

CANARY WHARF (FS INVEST) LIMITED

Registered number: 07321412

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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CANARY WHARF (FS INVEST) LIMITED

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CANARY WHARF (FS INVEST) 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 company holds a 30% interest in Canary Wharf (FS Holdco) Limited

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £4,928 (2015 -£4,947).

No dividends have been paid or proposed (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 8 May 2017 and signed on its behalf.



J R Garwood
Secretary

CANARY WHARF (FS INVEST) 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 (FS INVEST) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF (FS INVEST) LIMITED

We have audited the financial statements of Canary Wharf (FS Invest) 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 16. 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.

CANARY WHARF (FS INVEST) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF (FS INVEST) 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.



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

8 May 2017

CANARY WHARF (FS INVEST) LIMITED

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

| | Note | 2016 £ | 2015 £ |
|--|------|---------------|---------------|
| Amortisation of loan measurement difference | | 13,083 | 11,845 |
| Other operating income | | 4,900 | 4,900 |
| OPERATING PROFIT | | 17,983 | 16,745 |
| Interest receivable and similar income | 6 | 60 | 47 |
| Interest payable and expenses | 7 | (13,115) | (11,845) |
| PROFIT BEFORE TAX | | 4,928 | 4,947 |
| PROFIT FOR THE YEAR | | 4,928 | 4,947 |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR | | | |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 4,928 | 4,947 |

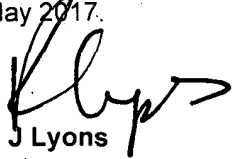
The notes on pages 8 to 14 form part of these financial statements.

CANARY WHARF (FS INVEST) LIMITED
REGISTERED NUMBER: 07321412

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|---|------|-----------------------|----------------------|
| FIXED ASSETS | | | |
| Investments | 9 | 139,026 | 139,026 |
| | | <u>139,026</u> | <u>139,026</u> |
| CURRENT ASSETS | | | |
| Debtors: amounts falling due within one year | 10 | - | 1,225 |
| Cash at bank and in hand | 11 | 29,582 | 23,397 |
| | | <u>29,582</u> | <u>24,622</u> |
| Creditors: amounts falling due within one year | 12 | (132) | (100) |
| NET CURRENT ASSETS | | <u>29,450</u> | <u>24,522</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>168,476</u> | <u>163,548</u> |
| Creditors: amounts falling due after more than one year | 13 | - | (125,942) |
| NET ASSETS | | <u><u>168,476</u></u> | <u><u>37,606</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 14 | 139,026 | 1 |
| Capital contribution | | - | 13,083 |
| Retained earnings | | 29,450 | 24,522 |
| | | <u><u>168,476</u></u> | <u><u>37,606</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 May 2017.


R J J Lyons
 Director

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

CANARY WHARF (FS INVEST) LIMITED

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

| | Called up share capital | Capital contribution | Retained earnings | Total equity |
|--|----------------------------|-------------------------|----------------------|--------------|
| | £ | £ | £ | £ |
| At 1 January 2016 | 1 | 13,083 | 24,522 | 37,606 |
| COMPREHENSIVE INCOME FOR THE YEAR | | | | |
| Profit for the year | - | - | 4,928 | 4,928 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | - | - | 4,928 | 4,928 |
| Shares issued during the year | 139,025 | - | - | 139,025 |
| Amortisation of loan measurement difference | - | (13,083) | - | (13,083) |
| TOTAL TRANSACTIONS WITH OWNERS | 139,025 | (13,083) | - | 125,942 |
| AT 31 DECEMBER 2016 | 139,026 | - | 29,450 | 168,476 |

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

| | Called up share capital | Capital contribution | Retained earnings | Total equity |
|--|----------------------------|-------------------------|----------------------|--------------|
| | £ | £ | £ | £ |
| At 1 January 2015 | 1 | 24,928 | 19,575 | 44,504 |
| COMPREHENSIVE INCOME FOR THE YEAR | | | | |
| Profit for the year | - | - | 4,947 | 4,947 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | - | - | 4,947 | 4,947 |
| Amortisation of loan measurement difference | - | (11,845) | - | (11,845) |
| TOTAL TRANSACTIONS WITH OWNERS | - | (11,845) | - | (11,845) |
| AT 31 DECEMBER 2015 | 1 | 13,083 | 24,522 | 37,606 |

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

CANARY WHARF (FS INVEST) LIMITED

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

1. GENERAL INFORMATION

Canary Wharf (FS Invest) 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 Director's Report

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

The principal accounting policies are summarised below:

2.2 Going concern

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

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 Financial instruments

The directors have taken advantage of the exemption in paragraph 1.12c of FRS 102 allowing the company not 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held with banks and other short term highly liquid investments with original maturities of 3 months or less, which are held for the purpose of meeting short term cash commitments.

Trade and other payables

Trade and other creditors are stated at cost.

CANARY WHARF (FS INVEST) LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

Borrowings

Loans payable are recognised initially at fair value less attributable transaction costs. 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.

2.5 Investments

Investments are stated at cost less any provision for impairment.

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.

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.

For the year ended 31 December 2016, there were no items which the directors believe are significant to the financial statements.

4. AUDITOR'S REMUNERATION

The auditor's remuneration of £800 (2015 - £800) for the audit of the company has been borne by another group undertaking.

CANARY WHARF (FS INVEST) LIMITED

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

5. EMPLOYEES

The company has no employees other than the directors, who did not receive any remuneration (2015 -£NIL).

6. INTEREST RECEIVABLE

| | 2016 £ | 2015 £ |
|--------------------------|-----------|-----------|
| Bank interest receivable | 60 | 47 |
| | <u>60</u> | <u>47</u> |

7. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2016 £ | 2015 £ |
|-------------------------------|---------------|---------------|
| Loans from group undertakings | 13,083 | 11,845 |
| Other interest payable | 32 | - |
| | <u>13,115</u> | <u>11,845</u> |

CANARY WHARF (FS INVEST) LIMITED

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

8. TAXATION

| | 2016 £ | 2015 £ |
|--------------------------|-----------|-----------|
| TOTAL CURRENT TAX | - | - |

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 | 4,928 | 4,947 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%) | 986 | 1,002 |
| EFFECTS OF: | | |
| Non-taxable income | (2,617) | (2,399) |
| Group relief | 1,631 | 1,397 |
| TOTAL TAX CHARGE FOR THE YEAR | - | - |

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.

CANARY WHARF (FS INVEST) LIMITED

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

9. FIXED ASSET INVESTMENTS

| | Investment in associate £ |
|--------------------------|---------------------------------|
| COST OR VALUATION | |
| At 1 January 2016 | 139,026 |
| At 31 December 2016 | <u>139,026</u> |
| NET BOOK VALUE | |
| At 31 December 2016 | <u><u>139,026</u></u> |

Until 24 May 2016 the company held a 30% interest in Canary Wharf (FS Two) Limited. On that date Canary Wharf (FS Holdco) Limited acquired the entire share capital of Canary Wharf (FS Two) Limited by way of a share for share exchange.

The company now owns 139,026 ordinary £1 shares in Canary Wharf (FS Holdco) Limited which represents a 30% interest in the company. At 31 December 2016, Canary Wharf (FS Holdco) Limited had net assets of £2,827,971 and recorded a loss of £3,600 for the year then ended.

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.

10. DEBTORS

| | 2016 £ | 2015 £ |
|--------------------------------|-----------|--------------|
| Prepayments and accrued income | - | 1,225 |
| | <u>-</u> | <u>1,225</u> |

11. CASH AND CASH EQUIVALENTS

| | 2016 £ | 2015 £ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 29,582 | 23,397 |
| | <u>29,582</u> | <u>23,397</u> |

CANARY WHARF (FS INVEST) LIMITED

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

12. CREDITORS: Amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|------------|------------|
| Amounts owed to group undertakings | 132 | 100 |
| | <u>132</u> | <u>100</u> |

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

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

| | 2016 £ | 2015 £ |
|------------------------------------|-----------|----------------|
| Amounts owed to group undertakings | - | 125,942 |
| | <u>-</u> | <u>125,942</u> |

The loan owed to the parent undertaking was interest free and repayable within three years of the date of practical completion of the development at 20 Fenchurch Street. During the year it was exchanged for an issue of shares.

The measurement difference between the original and recalculated amount of the loan was treated as a capital contribution and amortised over the life of the loan. The remainder of the difference was written off during the year.

14. SHARE CAPITAL

| | 2016 £ | 2015 £ |
|--|----------------|-----------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 139,026 (2015 -1) Ordinary shares of £1 each | 139,026 | 1 |
| | <u>139,026</u> | <u>1</u> |

During the year, the company issued 139,025 ordinary shares of £1 to Canary Wharf Developments Limited by way of an inter-company loan conversion.

15. RELATED PARTY TRANSACTIONS

The company holds a 30% investment in Canary Wharf (FS Holdco) Limited.

During the year the company billed £3,675 (2015: £3,675) to Canary Wharf (FS Two) Limited for administrative services in relation to the 20 Fenchurch Street development and further £1,225 (2015: £1,225) was accrued. At 31 December 2016, all of the billed amounts were settled.

CANARY WHARF (FS INVEST) LIMITED

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

16. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

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