

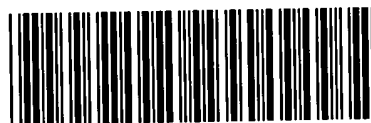
## **CANARY WHARF INVESTMENTS (THREE)**

Registered number: 2455786

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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## **CANARY WHARF INVESTMENTS (THREE)**

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## **CANARY WHARF INVESTMENTS (THREE)**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

In preparing this report, the directors have taken advantage of the small companies exemptions.

#### **PRINCIPAL ACTIVITY**

The company holds leasehold interests in One Canada Square and 10 Cabot Square, Canary Wharf.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £252,646 (2016 - £283,371).

Dividends of £nil (2016 - £660,000) have been paid in the year.

#### **DIRECTORS**

The directors who served during the year 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 2017 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.

#### **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.

This report was approved by the board on 25 June 2018 and signed on its behalf.



**J R Garwood**  
Secretary

## **CANARY WHARF INVESTMENTS (THREE)**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

*The directors are responsible for preparing 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 judgments 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.

## **CANARY WHARF INVESTMENTS (THREE)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (THREE)**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **OPINION**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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 of Canary Wharf Investments (Three) (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 19.

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 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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

##### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

## **CANARY WHARF INVESTMENTS (THREE)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (THREE)**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

### **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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **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.

### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

## CANARY WHARF INVESTMENTS (THREE)

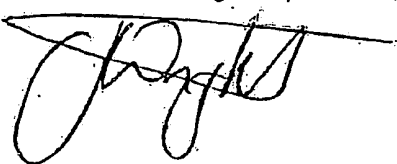
### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (THREE)

#### 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



James Wright FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
25 June 2018

## CANARY WHARF INVESTMENTS (THREE)

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover		8,000	8,000
<b>GROSS PROFIT</b>		<u>8,000</u>	<u>8,000</u>
Movement in fair value of investment properties	9	-	2,000
<b>OPERATING PROFIT</b>		<u>8,000</u>	<u>10,000</u>
Interest receivable and similar income	6	250,954	469,467
Interest payable and similar charges	7	(6,308)	(197,106)
<b>PROFIT BEFORE TAX</b>		<u>252,646</u>	<u>282,361</u>
Tax on profit	8	-	1,010
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>252,646</u>	<u>283,371</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>252,646</u></u>	<u><u>283,371</u></u>

The notes on pages 9 to 18 form part of these financial statements.



**CANARY WHARF INVESTMENTS (THREE)**  
**REGISTERED NUMBER: 2455786**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Investment property	9	137,218	137,218
		<u>137,218</u>	<u>137,218</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	118,486,391	118,235,437
		<u>118,486,391</u>	<u>118,235,437</u>
Creditors: amounts falling due within one year	11	(347,426)	(349,118)
		<u>118,138,965</u>	<u>117,886,319</u>
<b>NET CURRENT ASSETS</b>		<u>118,138,965</u>	<u>117,886,319</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>118,276,183</u>	<u>118,023,537</u>
Creditors: amounts falling due after more than one year	12	(218)	(218)
Deferred tax	14	(23,290)	(23,290)
		<u>118,252,675</u>	<u>118,000,029</u>
<b>NET ASSETS</b>		<u>118,252,675</u>	<u>118,000,029</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	117,660,000	117,660,000
Retained earnings	16	592,675	340,029
		<u>118,252,675</u>	<u>118,000,029</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2018.



**R J J Lyons**  
Director

The notes on pages 9 to 18 form part of these financial statements.

## CANARY WHARF INVESTMENTS (THREE)

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2017	117,660,000	340,029	118,000,029
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	252,646	252,646
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	252,646	252,646
<b>AT 31 DECEMBER 2017</b>	<u>117,660,000</u>	<u>592,675</u>	<u>118,252,675</u>

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2016	117,660,000	716,658	118,376,658
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	283,371	283,371
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	283,371	283,371
Dividends: Equity capital	-	(660,000)	(660,000)
<b>AT 31 DECEMBER 2016</b>	<u>117,660,000</u>	<u>340,029</u>	<u>118,000,029</u>

The notes on pages 9 to 18 form part of these financial statements.

## **CANARY WHARF INVESTMENTS (THREE)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **1. GENERAL INFORMATION**

Canary Wharf Investments (Three) is an English Unlimited Company registered 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 Director's 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 principal accounting policies have been applied consistently throughout the year and the preceding year and are summarised below:

##### **2.2 Going concern**

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.

##### **2.3 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.

##### **2.4 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. An adjustment is made to ensure that the carrying value of the related property, including the accrued rent, amortised lease incentives and negotiation costs, does not exceed the external valuation.

## **CANARY WHARF INVESTMENTS (THREE)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.5 Investment property**

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 a property interest is acquired under a lease the investment property and the associated lease liability are 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.

### **2.6 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**

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.

#### **Loans receivable**

Loans receivable are recognised initially at fair value less attributable 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.

#### **Trade and other payables**

Trade and other creditors are stated at cost.

### **2.7 Finance lease agreements: lessee**

Assets held under finance leases which confer rights and obligations similar to those attached to owned assets are capitalised as tangible fixed assets at the value equal to the present value of minimum lease payments over the term of the lease.

The corresponding leasing commitments are shown as amounts payable to the lessor. 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.

## **CANARY WHARF INVESTMENTS (THREE)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.8 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.

#### **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.

##### **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.

## CANARY WHARF INVESTMENTS (THREE)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 4. AUDITOR'S REMUNERATION

Auditor's remuneration of £800 (2016 - £800) for the audit of the company has been borne by another group undertaking.

#### 5. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

#### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Interest receivable from group companies	250,954	469,467
	<u>250,954</u>	<u>469,467</u>

#### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Finance lease charges	17	17
Other interest payable	6,291	197,089
	<u>6,308</u>	<u>197,106</u>

## CANARY WHARF INVESTMENTS (THREE)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 8. TAXATION

	2017 £	2016 £
Current tax on profits for the year	-	-
<b>TOTAL CURRENT TAX</b>	-	-
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	-	(1,010)
<b>TOTAL DEFERRED TAX</b>	-	(1,010)
<b>TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>	-	(1,010)

#### 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 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	252,646	282,361
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	48,634	56,472
<b>EFFECTS OF:</b>		
Change in tax rate	-	(1,410)
Group relief	(48,634)	(56,072)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	-	(1,010)

#### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The tax rate of 19.25% has been calculated by reference to the current corporation tax rate of 19% which was in effect for the final three quarters of the year and the previous rate of 20% which was in effect for the first quarter of the year.

Enacted in the Finance Act (No.2) 2015 is a reduction in the corporation tax rate to 17.0% on 1 April 2020. Deferred tax has been provided by reference to this enacted corporation tax rate.

## CANARY WHARF INVESTMENTS (THREE)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 9. INVESTMENT PROPERTY

Long term  
leasehold  
investment  
property  
£

#### VALUATION

At 1 January 2017

137,218

**AT 31 DECEMBER 2017**

**137,218**

The company holds leasehold interests in One Canada Square and 10 Cabot Square, Canary Wharf.

At 31 December 2017, the property was valued externally by CBRE Limited, qualified valuers 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 flows 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:

	2017 £	2016 £
Historic cost	235,000	235,000

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

	2017 £	2016 £
Leasehold properties	137,218	137,218
Operating lease liabilities	(218)	(218)
	<b>137,000</b>	<b>137,000</b>

The property interest in One Canada Square is let to CWCB Properties (DS7) Limited at a ground rent of £6,000 per annum and the property interest at 10 Cabot Square is let to 10 Cabot Square I Unit Trust at a ground rent of £2,000 per annum. The leases expire on 3 September 2994 and 17 July 2987 respectively.



## CANARY WHARF INVESTMENTS (THREE)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The future minimum rents receivable under non-cancellable operating lease are as follows:

	2017 £	2016 £
Within one year	8,000	8,000
In one to five years	32,000	32,000
After more than five years	7,730,537	7,738,537
	<u>7,770,537</u>	<u>7,778,537</u>

#### 10. DEBTORS

	2017 £	2016 £
Amounts owed by group undertakings	118,486,391	118,235,437
	<u>118,486,391</u>	<u>118,235,437</u>

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

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

	2017 £	2016 £
Amounts owed to group undertakings	341,135	349,118
Accruals and deferred income	6,291	-
	<u>347,426</u>	<u>349,118</u>

Amounts owed to group companies are interest free and repayable on demand.

#### 12. CREDITORS: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under operating leases	218	218
	<u>218</u>	<u>218</u>

## CANARY WHARF INVESTMENTS (THREE)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 13. OPERATING LEASE LIABILITIES

The minimum lease payments under the operating lease liability were as follows:

	2017 £	2016 £
Within one year	17	17
Between 1-5 years	68	68
Over 5 years	16,516	16,530
	<u>16,601</u>	<u>16,615</u>

The amount at which operating lease obligations are stated comprises:

	2017 £	2016 £
Opening balance	218	218
Finance rents paid	(17)	(17)
Finance charges	17	17
	<u>218</u>	<u>218</u>

Finance rents of £2 and £15 per annum are payable until 3 September 2994 and 17 July 2987 respectively. The interest rate implicit in the leases is 8.5%.

#### 14. DEFERRED TAXATION

	2017 £
At beginning of year	(23,290)
Charged to profit or loss	-
<b>AT END OF YEAR</b>	<u><u>(23,290)</u></u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Investment property	(23,290)	(23,290)
	<u>(23,290)</u>	<u>(23,290)</u>

## CANARY WHARF INVESTMENTS (THREE)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 15. SHARE CAPITAL

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
117,660,000 Ordinary shares of £1 each	<u>117,660,000</u>	<u>117,660,000</u>

#### 16. RESERVES

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

	2017 £	2016 £
Retained earnings	592,675	340,029
Revaluation of investment properties	97,782	97,782
Deferred tax on revaluation of investment properties	<u>23,290</u>	<u>23,290</u>
<b>Distributable reserves</b>	<u>713,747</u>	<u>461,101</u>

#### 17. OTHER FINANCIAL COMMITMENTS

As at 31 December 2017 and 31 December 2016 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

#### 18. POST BALANCE SHEET EVENTS

On 29 March 2018, Stork Holdings Limited, a direct subsidiary of Stork HoldCo L.P., listed its shares on The International Stock Exchange in Jersey and the group headed by Stork Holdings Limited, which includes the company, converted to a REIT. As a consequence of the conversion, it is anticipated that the deferred tax liability will be released.

## **CANARY WHARF INVESTMENTS (THREE)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **19. CONTROLLING PARTY**

The company's immediate parent undertaking is Canary Wharf Investments (Two) Limited.

As at 31 December 2017, 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 102.33.1A of FRS 102 allowing the company not to disclose related party transactions with respect to other wholly-owned group companies.