

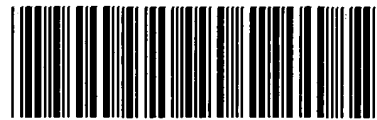
**CWE SPV HCO LIMITED**

Registered number: 3123311

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

MONDAY



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## **CWE SPV HCO LIMITED**

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## **CWE SPV HCO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

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

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £NIL (2015 -£NIL).

No dividends have been paid or proposed in the year (2015 - £NIL).

#### **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 2016 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 27 July 2017 and signed on its behalf.



J R Garwood  
Secretary

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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;
- 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.

## **CWE SPV HCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWE SPV HCO LIMITED**

We have audited the financial statements of CWE SPV HCo Limited for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12. The relevant financial reporting framework that has been applied in their preparation is the applicable law and the 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'.

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 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. 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 apparently 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 2016 and of its result 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.

### **OPINION ON OTHER MATTER 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 those financial statements; and the Directors' Report has been prepared in accordance with applicable legal requirements.

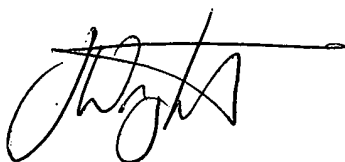
In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWE SPV HCO LIMITED (CONTINUED)

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 from the requirement to prepare a Strategic Report.



James Wright FCA (Senior Statutory Auditor)  
for and on behalf of  
**Deloitte LLP**  
Statutory Auditor  
London, UK

27 July 2017

**CWE SPV HCO LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Income from shares in group undertakings	8	990,000	1,270,000
Movement in provision against investments	8	(6,403,899)	146,171
Interest payable and similar charges	6	5,413,899	(1,416,171)
<b>PROFIT BEFORE TAX</b>		-	-
Tax on profit	7	-	-
<b>PROFIT FOR THE YEAR</b>		-	-
<b>OTHER COMPREHENSIVE INCOME NET OF TAX</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		-	-

The notes on pages 8 to 14 form part of these financial statements.

**CWE SPV HCO LIMITED**  
**REGISTERED NUMBER: 3123311**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Investments	8	164,696,728	171,100,626
		<u>164,696,728</u>	<u>171,100,626</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	9	2	1
		<u>2</u>	<u>1</u>
Creditors: amounts falling due within one year	10	(132,660,477)	(139,064,374)
<b>NET CURRENT LIABILITIES</b>		<u>(132,660,475)</u>	<u>(139,064,373)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>32,036,253</u>	<u>32,036,253</u>
<b>NET ASSETS</b>		<u><u>32,036,253</u></u>	<u><u>32,036,253</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Share premium account		32,036,153	32,036,153
		<u>32,036,253</u>	<u>32,036,253</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2017.



**R J J Lyons**  
Director

The notes on pages 8 to 14 form part of these financial statements.

**CWE SPV HCO LIMITED**

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

	Called up share capital £	Share premium account £	Total equity £
At 1 January 2016	100	32,036,153	32,036,253
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	-
<b>AT 31 DECEMBER 2016</b>	<u>100</u>	<u>32,036,153</u>	<u>32,036,253</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £	Share premium account £	Total equity £
At 1 January 2015	100	32,036,153	32,036,253
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	-	-
<b>AT 31 DECEMBER 2015</b>	<u>100</u>	<u>32,036,153</u>	<u>32,036,253</u>

The notes on pages 8 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. GENERAL INFORMATION**

CWE SPV HCO Limited is an English Limited 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 Strategic Report.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation of financial statements**

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

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

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

**2.2 Going concern**

At the year end, the company is in a net liability position. Included in this are group creditors of £132,660,477, which to the extent that the company cannot pay, will not be called in for at least a period of 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.

**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 Investments**

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

Income from investments is recognised as the company becomes entitled to receive payment. Dividend income from investments in companies is recognised when received or irrevocably declared. Revenue profits and losses in unit trusts and partnerships are recognised on an accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5 Financial instruments**

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

**Trade and other receivables**

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

**Trade and other payables**

Trade and other creditors are stated at cost.

**Borrowings**

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

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

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

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**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.

**Impairment of investments**

Investments in subsidiaries are stated at cost less any provision for impairment. In assessing provisions for whether an impairment is required, the directors have valued each subsidiary at its net asset value, as adjusted for material differences between the fair value and carrying value of its assets and liabilities.

**Valuation of intercompany debt**

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

**4. AUDITOR'S REMUNERATION**

Auditor's remuneration of £800 (2015 - £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 (2015 -£NIL).

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016 £	2015 £
Loans from group undertakings	27,563,334	25,095,556
Fair value movement on loans from group undertakings	(32,977,233)	(23,679,385)
	<u>(5,413,899)</u>	<u>1,416,171</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**7. TAXATION**

	2016 £	2015 £
Current tax on profits for the year	-	-
<b>TOTAL CURRENT TAX</b>	<u>-</u>	<u>-</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

No charge for taxation has been made since the company recorded neither a profit or a loss, for tax purposes, for the year. There is no unprovided deferred taxation.

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The standard rate of corporation tax payable reduced from 21.0% to 20.0% with effect from 1 April 2015.

Enacted in the Finance Act (No.2) 2015 is a reduction in the corporation tax rate to 19.0% on 1 April 2017 and a further reduction to 17.0% on 1 April 2020.

**8. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COST OR VALUATION</b>	
At 1 January 2016	196,537,821
At 31 December 2016	<u>196,537,821</u>
<b>IMPAIRMENT</b>	
At 1 January 2016	25,437,195
Charge for the period	6,403,898
At 31 December 2016	<u>31,841,093</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>164,696,728</u>
At 31 December 2015	<u>171,100,626</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**8. FIXED ASSET INVESTMENTS (CONTINUED)**

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Canary Wharf Investments (Two) Limited	Ordinary £1 shares	100 %	Investment holding
Canary Wharf Investments (Three)	Ordinary £1 shares	100 %	Property investment
Canary Wharf Investments (Four) Limited	Ordinary £1 shares	100 %	Property investment
CWE SPVb Limited	Ordinary £1 shares	100 %	Dormant
CWE SPVc Limited	Ordinary £1 shares	100 %	Property investment
CWE SPVe Limited	Ordinary £1 shares	100 %	Dormant
CWE SPVf Limited	Ordinary £1 shares	100 %	Property investment
CWE SPVg Limited	Ordinary £1 shares	100 %	Property investment
First Tower T1 Ltd	Ordinary £1 shares	100 %	Dormant
First Tower T2 Ltd	Ordinary £1 shares	100 %	Dormant
First Tower GP (1) Ltd	Ordinary £1 shares	100 %	General partner
First Tower GP (2) Ltd	Ordinary £1 shares	100 %	General partner
First Tower Limited Partnership	Ordinary £1 shares	100 %	Property investment

Dividends totalling £990,000 (2015 - 1,270,000) were paid by the company's subsidiaries during the year ended 31 December 2016.

At 31 December 2016, an assessment of the net realisable value of the company's investment in Canary Wharf Investments (Four) Limited has resulted in a provision for impairment of £31,841,093 (2015 - £25,437,195). The increase in the provision of £6,403,898 (2015 - decrease of £146,171) has been taken to the income statement.

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 12).

The directors are of the opinion that the value of the company's investments at 31 December 2016 was not less than the amount shown in the company's balance sheet.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**9. DEBTORS**

	2016 £	2015 £
Amounts owed by group undertakings	2	1
	<u>2</u>	<u>1</u>
	<u><u>2</u></u>	<u><u>1</u></u>

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

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

	2016 £	2015 £
Amounts owed to fellow subsidiary undertakings	134	134
Loan from fellow subsidiary undertaking	132,660,343	139,064,240
	<u>132,660,477</u>	<u>139,064,374</u>
	<u><u>132,660,477</u></u>	<u><u>139,064,374</u></u>

The loan from a fellow subsidiary undertaking bears interest at 10% and is repayable on demand. The company's liability under this loan is subject to a net asset cap. Consequently, at 31 December 2016, the carrying value of this loan has been reduced from its initial carrying value by £159,584,397 (2015 - £126,607,163). The reduction in carrying value of £32,977,233 has been taken to the income statement.

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

**11. SHARE CAPITAL**

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

## **CWE SPV HCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **12. CONTROLLING PARTY**

The company's immediate parent undertaking is CWE SPV Super HCo Limited.

As at 31 December 2016, 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 group companies.