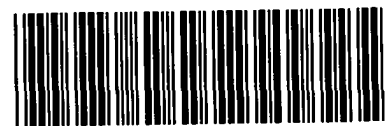


Waterfront GP Limited
Annual report and financial statements
for the year ended 31 December 2022
Registered number: 04392460

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Company Information

Directors	S McGuigan A Wood S Arnold N Lyle
Company number	04392460
Registered office	The O2 Peninsula Square London SE10 0DX
Auditor	KPMG LLP 15 Canada Square London E14 5GL

Contents

	Page
The directors' report	4
Statement of directors' responsibilities in respect of the annual report and the financial statements	5
Independent auditor's report to the members of Waterfront GP Limited	6
Statement of income and retained earnings	9
Balance sheet	10
Notes to the financial statements	11

Directors' report

The directors present their annual report on the affairs and the financial statements of the Company, together with the financial statements and auditor's report for the year ended 31 December 2022.

Principal activities

The principal activities of the Company during the year were to act as the general partner of The Waterfront Limited Partnership ("WLP"). The principal activity of WLP is to manage The Avenue at The O2 arena in London.

Results and dividends

The results for the year are displayed on page 9. The directors have not recommended a dividend during the year (2021: £nil).

Going concern

The financial statements have been prepared on a going concern basis.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Directors

The directors who served the company during the year and up to the date of the report were as follows:

S McGuigan
A Wood
S Arnold
N Lyle

Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the board



S McGuigan
Director

Company Registration Number: 04392460

The O2
Peninsula Square
London
SE10 0DX

Date: 6 November 2023

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Waterfront GP Limited

Opinion

We have audited the financial statements of Waterfront GP Limited ("the Company") for the year ended 31 December 2022, which comprise the statement of income and retained earnings, balance sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and legal department and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Considering remuneration incentive schemes and performance targets.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.



Independent auditor's report to the members of Waterfront GP Limited (continued)

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted and approved by unauthorized user.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment law recognizing the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report.
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



Independent auditor's report to the members of Waterfront GP Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Jonathan Tricker (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

Date: 6 November 2023

Statement of income and retained earnings
For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Administrative expenses		(11)	9
Operating (loss)/profit		(11)	9
(Loss)/profit before taxation		(11)	9
Taxation	4	-	(7)
(Loss)/profit for the financial year		(11)	2
Retained earnings brought forward		(104)	(105)
Retained earnings at 31 December 2022		(115)	(104)

The company has no recognised gains or losses other than the loss for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 11 to 16 form part of these financial statements.

Balance Sheet
At 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Current assets					
Debtors due within one year	6	-		56	
Creditors: Amounts falling due within one year	7	(57)		(46)	
Net current (liabilities)/assets			(57)		10
Provisions for liabilities	8		-		(56)
Net liabilities			(57)		(46)
Capital and reserves					
Called-up equity share capital	10		58		58
Profit and loss account			(115)		(104)
Shareholder's deficit			(57)		(46)

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the directors and authorised for issue on 6 November 2023, and are signed on their behalf by:



S McGuigan
Director

Company Registration Number: 04392460

The notes on pages 11 to 16 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Waterfront GP Limited is a private company limited by share capital incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is given on page 2.

These financial statements have been prepared in accordance with the Companies Act 2006 and Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

The financial statements have been prepared under the historical cost convention.

The company has taken the following exemptions under the small companies regime:

- The requirements of Section 7 Statement of Cash Flows
- The requirements of Section 11 paragraphs 11.40 to 11.48A and Section 12 paragraphs 12.26 to 12.29A.

The company has also taken the exemption set out in Section 33 paragraph 33.1A not to disclose related party transactions between wholly-owned group members.

b. Going Concern

The company meets its day-to-day working capital requirements from inter-company loans. The directors have performed a going concern assessment which indicates the company will have sufficient funds to meet its liabilities as they fall due during the 12 months following approval of the financial statements, the going concern assessment period.

The directors have not performed an assessment of reasonably possible downsides owing to the limited nature of future forecast transactions. The directors therefore believe that the base case is an appropriate basis for the going concern assessment.

This assessment is dependent on its intermediate parent company, Anschutz Entertainment Group, Inc. not seeking repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £57,000.

Anschutz Entertainment Group, Inc. has indicated that it does not intend to seek repayment of these amounts currently due to the group during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

c. Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Notes (continued)

d. Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

e. Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

f. Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Notes (continued)

2 Audit and taxation fees

The analysis of auditor's remuneration is as follows:

	2022 £000	2021 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7	-
Non-audit fees:		
Taxation compliance services	2	-
	<u>9</u>	<u>-</u>

Auditors' remuneration is borne by other group companies in the current year.

3 Staff numbers

The Company did not employ any staff in the year (2021: nil).

4 Taxation

(a) Analysis of charge in the year

	2022 £000	2021 £000
<i>UK Corporation tax</i>		
Adjustments in respect of prior periods	-	1
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	5
Adjustments in respect of prior periods	-	(3)
Impact of tax rate change	-	(2)
Reversal of deferred tax asset		6
Total deferred tax	<u>-</u>	<u>7</u>
Total tax charge	<u>-</u>	<u>7</u>

Notes (continued)

(b) Reconciliation of effective tax rate

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £000	2021 £000
(Loss)/Profit before tax	(11)	9
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(2)	2
Expenses not deductible for tax purposes	-	3
Impact of tax rate change	-	(2)
Deferred tax asset not recognised	2	(2)
Removal of deferred tax asset	-	6
Tax charge for the year	<u>-</u>	<u>7</u>

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021.

5 Investments

The Company has an investment in The Waterfront Limited Partnership, a limited partnership registered in the UK, with the registered address of The O2, Peninsula Square, London, SE10 0DX. This contribution represents 0.3% of the total members' capital of The Waterfront Limited Partnership as at 31 December 2022 (2021: 0.3%), and entitles the company to a 0.3% share of the Partnership's profits. The principal activity of The Waterfront Limited Partnership is to manage the Avenue at the O2 Arena in London.

6 Debtors

	2022 £000	2021 £000
Amounts falling due within one year:		
Deferred tax asset (note 9)	-	56
	<u>-</u>	<u>56</u>

7 Creditors - amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	57	46
	<u>57</u>	<u>46</u>

Amounts owed to group undertakings are payable on demand with no interest charge.

Notes (continued)

8 Provisions for liabilities

	2022 £000	2021 £000
Deferred tax liabilities (note 9)	-	56

9 Deferred tax

The deferred tax included in the Balance sheet is as follows:

	2022 £000	2021 £000
Deferred tax asset (note 6)	-	56
Deferred tax liability (note 8)	-	(56)
	-	-

The movement in the deferred taxation account during the year was:

	2022 £000
Balance brought forward	-
Profit and loss account movement arising during the year	-
Balance carried forward	-

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2022 £000	2021 £000
Timing difference on investment property	-	(49)
Fixed asset timing differences	-	(7)
Unremitted profits of partnership	-	56
	-	-

Deferred taxation balances at 31 December 2021 were in respect of timing differences relating to income from investments.

Since the reversal of these timing differences is within the control of the company and they are not expected to reverse in the foreseeable future these balances were de-recognised in the year ended 31 December 2022.

Notes (continued)

10 Called-up share capital

Allotted, called up and fully paid:

	2022 £000	2021 £000
500 Ordinary A shares of £0.10 each	-	-
5,806,600 A Ordinary shares of £0.01 each	58	58
255 Ordinary B shares of £0.10 each	-	-
245 Ordinary C shares of £0.10 each	-	-
	<u>58</u>	<u>58</u>

Each class of share has the right to one vote on a show of hands and one vote per share held on a poll. Rights in respect of distributions and returns of capital are pro rata to the number of ordinary shares held. None of the ordinary shares are redeemable.

11 Related party transactions and balances

	Receivables/ (Creditors) outstanding	
	2022 £000	2021 £000
AnSCO Arena Limited	-	(46)
Anschutz Entertainment Group Inc	(2)	-
The Waterfront Ltd Partnership	(54)	-
	<u></u>	<u></u>

AnSCO Arena Limited is owned by The Anschutz Corporation, one of the Company's parent undertakings.

The Company had no sales to or administrative expenses incurred from any entities over which Company has control, joint control or significant influence (subject to wholly owned exemption) during the year (2021: *£nil*).

12 Ultimate parent undertaking

The immediate parent company is AnSCO Management Limited, incorporated in United Kingdom. Its registered address is The O2, Peninsula Square, London SE10 0DX.

The ultimate parent is Rocket Estates Limited, incorporated in Jersey. The registered address of Rocket Estates Limited is 22 Grenville Street, St Helier, Jersey JE4 8PX.

Rocket Estates Limited is jointly owned by Crosstree Real Estate Special Situations Fund LP (50% ownership), incorporated in Jersey, and The Anschutz Corporation (50% ownership), incorporated in the United States of America. The ultimate controlling party of The Anschutz Corporation is Mr Philip Anschutz. The registered address of the Crosstree Real Estate Special Situations Fund LP is Ground Floor, Liberation House, Castle Street, St Helier, Jersey JE2 3AT. The registered address of the The Anschutz Corporation is 555 17th Street, Suite 2400, Denver, CO 80202-3941. The consolidated accounts of these parent companies are not available to the public.