,121,041 |
| Lease incentives | 49,677,612 | 52,723,790 |
| | <u>288,743,897</u> | <u>340,000,000</u> |

The property interest in 25-30 Churchill Place is let to several tenants with an average lease length of 16.0 years.

The future minimum leases receivable under these non-cancellable operating leases are as follows:

| | 2022 £ | 2021 £ |
|----------------------------|--------------------|--------------------|
| Within one year | 26,624,287 | 26,624,287 |
| In one to five years | 102,027,315 | 103,005,273 |
| After more than five years | 301,745,074 | 326,972,611 |
| | <u>430,396,676</u> | <u>456,602,171</u> |

13. WORK IN PROGRESS

| | 2022 £ | 2021 £ |
|-----------------------------------|-----------|---------------|
| At 1 January | - | 255,557,074 |
| Additions | - | 5,274 |
| Reversal of retention accrual | (260,039) | - |
| Transfer to investment properties | 260,039 | (255,562,348) |
| At 31 December | <u>-</u> | <u>-</u> |

Work in progress is assessed annually to ensure its carrying value does not exceed its net realisable value.

In December 2021 the company transferred its interest at 25-30 Churchill Place, Canary Wharf, London from work in progress to investment properties.

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****14. DEBTORS**

| | 2022 £ | As restated 2021 £ |
|--|----------------------|--------------------------|
| DUE AFTER MORE THAN ONE YEAR | | |
| Loan to fellow subsidiary undertaking | 1,018,364,698 | 1,017,151,533 |
| Lease incentives | 49,677,611 | 52,752,943 |
| Negotiation costs | 2,934,714 | 3,121,042 |
| Finance lease receivables | 1,380,253 | - |
| | <u>1,072,357,276</u> | <u>1,073,025,518</u> |
| | 2022 £ | 2021 £ |
| DUE WITHIN ONE YEAR | | |
| Trade debtors | 312,456 | 432,083 |
| Amounts owed by group companies | 1,756,906,514 | 1,683,640,883 |
| Loan to a parent undertaking | 950,559,096 | 844,718,142 |
| Loan to fellow subsidiary undertakings | 912,128,653 | 961,275,729 |
| Other debtors | 16,577,623 | 1,926,902 |
| Prepayments and accrued income | 1,201,096 | 348,040 |
| Deferred taxation | 360,441 | 433,190 |
| | <u>3,638,045,879</u> | <u>3,492,774,969</u> |

For details of restatement, see Note 4.

All loans due within one year carry interest at rates linked to SONIA or 10%, subject to certain caps, and are repayable on demand. The fellow subsidiary undertakings liabilities under these loans are capped upon maturity at the net assets of the fellow subsidiary undertakings. Consequently, at 31 December 2022, the carrying value of the loans has been reduced from the initial carrying amount by £583,238,040 (2021 - £436,375,368). During the year, loans with capital and accumulated interest totalling £10,480,664 (2021 - £43,625,239) were repaid.

The loan to a fellow subsidiary shown as due in more than one year carries interest at 10%, subject to certain caps, and is repayable by 22 April 2034. The fellow subsidiary's liability under this loan is capped upon maturity at the net assets of the fellow subsidiary undertaking. Consequently, at 31 December 2022, the carrying value of the loan has been reduced from the initial carrying amount by £311,171,045 (2021 - £234,488,180).

At 31 December 2022 the company carried provisions against amounts owed by fellow subsidiary undertakings totalling £82,340,281 (2021 - £31,234,447). These amounts relate to fellow subsidiary undertakings which were in a net liability position at the year end. The net increase in provision of £48,082,641 (2021 - £7,283,034) has been taken to the income statement.

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****Finance lease receivables**

The amount at which finance lease debtors are stated comprises:

| | 2022 £ | 2021 £ |
|------------------------------|------------------|-----------|
| At 1 January | - | - |
| Purchase price | 1,683,000 | - |
| Finance lease rents received | (384,423) | - |
| Finance lease income | 81,676 | - |
| At 31 December | 1,380,253 | - |

The finance lease has a fixed interest rate of 5.2%.

The finance lease receivables are from a fellow subsidiary undertaking.

The future minimum leases receivable under these non-cancellable finance leases are as follows:

| | 2022 £ | 2021 £ |
|-----------------|------------------|-----------|
| Within one year | 384,423 | - |
| 1-5 years | 1,153,269 | - |
| | 1,537,692 | - |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £ | 2021 £ |
|---|----------------------|----------------------|
| Trade creditors | 170,642 | 1,112,612 |
| Loans from parent undertakings | 438,787,510 | 387,062,500 |
| Loans from fellow subsidiary undertakings | 1,373,031,139 | 1,413,395,998 |
| Amounts owed to group companies | 1,725,626,995 | 1,524,383,869 |
| Corporation tax | - | 44,114,387 |
| Other taxation and social security | 6,141,371 | 3,039,785 |
| Other creditors | 1,466,660 | 453,158 |
| Accruals and deferred income | 20,547,515 | 20,507,769 |
| | 3,565,771,832 | 3,394,070,078 |

The loans due to parent and fellow subsidiary undertakings are repayable either on demand or at set dates within one year and carry interest at market rates which are linked either to SONIA or to the rates payable on an issue of publicly quoted debentures by a fellow subsidiary undertaking.

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****16. DEFERRED TAXATION**

| | 2022 £ | 2021 £ |
|--------------------------------------|----------------|----------------|
| At beginning of year | 433,190 | 379,052 |
| (Charged)/credited to profit or loss | (72,749) | 54,138 |
| AT END OF YEAR | 360,441 | 433,190 |

The deferred tax asset is made up as follows:

| | 2022 £ | 2021 £ |
|--------------------|----------------|----------------|
| Capital allowances | 360,441 | 433,190 |
| | 360,441 | 433,190 |

17. PROVISIONS

| | Total provision £ |
|----------------------------|-------------------------|
| At 1 January 2022 | 1,897,768 |
| Unwind of discount | (84,251) |
| Decrease in provision | (94,287) |
| Utilisation of provision | (148,500) |
| AT 31 DECEMBER 2022 | 1,570,730 |
| | £ |
| Total net rents due | 2,261,003 |
| Discount | (690,273) |
| | 1,570,730 |

The company has recognised a provision in respect of a lease over 81 car parking spaces at 20 Canada Square at an annual rent of £202,500 until 5 January 2028.

The net rents have been discounted at 3.6% (2021 - 5.1%).

CANARY WHARF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****18. SHARE CAPITAL**

| | 2022 £ | 2021 £ |
|--|-------------|-------------|
| ALLOTTED, CALLED UP AND FULLY PAID | | |
| 662,516,350 (2021 - 662,516,350) Ordinary shares of £1.00 each | 662,516,350 | 662,516,350 |

19. RESERVES

The distributable reserves of the company differ from its retained earnings as follows:

| | 2022 £ | 2021 £ |
|--------------------------------------|--------------------|--------------------|
| Retained earnings | 748,308,966 | 833,652,762 |
| Revaluation of investment properties | - | (28,263,665) |
| Deferred tax on capital allowances | (360,441) | (433,190) |
| | <u>747,948,525</u> | <u>804,955,907</u> |

The 2021 retained earnings balance has been amended to correctly reflect the retained earnings balance as at 31 December 2021.

20. OTHER FINANCIAL COMMITMENTS

As at 31 December 2022 and 31 December 2021 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

21. CONTROLLING PARTY

The company's immediate parent undertaking is Canary Wharf Central Limited, a subsidiary of Canary Wharf Holdings Limited.

As at 31 December 2022, 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 Investment Holdings plc. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB.

The largest group of which the company is a member for which group financial statements are drawn up is the consolidated financial statements of Stork HoldCo LP, an entity registered in Bermuda and the ultimate parent undertaking and controlling party. Stork HoldCo LP is registered at 73 Front Street, 5th Floor, Hamilton HM12, Bermuda.

Stork HoldCo LP is controlled as to 50% by Brookfield Property Partners LP and as to 50% by Qatar Investment Authority.

The directors have taken advantage of the exemption in paragraph 33.1A of FRS 102 allowing the company not to disclose related party transactions with respect to other wholly-owned group companies.