

CANARY WHARF HOLDINGS LIMITED
Registered Number: 2798284

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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CANARY WHARF HOLDINGS LIMITED

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CANARY WHARF HOLDINGS LIMITED

STRATEGIC REPORT TO THE MEMBERS OF CANARY WHARF HOLDINGS LIMITED

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

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

BUSINESS MODEL

The company is a wholly owned subsidiary of Canary Wharf Group plc and its ultimate parent undertaking is Songbird Estates plc.

The principal activity of the company is to act as a holding company for the Canary Wharf Holdings Limited group (the 'CWHL Group') which is involved in property development, investment and management.

BUSINESS REVIEW

As shown in the company's profit and loss account, the company's profit after tax for the year was £29,389,227 (2012: £128,405,322).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £1,764,042,269 (2012: £1,575,615,944). Details of amounts owed to group companies are shown in Note 7.

KEY PERFORMANCE INDICATORS

The Canary Wharf Group (comprising Canary Wharf Group plc and its subsidiaries) manages its operations on a unified basis. For this reason, the company's directors believe that key performance indicators specific to the company are not necessary or appropriate for an understanding of the development, performance or position of its business. The performance of the Canary Wharf Group, which includes the company, is discussed in the Annual Report of Canary Wharf Group plc, which does not form part of this report.

FUTURE DEVELOPMENTS

There have been no significant events since the balance sheet date.

CANARY WHARF HOLDINGS LIMITED

STRATEGIC REPORT TO THE MEMBERS OF CANARY WHARF HOLDINGS LIMITED

PRINCIPAL RISKS AND UNCERTAINTIES

As a member of the Canary Wharf Group the key risks facing the company include the cyclical nature of the property market, financing risk and concentration risk.

Cyclical Nature of the Property Market

The valuation of the Canary Wharf Group's assets is subject to many external economic and market factors. Following the turmoil in the financial markets and uncertainty in the Eurozone of recent years the London real estate market had to cope with a decline in demand and a potential oversupply of office space. The possible oversupply of available space in the market was, however, mitigated by the difficulty in securing finance for speculative development leading to reduced supply. The market was assisted by the continuing presence of overseas investors attracted by the relative transparency of the real estate market in London which is still viewed as both stable and secure. The market has also been underpinned by continuing demand for sites capable of incorporating residential development. In the latter half of 2013, there was strong evidence of increasing demand for office space and a related increase in confidence in the office real estate market. Changes in financial and property markets are kept under constant review so that the company can react appropriately and tailor its business accordingly.

Financing Risk

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

Concentration Risk

The majority of Canary Wharf Group's real estate assets, including the assets of the company, are currently located on or adjacent to the Canary Wharf Estate with a majority of tenants linked to the financial services industry. Wherever possible steps are taken to mitigate or avoid material consequences arising from this concentration and to diversify the tenant base.

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

CANARY WHARF HOLDINGS LIMITED

STRATEGIC REPORT TO THE MEMBERS OF CANARY WHARF HOLDINGS LIMITED

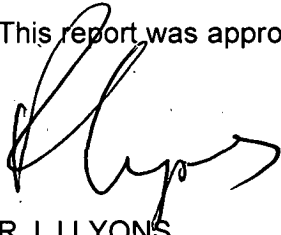
GOING CONCERN

The company is in a net asset position at the year end. In addition, as a member of the Canary Wharf Group, the company has access to considerable resources.

Having made the requisite enquiries, the directors have a reasonable expectation that the company will have adequate resources to continue its operations for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

APPROVAL

This report was approved by the board on 27 June 2014 and signed on its behalf by:



R J J LYONS
DIRECTOR

CANARY WHARF HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report with the audited financial statements for the year ended 31 December 2013.

DIVIDENDS AND RESERVES

The profit and loss account for the year ended 31 December 2013 is set out on page 8. No dividends have been paid or proposed (2012: £Nil) and the retained profit of £29,389,227 (2012: profit of £128,405,322) has been transferred to 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



..... Company Secretary
J R Garwood

27 June 2014

Registered office:
30th Floor
One Canada Square
Canary Wharf
London
E14 5AB
Registered Number: 2798284

CANARY WHARF HOLDINGS LIMITED

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

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;
- state whether applicable UK Accounting Standards have been followed; 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 HOLDINGS LIMITED

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

We have audited the financial statements of Canary Wharf Holdings 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 11. 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 profit 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 HOLDINGS LIMITED

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



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

27 June 2014

CANARY WHARF HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Income from fixed asset investments	5	25,140,000	121,528,289
GROSS PROFIT		25,140,000	121,528,289
Administrative expenses		(3,315)	(3,886)
OPERATING PROFIT	2	25,136,685	121,524,403
Interest receivable and similar income	3	4,252,542	6,880,919
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,389,227	128,405,322
Tax on profit on ordinary activities	4	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	9	29,389,227	128,405,322

Movements in reserves are shown in Note 9 of these financial statements.

All amounts relate to continuing activities in the United Kingdom.

The Notes on pages 11 to 15 form an integral part of these financial statements.

CANARY WHARF HOLDINGS 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 £
Profit for the financial year	29,389,227	128,405,322
Unrealised surplus/(deficit) on revaluation of: Shares in group undertakings	159,037,098	(65,624,056)
Total recognised gains relating to the year	<u>188,426,325</u>	<u>62,781,266</u>

The Notes on pages 11 to 15 form an integral part of these financial statements.


CANARY WHARF HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	31 December 2013 £	31 December 2012 £
FIXED ASSETS			
Investments	5	<u>1,149,147,471</u>	<u>982,110,373</u>
CURRENT ASSETS			
Debtors	6	615,757,573	617,040,346
Cash at bank		<u>1,715</u>	<u>—</u>
		615,759,288	617,040,346
CREDITORS: Amounts falling due within one year	7	<u>(864,490)</u>	<u>(23,534,775)</u>
NET CURRENT ASSETS		<u>614,894,798</u>	<u>593,505,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,764,042,269</u>	<u>1,575,615,944</u>
NET ASSETS		<u>1,764,042,269</u>	<u>1,575,615,944</u>
CAPITAL AND RESERVES			
Called-up share capital	8	405,105,001	405,105,001
Revaluation reserve	9	539,523,397	380,486,299
Profit and loss account	9	819,413,871	790,024,644
SHAREHOLDERS' FUNDS	10	<u>1,764,042,269</u>	<u>1,575,615,944</u>

The Notes on pages 11 to 15 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 HOLDINGS LIMITED

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

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, with the exception of certain investments as disclosed below and in accordance with applicable United Kingdom accounting standards. The financial statements have been prepared on a going concern basis as described in the Strategic Report.

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.

Income from investments

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

Interest receivable and interest payable

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

Investments

Investments in subsidiary undertakings are stated in the company's balance sheet at the net asset value of the subsidiaries before the provision for deferred tax. Increases or decreases in the net asset value of the subsidiaries are taken to the revaluation reserve other than any provision for impairment which is charged to the profit and loss account. The directors consider that this policy presents fairly the company's investment in its subsidiaries.

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.

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.

CANARY WHARF HOLDINGS LIMITED

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

2. OPERATING PROFIT

Operating 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	3	—
Interest receivable from group undertakings	4,252,539	6,880,919
	<u>4,252,542</u>	<u>6,880,919</u>

4. TAXATION

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Tax reconciliation:		
Profit on ordinary activities before tax	<u>29,389,227</u>	<u>128,405,322</u>
Tax on profit on ordinary activities at UK corporation tax rate of 23.25% (2012: 24.5%)	6,832,995	31,459,304
Effects of:		
UK dividend income	(5,845,050)	(29,774,431)
Group relief	(987,945)	(1,684,873)
Current tax charge for the year	<u>—</u>	<u>—</u>

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 corporation tax has been made since the taxable profit for the year will be covered by the group relief expected to be made available to the company by other companies in the group. No charge will be made by other group companies for the surrender of group relief. There is no unprovided deferred taxation.

CANARY WHARF HOLDINGS LIMITED

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

5. INVESTMENTS

Shares in group undertakings

	£
At 1 January 2013	982,110,373
Additions	8,000,000
Revaluations	159,037,098
At 31 December 2013	<u>1,149,147,471</u>

During the year the company subscribed for 1 ordinary £1 share in Canary Wharf (PB) Finance Limited at par. The company also subscribed for an additional 2,499,999 ordinary £1 shares in CW Properties DS7B Limited and 5,499,999 additional ordinary £1 shares in CW Properties DS7F Limited, at par.

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

At 31 December 2013	<u>609,624,075</u>
At 31 December 2012	<u>601,624,075</u>

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

Name	Description of shares held	Principal activities
Canary Wharf Contractors Limited	Ordinary £1 shares	Property contractors
Canary Wharf Finance (Investments) Limited	Ordinary £1 shares	Investment holding
Canary Wharf Investments Limited	Ordinary £1 shares and deferred £1 shares	Property investment
Canary Wharf Limited	Ordinary £1 shares	Property development
Canary Wharf Telecoms Limited	Ordinary £1 shares	Telecommunication services
CW DS7F (Finance Lessor) Limited	Ordinary £1 shares	Finance company
CW Finance Holdings II Limited	Ordinary £1 shares	Finance company
CWBC Finance (BP1) Limited	Ordinary £1 shares	Finance company
CWCB Finance II Limited	Ordinary £1 shares	Finance company
CWCB Holdings Limited	Ordinary £1 shares	Investment holding
CWG (Wood Wharf) Holdings Limited	Ordinary £1 shares	Investment holding
Heron Quays Properties Limited	Ordinary £1 shares	Property development

The above are wholly owned subsidiaries registered in England and Wales. A complete list of the company's subsidiary undertakings will be appended when the company submits its annual return.

Dividends totalling £25,140,000 (2012: £121,528,289) were paid by the company's 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 11).

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

CANARY WHARF HOLDINGS LIMITED

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

6. DEBTORS

	31 December 2013 £	31 December 2012 £
Trade debtors	–	1,712
Amount owed by parent undertaking	187,964	26,220
Amount owed by subsidiary undertaking	15,428,499	15,593,843
Loans to subsidiary undertakings	600,141,110	601,418,571
	<u>615,757,573</u>	<u>617,040,346</u>

£25,528,719 (2012: £23,167,965) of the loans to subsidiary undertakings carries interest at a rate of 10% subject to certain caps and is repayable on demand.

£74,923,885 (2012: £90,456,035) of the loans to subsidiary undertakings is interest free and repayable on demand.

The remaining £499,688,506 (2012: £487,794,571) of the loans to subsidiary undertakings carries interest at a rate linked to LIBOR and is repayable on demand.

7. CREDITORS: Amounts falling due within one year

	31 December 2013 £	31 December 2012 £
Amounts owed to subsidiary undertakings	861,490	23,531,490
Other creditors	–	285
Accruals and deferred income	3,000	3,000
	<u>864,490</u>	<u>23,534,775</u>

8. CALLED-UP SHARE CAPITAL

Allotted, called up and fully paid:

	31 December 2013 £	31 December 2012 £
405,105,001 Ordinary shares of £1 each	<u>405,105,001</u>	<u>405,105,001</u>

CANARY WHARF HOLDINGS LIMITED

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

9. RESERVES

	Revaluation reserve	Profit and loss account	Total
	£	£	£
At 1 January 2013	380,486,299	790,024,644	1,170,510,943
Profit for the year	–	29,389,227	29,389,227
Revaluation of fixed assets	159,037,098	–	159,037,098
At 31 December 2013	<u>539,523,397</u>	<u>819,413,871</u>	<u>1,358,937,268</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2013	31 December 2012
	£	£
Opening shareholders' funds	1,575,615,944	1,512,834,678
Profit for the year	29,389,227	128,405,322
Revaluation	159,037,098	(65,624,056)
Closing shareholders' funds	<u>1,764,042,269</u>	<u>1,575,615,944</u>

11. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is Canary Wharf Estate 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.