

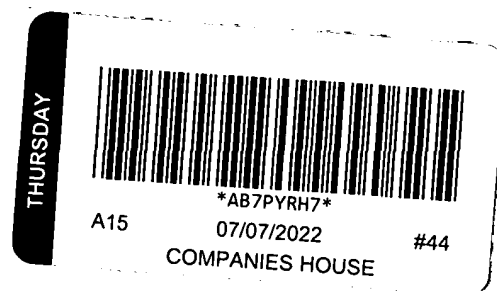


## **CANARY WHARF INVESTMENTS (THREE)**

Registered number: 02455786

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**



**CANARY WHARF INVESTMENTS (THREE)**

**CONTENTS**

	Page
<b>Directors' Report</b>	<b>1</b>
<b>Directors' Responsibilities Statement</b>	<b>2</b>
<b>Independent Auditor's Report</b>	<b>3 - 6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Financial Position</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 17</b>

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

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

### **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 £6,614 (2020 - £346,289).

Dividends of £830,000 (2020 - £nil) have been paid in the year.

### **DIRECTORS**

The directors who served during the year were:

A S J Daffern (appointed 6 May 2021)  
Sir George Iacobescu CBE (resigned 1 July 2021)  
S Z Khan  
K J Kingston (appointed 6 May 2021)  
R J J Lyons (resigned 21 May 2021)  
R J Worthington (appointed 6 May 2021)


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 2021 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 29 June 2022 and signed on its behalf.

DocuSigned by:  
  
08DE91D3250E45D...

**A S J Daffern**  
Director

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

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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 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 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 of Canary Wharf Investments (Three) (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 16.

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 INVESTMENTS (THREE)**

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

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

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

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

#### **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 about their own identification and assessment of the risks of irregularities.

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 regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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 INVESTMENTS (THREE)**

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

#### **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.

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

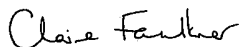
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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.



Claire Faulkner FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
29 June 2022



**CANARY WHARF INVESTMENTS (THREE)****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover		8,000	8,000
<b>GROSS PROFIT</b>		<b>8,000</b>	<b>8,000</b>
Interest receivable and similar income	6	-	339,785
Interest payable and similar expenses	7	(1,386)	(1,496)
<b>PROFIT BEFORE TAX</b>		<b>6,614</b>	<b>346,289</b>
Tax on profit	8	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>6,614</b>	<b>346,289</b>
Other comprehensive income for the year		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>6,614</b>	<b>346,289</b>

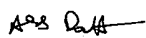
The notes on pages 10 to 17 form part of these financial statements.

**CANARY WHARF INVESTMENTS (THREE)**  
**REGISTERED NUMBER: 02455786**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<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	118,261,959	119,083,944
		<u>118,261,959</u>	<u>119,083,944</u>
Creditors: amounts falling due within one year	11	(328,950)	(327,549)
<b>NET CURRENT ASSETS</b>		<u>117,933,009</u>	<u>118,756,395</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>118,070,227</u>	<u>118,893,613</u>
Creditors: amounts falling due after more than one year	12	(218)	(218)
<b>NET ASSETS</b>		<u><u>118,070,009</u></u>	<u><u>118,893,395</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	117,660,000	117,660,000
Retained earnings		410,009	1,233,395
		<u>118,070,009</u>	<u>118,893,395</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2022.

DocuSigned by:  
  
 08DE91D3250E45D...

**A S J Daffern**  
 Director

The notes on pages 10 to 17 form part of these financial statements.

**CANARY WHARF INVESTMENTS (THREE)****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2021	117,660,000	1,233,395	118,893,395
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	6,614	6,614
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	6,614	6,614
Dividends: Equity capital	-	(830,000)	(830,000)
<b>AT 31 DECEMBER 2021</b>	<b>117,660,000</b>	<b>410,009</b>	<b>118,070,009</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2020	117,660,000	887,106	118,547,106
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	346,289	346,289
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	346,289	346,289
<b>AT 31 DECEMBER 2020</b>	<b>117,660,000</b>	<b>1,233,395</b>	<b>118,893,395</b>

The notes on pages 10 to 17 form part of these financial statements.

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Canary Wharf Investments (Three) is a private unlimited company 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 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 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**

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.

##### **The impact of COVID-19**

Since early 2020, the UK economy has been significantly impacted by the COVID-19 virus which has caused widespread disruption and economic uncertainty. The return to lockdown in January 2021 and the extension to the end of lockdown restrictions in July 2021 continued this uncertainty but the positive news around rollout of vaccines and the recent removal of restrictions have improved the outlook. The crisis had no material impact on the assets, liabilities or performance of the company during the year.

##### **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 INVESTMENTS (THREE)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

## **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.

### **2.6 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.

### **2.7 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 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 separately identified accrued rent, amortised lease incentives and negotiation costs. The gain or loss on remeasurement is recognised in the income statement.

### **2.8 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.

**CANARY WHARF INVESTMENTS (THREE)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****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.

For the year ended 31 December 2021, the financial statements of the company did not contain any significant items that required the application of judgements, apart from those involving estimation.

**4. AUDITOR'S REMUNERATION**

Auditor's remuneration of £1,100 (2020 - £800) for the audit of the company for the year has been borne by another group undertaking.

**5. EMPLOYEES**

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2021 £	2020 £
Interest receivable from group companies	-	339,785
	-	339,785

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2021 £	2020 £
Operating lease finance charge	17	17
Other interest payable	1,369	1,479
	1,386	1,496

**CANARY WHARF INVESTMENTS (THREE)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****8. TAXATION**

	2021 £	2020 £
Current tax on profits for the year	-	-
<b>TOTAL CURRENT TAX</b>	-	-

**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% (2020 - 19.0%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	6,614	346,289
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%)	1,257	65,795
<b>EFFECTS OF:</b>		
Property rental business	(1,517)	(1,517)
Group relief	260	(64,278)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	-	-

**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.

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.

**CANARY WHARF INVESTMENTS (THREE)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****9. INVESTMENT PROPERTY**

	Long term leasehold investment property £
<b>VALUATION</b>	
At 1 January 2021	137,218
<b>AT 31 DECEMBER 2021</b>	<b>137,218</b>

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

At 31 December 2021, 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:

	2021 £	2020 £
Historic cost	235,000	235,000
	<u>235,000</u>	<u>235,000</u>

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

	2021 £	2020 £
Leasehold properties	137,218	137,218
Operating lease liabilities	(218)	(218)
	<u>137,000</u>	<u>137,000</u>

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 in August 2994.



**CANARY WHARF INVESTMENTS (THREE)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	2021 £	2020 £
Within one year	8,000	8,000
In one to five years	32,000	32,000
After more than five years	7,726,570	7,734,570
	<u>7,766,570</u>	<u>7,774,570</u>

**10. DEBTORS**

	2021 £	2020 £
Amounts owed by group undertakings	8,015	-
Loan to group undertakings	118,253,944	119,083,944
	<u>118,261,959</u>	<u>119,083,944</u>

The loan to group undertakings is repayable on demand and carries interest at a rate linked to LIBOR.

Amounts owed by group undertakings are interest free and are repayable on demand.

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

	2021 £	2020 £
Amounts owed to group undertakings	317,218	317,186
Accruals and deferred income	11,732	10,363
	<u>328,950</u>	<u>327,549</u>

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

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

	2021 £	2020 £
Operating lease liabilities	218	218
	<u>218</u>	<u>218</u>

**CANARY WHARF INVESTMENTS (THREE)****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****13. OPERATING LEASE LIABILITIES**

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

	2021 £	2020 £
Within one year	17	17
Between 1-5 years	68	68
Over 5 years	11,908	16,465
	<u>11,993</u>	<u>16,550</u>

The amount at which operating lease obligations are stated comprises:

	2021 £	2020 £
Opening balance	218	218
Rents paid	(17)	(17)
Finance charge	17	17
	<u>218</u>	<u>218</u>

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. SHARE CAPITAL**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
117,660,000 (2020 - 117,660,000) Ordinary shares of £1.00 each	<u>117,660,000</u>	<u>117,660,000</u>

**15. OTHER FINANCIAL COMMITMENTS**

As at 31 December 2021 and 31 December 2020 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **16. CONTROLLING PARTY**

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

As at 31 December 2021, 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.