

**CANARY WHARF INVESTMENTS LIMITED**  
**Registered Number: 2127410**

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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# **CANARY WHARF INVESTMENTS LIMITED**

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# **CANARY WHARF INVESTMENTS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present their report with the audited financial statements for the year ended 31 December 2013. The company qualifies as a small company under section 382 of the Companies Act 2006 and accordingly has not produced a Strategic Report.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is investment in various freehold and held for development leasehold interests in Canary Wharf.

### **DIVIDENDS AND RESERVES**

The profit and loss account for the year ended 31 December 2013 is set out on page 5. No dividends have been paid or proposed (2012: £70,000,000) and the retained loss of £27,642,183 (2012: loss of £72,513,024) has been transferred from reserves.

### **DIRECTORS**

The directors of the company throughout the year ended 31 December 2013 were:

A P Anderson II  
Sir George Iacobescu CBE  
R J J Lyons

The company provides an indemnity to all directors (to the extent permitted by law) in respect of liabilities incurred as a result of their office. The company also has in place liability insurance covering the directors and officers of the company. Both the indemnity and insurance were in force during the year ended 31 December 2013 and at the time of the approval of this Directors' Report. Neither the indemnity nor the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

Each director holding office at the date of this report has taken all the steps that he ought to have taken as a director in order to make himself aware of relevant audit information and to establish that the company's auditor is aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware.

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

BY ORDER OF THE BOARD



J R Garwood

Company Secretary

27 June 2014

Registered office:  
30th Floor  
One Canada Square  
Canary Wharf  
London  
E14 5AB  
Registered Number: 2127410

# **CANARY WHARF INVESTMENTS LIMITED**

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

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The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **CANARY WHARF INVESTMENTS LIMITED**

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

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We have audited the financial statements of Canary Wharf Investments Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related Notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

# **CANARY WHARF INVESTMENTS LIMITED**

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

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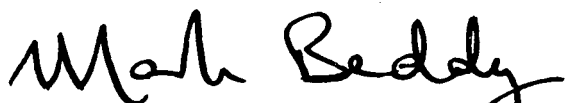
### **Opinion on other matters prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

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



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

**27 June 2014**

# CANARY WHARF INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
<b>TURNOVER</b>		669,695	506,840
Cost of sales		(369,971)	(8,021)
<b>GROSS PROFIT</b>		299,724	498,819
Administrative expenses before exceptional items		16,625	(38,974)
Exceptional items:			
Movement in provision against investment properties	7	(2,100,000)	150,000
Provision for impairment of leasehold properties held for development	7	(17,375,281)	—
Other operating income		1,012	—
<b>OPERATING (LOSS)/PROFIT</b>	2	(19,157,920)	609,845
Income from shares in group undertakings	8	6,996,918	4,160,918
Exceptional items:			
Movement in provision against investment in subsidiary undertakings	8	38	(324)
Profit on disposal of fixed assets	7	1,231,250	—
Interest receivable and similar income	3	460	2,908
Interest payable and similar charges	4	(16,615,629)	(7,253,785)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(27,544,883)	(2,480,438)
Tax on loss on ordinary activities	5	(97,300)	(32,586)
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR</b>	13	(27,642,183)	(2,513,024)

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 8 to 17 form an integral part of these financial statements.

# CANARY WHARF INVESTMENTS LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2013

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Loss for the financial year	(27,642,183)	(2,513,024)
Unrealised surplus on revaluation of properties	17,360	10,100
Total recognised losses relating to the year	<u>(27,624,823)</u>	<u>(2,502,924)</u>

The Notes on pages 8 to 17 form an integral part of these financial statements.



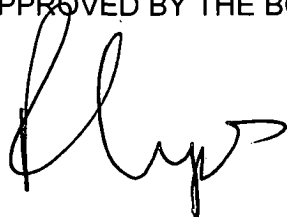
# CANARY WHARF INVESTMENTS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	31 December 2013 £	31 December 2012 £
<b>FIXED ASSETS</b>			
Tangible assets	7	46,974,622	58,574,526
Investments	8	306,046,722	297,346,683
		<u>353,021,344</u>	<u>355,921,209</u>
<b>CURRENT ASSETS</b>			
Debtors	9	10,023,709	9,631,709
Cash at bank		269,865	68,988
		<u>10,293,574</u>	<u>9,700,697</u>
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(185,948,053)</u>	<u>(160,630,218)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(175,654,479)</u>	<u>(150,929,521)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>177,366,865</u>	<u>204,991,688</u>
<b>NET ASSETS</b>		<u>177,366,865</u>	<u>204,991,688</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	12	37,928,969	37,928,969
Share premium account	13	150,000,000	150,000,000
Revaluation reserve	13	200,860	183,500
Profit and loss account	13	(10,762,964)	16,879,219
<b>SHAREHOLDERS' FUNDS</b>	14	<u>177,366,865</u>	<u>204,991,688</u>

The Notes on pages 8 to 17 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 27 JUNE 2014 AND SIGNED ON ITS BEHALF BY:



R J J LYONS  
DIRECTOR

# **CANARY WHARF INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **1. PRINCIPAL ACCOUNTING POLICIES**

A summary of the principal accounting policies of the company, all of which have been applied consistently throughout the year and the preceding year, is set out below.

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of properties and in accordance with applicable United Kingdom accounting standards.

At the year end, the company is in a net asset position, but has net current liabilities. Canary Wharf Holdings Limited, the company's parent undertaking, has confirmed that it will make available any funds that may be required for the company to enable it to meet its obligations as they fall due for a period of not less than 12 months from the signing date of the financial statements.

In addition, as a member of the Canary Wharf Group, the company has access to considerable resources.

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. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

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.

#### **Turnover**

Turnover represents rents receivable net of VAT and is recognised on an accruals basis in the period in which the rents become due.

#### **Interest receivable and interest payable**

Interest receivable and payable are recognised on an accruals basis in the period in which they fall due.

#### **Income from investments**

Investment income comprises dividends paid by subsidiary undertakings during the accounting period.

#### **Dividends**

Dividend distributions to the company's shareholders are recognised in the financial statements in the period in which the dividends are paid or approved by the company's shareholders.

# **CANARY WHARF INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **Investment properties**

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 exceeds previous surpluses recognised on the same property, in which case the excess is charged to the profit and loss account.

### **Development properties**

Properties under development or held for development, comprising leasehold buildings and freehold land, are held at cost, subject to provision for diminution in value.

Properties occupied by group companies are depreciated over four years.

### **Investments**

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

### **Trade and other debtors**

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

### **Trade and other creditors**

Trade and other creditors are stated at cost.

### **Debt**

Debt instruments are stated initially at the amount of the net proceeds. The finance costs of such debt instruments are allocated to periods over the term of the debt at a constant rate on the carrying amount. The carrying amount is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debt of that period. Finance costs are charged to the profit and loss account.

### **Taxation**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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.

# CANARY WHARF INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 0.2% to 2.3% have been adopted reflecting the post-tax yield to maturity that can be obtained on government bonds with similar maturity dates and currencies to those of the deferred tax assets or liabilities.

### 2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Remuneration of the auditor:		
Audit fees for the audit of the company	3,000	3,000

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

No staff were employed by the company during the year or the prior year.

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Bank interest receivable	460	2,908

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Interest payable to group undertakings	16,615,629	7,253,785

# CANARY WHARF INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 5. TAXATION

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Current tax:		
UK corporation tax	—	—
Deferred tax:		
Origination and reversal of timing differences	64,633	35,781
Net effect of discount	32,667	(3,195)
Total deferred tax	97,300	32,586
Total tax charge on loss on ordinary activities	97,300	32,586
Tax reconciliation:		
Loss on ordinary activities before tax	(27,544,883)	(2,480,438)
Tax on loss on ordinary activities at UK corporation tax rate of 23.25% (2012: 24.5%)	(6,404,185)	(607,707)
Effects of:		
Provision against property interests	4,528,003	(36,750)
Provision against investments	9	79
UK dividend income	(1,626,783)	(1,019,425)
Capital gains and capital allowances	286,266	—
Group relief	3,216,690	1,663,803
Current tax charge for the year	—	—

The tax rate of 23.25% has been calculated by reference to the current corporation tax rate of 23% which was in effect for the final three quarters of the year and the previous rate of 24% which was in effect for the first quarter of the year.

No provision for taxation has been made in view of the tax loss for the year. There is no unprovided deferred taxation.

### 6. DIVIDENDS

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Dividends paid during the prior year (£700,000 per share)	—	70,000,000

# CANARY WHARF INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 7. TANGIBLE FIXED ASSETS

	Freehold Investment Property £	Leasehold Properties Held For Development £	Freehold Properties Held For Development £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2013	6,333,500	45,472,654	20,525,256	72,331,410
Additions	—	—	7,862,107	7,862,107
Disposals	—	(4,090)	—	(4,090)
Revaluation	17,360	—	—	17,360
<b>At 31 December 2013</b>	<b>6,350,860</b>	<b>45,468,564</b>	<b>28,387,363</b>	<b>80,206,787</b>
<b>PROVISION</b>				
At 1 January 2013	1,950,000	11,806,884	—	13,756,884
Movement for the year	2,100,000	17,375,281	—	19,475,281
<b>At 31 December 2013</b>	<b>4,050,000</b>	<b>29,182,165</b>	<b>—</b>	<b>33,232,165</b>
<b>NET BOOK VALUE</b>				
<b>At 31 December 2013</b>	<b>2,300,860</b>	<b>16,286,399</b>	<b>28,387,363</b>	<b>46,974,622</b>
<b>At 31 December 2012</b>	<b>4,383,500</b>	<b>33,665,770</b>	<b>20,525,256</b>	<b>58,574,526</b>

During the year, the company varied a lease to a fellow subsidiary undertaking to expand a retail unit for which the company received consideration of £615,000. The company also restructured leases in the retail link under 15 Canada Square, for which it received £566,250 from a fellow subsidiary undertaking. On 18 December 2013, the company surrendered a slice of land at Newfoundland, Canary Wharf to another fellow subsidiary undertaking for a consideration of £50,000. No amounts were carried in the balance sheet in respect of these property interests. The combined profit of £1,231,250 has been taken to the profit and loss account and treated as an exceptional item.

On 18 December 2013, the company acquired leasehold property interests from a fellow subsidiary undertaking in the Newfoundland site at Canary Wharf for a consideration of £5,002,500.

After the year end, a property interest in Heron Quays West was transferred between two fellow subsidiary undertakings. The interest transferred was valued by the group's external property advisers. The directors have considered the consequences for the net realisable value of the company's leasehold interests in Heron Quays West and as a result have provided an additional £17,375,281, which has been taken to the profit and loss account and treated as an exceptional item.

# CANARY WHARF INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

	31 December 2013 £	31 December 2012 £
Historical cost	<u>6,150,000</u>	<u>6,150,000</u>

As at 31 December 2013 the company's freehold investment property interests were valued principally by the group's external property advisers, Savills Commercial Limited, Chartered Surveyors or Cushman & Wakefield Healey & Baker, Real Estate Consultants on the basis of Market Value in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors. £175,860 (2012: £158,500) of the company's freehold investment properties were valued by the directors on the basis of discounted future cash flows. No allowance was made for any expenses of realisation nor for any taxation which might arise in the event of disposal. The valuations resulted in a revaluation surplus of £17,360 which has been transferred to the revaluation reserve and a further diminution in value of £2,100,000, which has been taken to the profit and loss account and treated as an exceptional item. This item did not give rise to deferred tax.

### 8. INVESTMENTS

#### Shares in group undertakings

##### COST

At 1 January 2013	332,945,700
Additions	9,700,002
Disposals	(1,000,001)
At 31 December 2013	<u>341,645,701</u>

##### PROVISION FOR IMPAIRMENT

At 1 January 2013	35,599,017
Released during the year	(38)
At 31 December 2013	<u>35,598,979</u>

##### NET BOOK VALUE

At 31 December 2013	<u>306,046,722</u>
At 1 January 2013	<u>297,346,683</u>

During the year the company subscribed for 1 ordinary £1 share in CWG (Wood Wharf) UT LP 1A Limited, 1 ordinary £1 share in Canary Wharf Finance (B2) Limited, 1 ordinary £1 share in CWG (Wood Wharf) UT GP 1A Limited and 1 ordinary £1 share in Canary Wharf Holdings (B2) Limited, at par. The company also subscribed for an additional 4,699,998 ordinary £1 shares in Canary Wharf Properties (Burdett Road) Limited and 5,000,000 additional ordinary £1 shares in Canary Wharf Properties (WF9) Limited, at par.

On 6 December 2013, the company received £999,999 from a share repurchase by its subsidiary Canary Wharf Leasing (FC2) Limited. The company recorded neither a profit or loss from this transaction and retains 1 ordinary £1 share and 100% ownership.

# CANARY WHARF INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

At 31 December 2013 the company's principal subsidiary undertakings were as follows:

Name	Description of shares held	Principal activities
CWE SPV Super HCo Limited	Ordinary £1 shares	Investment holding
Cabot Place Holdings Limited	Ordinary £1 shares	Investment holding
CWC SPVi Limited	Ordinary £1 shares	Investment company
Canary Wharf (Car Parks) Limited	Ordinary £1 shares	Property investment
Heron Quays Investments (RT3) Limited	Ordinary £1 shares	Property investment
Canary Wharf Properties (FC2) Limited	Ordinary £1 shares	Property investment
Canary Wharf Properties (FC4) Limited	Ordinary £1 shares	Property investment
Canary Wharf Retail Funding Limited	Ordinary £1 shares	Finance company
Canary Wharf Management (HQ3/HQ4) Limited	Ordinary £1 shares	Property management
Canary Wharf Management (FC2/FC4) Limited	Ordinary £1 shares	Property management
Canary Wharf Contractors (Crossrail) Limited	Ordinary £1 shares	Property construction
Canary Wharf Investments (Crossrail) Limited	Ordinary £1 shares	Investment holding

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

A complete list of the company's subsidiaries will be appended when the company submits its annual return.

Dividends totalling £6,996,918 (2012: £4,160,918) were paid by subsidiaries during the year ended 31 December 2013.

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 15).

At 31 December 2013, the net assets of certain subsidiaries were less than the carrying value in the company's balance sheet. A release in the provision for impairment of £38 (2012: increase of £324) has been taken to the profit and loss account and treated as an exceptional item. This item does not give rise to deferred tax.

The directors are of the opinion that the value of the company's investments at 31 December 2013, net of the provision for impairment, was not less than the amount shown in the company's balance sheet.

### 9. DEBTORS

	31 December 2013 £	31 December 2012 £
Trade debtors	23,701	—
Amount owed by subsidiary undertaking	253,527	5,008
Amounts owed by fellow subsidiary undertakings	8,738,899	9,160,343
Other debtors	641,082	1,575
Deferred tax	364,074	461,374
Prepayments and accrued income	2,426	3,409
	<u>10,023,709</u>	<u>9,631,709</u>

The deferred tax debtor relates to the present value of capital allowances of £452,475 (2012: £526,142), stated net of a discount of £88,401 (2012: £64,768).



# CANARY WHARF INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 10. CREDITORS: Amounts falling due within one year

	31 December 2013 £	31 December 2012 £
Trade creditors	–	39,277
Loans from fellow subsidiary undertakings	180,169,024	157,465,314
Amounts owed to subsidiary undertakings	2,354,020	1,061
Amounts owed to fellow subsidiary undertakings	3,409,677	3,105,932
Other creditors	–	12
Accruals and deferred income	15,332	18,622
	<u>185,948,053</u>	<u>160,630,218</u>

£509,318 (2012: £506,784) of the loans from fellow subsidiary undertakings bears interest at a rate linked to LIBOR and is repayable on demand.

The remaining £179,659,706 (2012: £156,958,530) bears interest at 10%, subject to certain caps, and is repayable on demand.

### 11. CONTINGENT LIABILITIES

The company has guaranteed the obligations of Canary Wharf Limited under certain agreements with the tenants of Canary Wharf group companies and in relation to certain property transactions at Canary Wharf.

The company has given guarantees and fixed and floating charges over substantially all its assets to secure the borrowing and other liabilities of certain fellow subsidiary undertakings.

# CANARY WHARF INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 12. CALLED-UP SHARE CAPITAL

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Allotted, called-up and fully paid:		
37,878,869 deferred ordinary shares of £1 each	37,878,869	37,878,869
50,100 ordinary shares of £1 each	50,100	50,100
	<u>37,928,969</u>	<u>37,928,969</u>

The deferred ordinary shares of £1 each entitle the holder to a restricted participation in the profits or assets of the company and do not carry any right to attend and vote at any general meeting.

On 29 September 2010, the company issued a further 50,000 ordinary £1 shares to its parent undertaking, Canary Wharf Holdings Limited, to fund investment in the Canary Wharf Crossrail station. Under the terms of the subscription agreement, Canary Wharf Holdings Limited was required to pay to the company amounts equal to a proportion of any principal repayments, when received, on a loan due to Canary Wharf Holdings Limited. Consequently, the company has recorded a share premium of £150,000,000, reflecting recognition of its proportion of the principal amount. The share premium was paid on 1 April 2011.

### 13. RESERVES

	Share premium £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2013	150,000,000	183,500	16,879,219	167,062,719
Loss for the year	—	—	(27,642,183)	(27,642,183)
Revaluation of fixed assets	—	17,360	—	17,360
At 31 December 2013	<u>150,000,000</u>	<u>200,860</u>	<u>(10,762,964)</u>	<u>139,437,896</u>

### 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2013 £	31 December 2012 £
Opening shareholders' funds	204,991,688	277,494,612
Loss for the year	(27,642,183)	(2,513,024)
Dividends paid	—	(70,000,000)
Revaluation	17,360	10,100
Closing shareholders' funds	<u>177,366,865</u>	<u>204,991,688</u>

# **CANARY WHARF INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **15. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS**

The company's immediate parent undertaking is Canary Wharf Holdings Limited.

As at 31 December 2013, the smallest group of which the company is a member and for which group financial statements are drawn up is the consolidated financial statements of Canary Wharf Group plc. The largest group of which the company is a member for which group financial statements are drawn up is the consolidated financial statements of Songbird Estates plc, the ultimate parent undertaking and controlling party. Copies of the financial statements of both companies may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB.

The directors have taken advantage of the exemption in paragraph 3(c) of FRS 8 allowing the company not to disclose related party transactions with respect to other group companies.