

## CWCB INVESTMENTS (RT2) LIMITED

Registered number: 3452901

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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## **CWCB INVESTMENTS (RT2) LIMITED**

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## **CWCB INVESTMENTS (RT2) 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.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is property investment. The company holds properties directly and via a Jersey Property Unit Trust ('JPUT').

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £5,541,670 (2015 - £21,944,463).

No dividends have been paid or proposed for 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 29 June 2017 and signed on its behalf.



J R Garwood  
Secretary

## **CWCB INVESTMENTS (RT2) LIMITED**

### **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; 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.

## **CWCB INVESTMENTS (RT2) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWCB INVESTMENTS (RT2) LIMITED**

We have audited the financial statements of CWCB Investments (RT2) 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 18. 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 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.

#### **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.

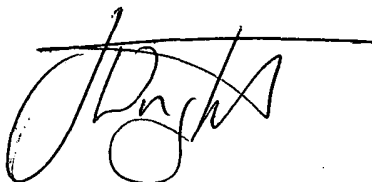
## **CWCB INVESTMENTS (RT2) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWCB INVESTMENTS (RT2) 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 in preparing the Directors' Report or 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

29 June 2017

**CWCB INVESTMENTS (RT2) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover		936,812	465,835
<b>GROSS PROFIT</b>		<u>936,812</u>	<u>465,835</u>
Movement in fair value of investment properties	10	970,534	540,533
<b>OPERATING PROFIT</b>		<u>1,907,346</u>	<u>1,006,368</u>
Income from fixed assets investments	9	10,764,054	28,761,336
Interest receivable and similar income	6	1,756	2,568
Interest payable and similar charges	7	(8,127,312)	(8,243,939)
<b>PROFIT BEFORE TAX</b>		<u>4,545,844</u>	<u>21,526,333</u>
Tax on profit	8	995,826	418,130
<b>PROFIT FOR THE YEAR</b>		<u>5,541,670</u>	<u>21,944,463</u>
<b>OTHER COMPREHENSIVE INCOME NET OF TAX</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>5,541,670</u></u>	<u><u>21,944,463</u></u>

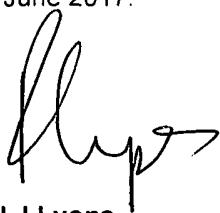
The notes on pages 8 to 19 form part of these financial statements.

**CWCB INVESTMENTS (RT2) LIMITED**  
**REGISTERED NUMBER: 3452901**

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

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Investments	9	280,489,091	279,490,909
Investment property	10	12,508,004	11,537,470
		<u>292,997,095</u>	<u>291,028,379</u>
<b>CURRENT ASSETS</b>			
Debtors	11	685,332	516,955
Cash at bank and in hand		146	37,639
		<u>685,478</u>	<u>554,594</u>
Creditors: amounts falling due within one year	12	(54,895,123)	(57,694,495)
<b>NET CURRENT LIABILITIES</b>		<u>(54,209,645)</u>	<u>(57,139,901)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		238,787,450	233,888,478
Creditors: amounts falling due after more than one year	13	(99,920,785)	(99,567,657)
Deferred tax	14	(22,951,662)	(23,947,488)
<b>NET ASSETS</b>		<u>115,915,003</u>	<u>110,373,333</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1	1
Retained earnings	16	115,915,002	110,373,332
		<u>115,915,003</u>	<u>110,373,333</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2017.



**R J J Lyons**  
 Director

The notes on pages 8 to 19 form part of these financial statements.



**CWCB INVESTMENTS (RT2) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2016	1	110,373,332	110,373,333
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	5,541,670	5,541,670
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	5,541,670	5,541,670
<b>AT 31 DECEMBER 2016</b>	1	115,915,002	115,915,003

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

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	1	88,428,869	88,428,870
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	21,944,463	21,944,463
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	21,944,463	21,944,463
<b>AT 31 DECEMBER 2015</b>	1	110,373,332	110,373,333

The notes on pages 8 to 19 form part of these financial statements.

## **CWCB INVESTMENTS (RT2) LIMITED**

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

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

CWCB Investments (RT2) 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 Directors' 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 asset position, but has net current liabilities. However, the company's investments provide an income stream which the directors forecast will enable it to meet its obligations as they fall due for a period of not less than 12 months from the signing date of the financial statements. In addition, as a member of the Canary Wharf Group, the company has access to considerable resources.

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 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.

## **CWCB INVESTMENTS (RT2) LIMITED**

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

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

### **2.5 Investment properties**

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 Investments**

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

Investments in unit trusts are stated at fair value, with changes recognised in other comprehensive income unless the carrying amount of the investment falls below its original cost, after which the deficit is recognised in the income statement.

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.

### **2.7 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.

#### **Loans receivable**

Loans receivable are recognised initially at the transaction price including 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.

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

**2. ACCOUNTING POLICIES (CONTINUED)**

**Borrowings**

Standard 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 redemption value being recognised in the Income Statement over the period of the loan, using the effective interest method.

**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.

## CWCB INVESTMENTS (RT2) LIMITED

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

#### 3. CRITICAL ACCOUNTING JUDGMENTS 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.

##### Valuation of investments

Investments in JPUTs are carried at fair value. The directors have valued the investment at the company's share of the JPUTs net asset value, as adjusted for the fair value of the JPUTs property interest.

#### 4. AUDITOR'S REMUNERATION

Auditor's remuneration of £6,300 (2015 -£6,300) 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 (2015 - £NIL).

#### 6. INTEREST RECEIVABLE

	2016 £	2015 £
Interest receivable from group companies	1,617	2,559
Other interest receivable	139	9
	<u>1,756</u>	<u>2,568</u>

**CWCB INVESTMENTS (RT2) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016****7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016 £	2015 £
Financing costs	353,128	352,164
Loans from group undertakings	7,721,035	7,891,775
Other interest payable	53,149	-
	<u>8,127,312</u>	<u>8,243,939</u>

**8. TAXATION**

	2016 £	2015 £
Current tax on profits for the year	-	-
<b>TOTAL CURRENT TAX</b>	<u>-</u>	<u>-</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	334,590	2,018,431
Changes to tax rates	(1,330,416)	(2,436,561)
<b>TOTAL DEFERRED TAX</b>	<u>(995,826)</u>	<u>(418,130)</u>
<b>TAXATION ON LOSS ON ORDINARY ACTIVITIES</b>	<u>(995,826)</u>	<u>(418,130)</u>

## CWCB INVESTMENTS (RT2) LIMITED

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

#### 8. TAXATION (CONTINUED)

##### 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 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	4,545,844	21,526,333
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	909,169	4,359,082
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	(107)	82,467
Adjustments to tax charge in respect of prior periods	-	(1,972,210)
Changes to tax rates	(1,389,462)	(2,688,866)
Group relief	(515,426)	(198,603)
<b>TOTAL TAX CREDIT FOR THE YEAR</b>	<b>(995,826)</b>	<b>(418,130)</b>

##### 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. Deferred tax has been provided by reference to this enacted corporation tax rate.

# CWCB INVESTMENTS (RT2) LIMITED

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

### 9. FIXED ASSET INVESTMENTS

	Investments in associates £
<b>COST OR VALUATION</b>	
At 1 January 2016	279,490,909
Share of profit/(loss)	998,182
At 31 December 2016	<u>280,489,091</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>280,489,091</u>
At 31 December 2015	<u>279,490,909</u>

At 31 December 2016 the company held 99.8% of the units in the Canada Place Mall (Retail) Unit Trust.

	2016 £	2015 £
Cost of investment in Jersey Property Unit Trust	137,250,000	137,250,000
Cumulative capital profits	143,239,091	142,240,909
	<u>280,489,091</u>	<u>279,490,909</u>

During the year the company received distributions as follows:

	2016 £	2015 £
Distributions in advance brought forward	910,475	2,147,882
Distributions received	10,570,541	7,111,111
Distributions in advance carried forward	(1,715,144)	(910,475)
Share of capital profits	998,182	20,412,818
<b>Income from Jersey Property Unit Trust</b>	<u>10,764,054</u>	<u>28,761,336</u>

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 18).



# CWCB INVESTMENTS (RT2) LIMITED

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

### 10. INVESTMENT PROPERTY

	Freehold investment property £
<b>VALUATION</b>	
At 1 January 2016	11,537,470
Surplus on revaluation	970,534
<b>AT 31 DECEMBER 2016</b>	<b>12,508,004</b>

At 31 December 2016, the property was valued externally by Savills Commercial 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:

	2016 £	2015 £
Historic cost	21,280,000	21,280,000

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

	2016 £	2015 £
Leasehold properties	12,508,004	11,537,470
Negotiation costs attributable from fellow subsidiary undertakings	1,996	2,530
<b>Fair value</b>	<b>12,510,000</b>	<b>11,540,000</b>

The property interest is let to Canary Wharf (Car Parks) Limited until March 2148. Rent receivable equates to 99.9% of the rent earned by Canary Wharf (Car Parks) Limited regarding Canada Square RT2 car park less deductible leasing expenses.

# CWCB INVESTMENTS (RT2) LIMITED

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

### 11. DEBTORS

	2016 £	2015 £
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Negotiation costs attributable from fellow subsidiary undertakings	1,996	2,530
	<u>1,996</u>	<u>2,530</u>
<b>DUE WITHIN ONE YEAR</b>		
Amounts owed by group undertakings	659,136	514,425
Other debtors	24,200	-
	<u>685,332</u>	<u>516,955</u>

Amounts owed by group undertakings consists of the following:

	2016 £	2015 £
Amount owed by parent undertaking	1	1
Amounts owed by fellow subsidiary undertakings	143,093	-
Loan to fellow subsidiary undertaking	516,042	514,424
	<u>659,136</u>	<u>514,425</u>

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

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

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

	2016 £	2015 £
Amounts owed to group undertakings	53,179,979	56,693,667
Other creditors	-	90,353
Accruals and deferred income	1,715,144	910,475
	<u>54,895,123</u>	<u>57,694,495</u>

## CWCB INVESTMENTS (RT2) LIMITED

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

Amounts owed to group undertakings consists of the following:

	2016 £	2015 £
Amounts owed to fellow subsidiary undertakings	228,936	562,342
Loan from fellow subsidiary undertaking	52,951,043	56,131,325
	<u>53,179,979</u>	<u>56,693,667</u>

£214,602 (2015 - £441,025) of the loan from a fellow subsidiary undertaking represents the accrued interest on the loan due after more than one year.

The other £52,736,441 (2015 - £55,690,300) bears interest at 10%, subject to certain caps, and is repayable on demand.

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

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

	2016 £	2015 £
Loan from fellow subsidiary undertaking	99,920,785	99,567,657
	<u>99,920,785</u>	<u>99,567,657</u>

The loan outstanding carries interest at the lower of 3.2% and LIBOR plus 1.7%, and is repayable in October 2019.

At 31 December 2016, there were capitalised financing costs of £967,725 (2015 - £1,320,853) offset against the loan.

#### 14. DEFERRED TAXATION

	2016 £
At beginning of year	(23,947,488)
Charged to profit or loss	995,826
<b>AT END OF YEAR</b>	<u><u>(22,951,662)</u></u>

## CWCB INVESTMENTS (RT2) LIMITED

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

#### 14. DEFERRED TAXATION (CONTINUED)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Capital element of JPUT profits	(24,350,645)	(25,603,364)
Revaluation of properties	1,398,983	1,655,876
	<u>(22,951,662)</u>	<u>(23,947,488)</u>

#### 15. SHARE CAPITAL

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

#### 16. RESERVES

The company has no distributable reserves at 31 December 2016. The total of the company's realised gains and losses was as follows:

	2016 £	2015 £
Retained earnings	115,915,002	110,373,332
Recognition of capital profits in JPUT	(143,239,091)	(142,240,909)
Deferred tax on capital profits	24,350,645	25,603,364
	<u>(2,973,444)</u>	<u>(6,264,213)</u>

#### 17. OTHER FINANCIAL COMMITMENTS

As at 31 December 2016 and 31 December 2015 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

**CWCB INVESTMENTS (RT2) LIMITED**

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

**18. CONTROLLING PARTY**

The company's immediate parent undertaking is CWCB Holdings 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 102.33.1A of FRS 102 allowing the company not to disclose related party transactions with respect to other wholly-owned group companies