



## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

Registered number: 07774523

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

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## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

#### **PRINCIPAL ACTIVITIES**

The company holds a 999 year leasehold interest and is a financing company for 25 Churchill Place, Canary Wharf.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £10,007,847 (2021 - profit £6,494,610).

No dividends have been paid or proposed for the year and to the date of this report (2021 - £NIL).

#### **DIRECTORS**

The directors who served during the year were:

A S J Daffern  
K J Kingston  
S Z Khan  
R J Worthington

On 16 June 2023, after the year end, Ian Benham has been appointed as a director and on 8 September 2023 A S J Daffern resigned as a director of the company.

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 2022 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.

#### **GOING CONCERN**

For details in respect of going concern refer to Note 2.

#### **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.

#### **AUDITORS**

Deloitte LLP have indicated their willingness to continue as auditors to the company.

**CANARY WHARF INVESTMENTS (BP4) LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board on 27 September 2023 and signed on its behalf.

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*Ian Benham*

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**I Benham**  
Director

## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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 judgements 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 to 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 INVESTMENTS (BP4) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (BP4) LIMITED**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **OPINION**

In our opinion the financial statements of Canary Wharf Investments (BP4) Limited (the 'company'):

- 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 United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (BP4) LIMITED**

#### **OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **RESPONSIBILITIES OF DIRECTORS**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (BP4) LIMITED**

#### **EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

Investment Property Portfolio: We have identified a fraud risk in the valuation of the investment property, pinpointed specifically to the risk of management manipulation of the information provided to the valuers on lease length, rental values etc, which the valuers rely on during their valuation process. Our audit procedures included:

- Obtaining an understanding of the relevant controls in the investment properties' valuation.
- In respect of investment properties validating the tenancy data sent to the valuers for completeness and accuracy by agreeing a sample of data through to underlying lease agreements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.



## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF INVESTMENTS (BP4) LIMITED**

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

##### **Opinions on other matters 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 the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

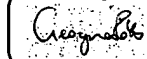
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

#### **USE OF OUR REPORT**

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.

DocuSigned by:



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Georgina Robb FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

27 September 2023

**CANARY WHARF INVESTMENTS (BP4) LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover		2,662,429	2,662,429
Cost of sales		(327)	-
<b>GROSS PROFIT</b>		<u>2,662,102</u>	<u>2,662,429</u>
Movement in fair value of investment properties		(9,800,000)	5,000,000
<b>OPERATING (LOSS)/PROFIT</b>		<u>(7,137,898)</u>	<u>7,662,429</u>
Interest receivable and similar income	6	16,336,555	9,974,734
Interest payable and similar charges	7	(19,206,504)	(11,142,553)
<b>(LOSS)/PROFIT BEFORE TAX</b>		<u>(10,007,847)</u>	<u>6,494,610</u>
Tax on (loss)/profit	8	-	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(10,007,847)</u>	<u>6,494,610</u>
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR</b>			
Fair value movement of effective hedging instrument	15	607,194	-
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR</b>		<u>607,194</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR</b>		<u><u>(9,400,653)</u></u>	<u><u>6,494,610</u></u>

The notes on pages 11 to 23 form part of these financial statements.

**CANARY WHARF INVESTMENTS (BP4) LIMITED**  
**Jersey registered number: 130261**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Investments	9	1	-
Investment property	10	175,217,129	185,017,129
		<u>175,217,130</u>	<u>185,017,129</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due after more than one year	11	354,157,352	353,260,729
Debtors: amounts falling due within one year	11	46,205,938	21,478,022
Cash at bank and in hand	12	8,075,391	7,988,386
		<u>408,438,681</u>	<u>382,727,137</u>
Creditors: amounts falling due within one year	13	(42,007,319)	(19,726,837)
		<u>366,431,362</u>	<u>363,000,300</u>
<b>NET CURRENT ASSETS</b>			
		<u>541,648,492</u>	<u>548,017,429</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Creditors: amounts falling due after more than one year	14	(441,578,871)	(440,643,926)
		<u>100,069,621</u>	<u>107,373,503</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1	1
Hedging reserves	19	2,703,965	-
Retained earnings	19	97,365,655	107,373,502
		<u>100,069,621</u>	<u>107,373,503</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2023.

DocuSigned by:  
  
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**I Benham**  
 Director

The notes on pages 11 to 23 form part of these financial statements.

**CANARY WHARF INVESTMENTS (BP4) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Hedging reserves	Retained earnings	Total equity
	£	£	£	£
At 1 January 2022	1	-	107,373,502	107,373,503
<b>COMPREHENSIVE EXPENSE FOR THE YEAR</b>				
Loss for the year	-	-	(10,007,847)	(10,007,847)
Amortisation premium	-	2,096,771	-	2,096,771
Fair value movement of effective hedging instrument	-	607,194	-	607,194
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>	-	2,703,965	(10,007,847)	(7,303,882)
<b>AT 31 DECEMBER 2022</b>	1	2,703,965	97,365,655	100,069,621

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2021	1	100,878,892	100,878,893
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	6,494,610	6,494,610
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	6,494,610	6,494,610
<b>AT 31 DECEMBER 2021</b>	1	107,373,502	107,373,503

The notes on pages 11 to 23 form part of these financial statements.

## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Canary Wharf Investments (BP4) Limited is a private company limited by shares, incorporated in the UK under the Companies Act 2006 and registered in England and Wales 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 Replacement of LIBOR as an interest rate benchmark**

From 24th January 2022, LIBOR has been replaced by SONIA (Sterling Overnight Index Average) as the Risk-Free Reference Rate for Sterling Transactions. The group has obtained its lenders approval to adopt SONIA from 24 January 2022 for all LIBOR related loans, plus a Credit Adjustment Spread. This has not resulted in any changes to group's financial instrument effectiveness.

##### **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 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.

## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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

##### **2.5 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.

Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example turnover rents, are recorded in the periods in which they are earned.

##### **2.6 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.

##### **2.7 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.

## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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

##### **Borrowings**

Standard loans payable are recognised initially at the net proceeds including 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.

##### **2.8 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.

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.

##### **2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.10 Derivative instruments**

The company uses interest rate derivatives to help manage its risks of changes in interest rates. The company does not hold or issue derivatives for trading purposes.

In order for a derivative to qualify for hedge accounting, the company is required to document the relationship between the item being hedged and the hedging instrument. The company is also required to demonstrate an assessment of the relationship between the hedged item and the hedging instrument for its economic relationship, effects of credit risk and hedge ratio. This shows that the hedge will be effective on an on-going basis. The effectiveness testing is re-performed at each balance sheet date to ensure that the hedge remains effective.

The changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income. The changes in the fair value of derivative financial instruments that are designated and effective as fair value hedges are recognised against the item being hedged. The changes in the fair value of any ineffective portions of hedges or undesignated financial instruments are recognised in the profit and loss account.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained until the forecast transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

## **CANARY WHARF INVESTMENTS (BP4) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **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.

The preparation of financial statements also requires use of judgements, apart from those involving estimation, that management makes in the process of applying the entity's accounting policies.

##### **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.

##### **Derivative financial instruments**

The fair values of derivative financial instruments are provided by counter party financial institutions, which is level 2 of the fair value hierarchy.

Consistent with International Accounting Standards, the value provided is then reduced for the company's own credit risk, in the case of credit balances, and for the counterparty's credit risk, in the case of debit balances. These adjustments are calculated by using a calculation tool provided by Bloomberg.

The fair values of derivative financial instruments with other group undertakings are calculated using discounted forecast cash flows. The forecast interest curve is provided by Chatham Financial.

For the year ended 31 December 2022, the financial statements of the company did not contain any significant items that required the application of judgements, apart from those involving estimation.



**CANARY WHARF INVESTMENTS (BP4) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****4. AUDITOR'S REMUNERATION**

Auditor's remuneration of £10,000 (2021 - £8,200) 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 (2021 - £NIL).

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022 £	2021 £
Interest receivable from group companies	16,324,332	9,974,734
Other interest receivable	12,223	-
	<u>16,336,555</u>	<u>9,974,734</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2022 £	2021 £
Bank charges	275	-
Bank loan interest payable	12,394,197	7,692,974
Amortisation premium	2,096,771	-
Loans from group undertakings	4,714,261	3,448,579
Finance charge on operating lease liabilities	1,000	1,000
	<u>19,206,504</u>	<u>11,142,553</u>

**CANARY WHARF INVESTMENTS (BP4) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****8. TAXATION**

	2022 £	2021 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Other finance income</b>	-	-

**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 19.0% (2021 - 19.0%). The differences are explained below:

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	(10,007,847)	6,494,610
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2021 - 19.0%)	(1,901,491)	1,233,976
<b>Effects of:</b>		
Property rental business	3,143,436	(88,904)
Fair value movements not subject to tax	1,869,282	(957,281)
Group relief	(3,111,227)	(187,791)
<b>Total tax charge for the year</b>	-	-

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Enacted in the Finance Act 2021 is a provision for the main rate of corporation tax to increase to 25% from 1 April 2023.

The company is a member of a REIT headed by Stork Holdings Limited. As a consequence all qualifying property rental business is exempt from corporation tax. Only income and expenses relating to non-qualifying activities will continue to be taxable.

**CANARY WHARF INVESTMENTS (BP4) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****9. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2022	-
Additions	1
At 31 December 2022	<u>1</u>

**SUBSIDIARY UNDERTAKING**

During the year the company acquired 1 ordinary £1 share in Canary Wharf Properties (BP4) Limited at par.

The following was a subsidiary undertaking of the company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Canary Wharf Properties (BP4) Limited	Property investment	Ordinary	100%

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

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 20).

The directors are of the opinion that the value of the company's investments at 31 December 2022 was not less than the amount shown in the company's balance sheet.

**CANARY WHARF INVESTMENTS (BP4) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****10. INVESTMENT PROPERTY**

	Long term leasehold investment property £
<b>Valuation</b>	
At 1 January 2022	185,017,129
Revaluation	(9,800,000)
<b>At 31 December 2022</b>	<b>175,217,129</b>

In 2011, the company was granted a 999 year overriding lease in 25 Churchill Place, Canary Wharf, London, subject to an underlease of 99 years held by a fellow subsidiary undertaking.

The property is held subject to a fixed charge to secure the bank loan in Note 15.

At 31 December 2022, the property was valued externally by CBRE Limited, Chartered Surveyors, 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 flow 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:

	2022 £	2021 £
Historic cost	57,000,000	57,000,000

**CANARY WHARF INVESTMENTS (BP4) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022 £	2021 £
Leasehold properties	175,217,129	185,017,129
Operating lease liabilities	(17,129)	(17,129)
	<u>175,200,000</u>	<u>185,000,000</u>

The property interest is let to Canary Wharf Limited until July 2086, at an annual rent equivalent to the greater of £1,635,489 and 10% of the rent from occupational tenants.

The future minimum receipts under non-cancellable operating lease are as follows:

	2022 £	2021 £
Within one year	1,635,489	1,635,489
In one to five years	6,541,956	6,541,956
After more than five years	95,745,559	97,381,048
	<u>103,923,004</u>	<u>105,558,493</u>

**11. DEBTORS**

	2022 £	2021 £
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Loans owed by group undertakings	354,157,352	353,222,407
Derivative financial instrument	-	38,322
	<u>354,157,352</u>	<u>353,260,729</u>

	2022 £	2021 £
<b>DUE WITHIN ONE YEAR</b>		
Loans owed by group undertakings	31,940,108	-
Amounts owed by group undertakings	8,463,117	21,477,822
Other debtors	1,766	200
Prepayments and accrued income	656,753	-
Derivative financial instruments	5,144,194	-
	<u>46,205,938</u>	<u>21,478,022</u>

**CANARY WHARF INVESTMENTS (BP4) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****11. DEBTORS (CONTINUED)**

£296.6m of the loan to group undertaking bears interest at a rate of SONIA plus 1.8% and £60.0m bears interest at SONIA plus 5.2%. Loans are repayable in July 2025.

Included in the loan balance is £2,393,257 (2021 - £3,328,202) of unamortised loan fees.

Amount owed by group companies are interest free and repayable on demand.

**12. CASH AND CASH EQUIVALENTS**

	2022 £	2021 £
Cash at bank and in hand	8,075,391	7,988,386
	<u>8,075,391</u>	<u>7,988,386</u>

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

	2022 £	2021 £
Bank loans	3,308,468	1,396,124
Trade creditors	248	248
Amounts owed to group undertakings	38,698,603	18,330,465
	<u>42,007,319</u>	<u>19,726,837</u>

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

**14. CREDITORS: Amounts falling due after more than one year**

	2022 £	2021 £
Bank loans (Note 14)	381,947,894	381,163,533
Operating lease liability	17,129	17,129
Amounts owed to group undertakings	59,613,848	59,463,264
	<u>441,578,871</u>	<u>440,643,926</u>

**CANARY WHARF INVESTMENTS (BP4) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****15. BANK LOANS**

During 2019 a new loan was drawn down against property interest at 25 Churchill Place which comprised £384.0 of senior debt and £60.0m of mezzanine debt.

The company is the borrower of the senior debt on which interest is payable at SONIA plus 1.8%. The mezzanine facility was lent to another group undertaking and on-lent to the company. Interest on the intercompany loan is payable at SONIA plus 5.1%.

The balance is shown net of unamortised arrangement fees of £2,007,106 (2021: £3,186,872)

The maturity profile of the company's contracted undiscounted cash flows is as follows:

	2022 £	2021 £
Within one year	22,150,312	8,106,012
In one to two years	24,293,351	11,014,033
In two to five years	400,970,008	404,125,415
	<u>447,413,671</u>	<u>423,245,460</u>
	2022 £	2021 £
Principal repayments	383,955,000	383,955,000
Interest repayments	<u>63,458,671</u>	<u>39,290,460</u>
	<u>447,413,671</u>	<u>423,245,460</u>

The above table contains undiscounted cash flows (including interest) and therefore results in a higher balance than the carrying values or fair values of the borrowings.

The market value of the loan at 31 December 2022 the same as its carrying value.

The weighted average maturity of the loan at 31 December 2022 was 2.56 years (2021: 3.56 years).

The weighted average interest rate of the company at 31 December 2022 was 3.73% (2021: 1.99%).

The loan was subject to an LTV covenant of 75% and an ICR covenant of 125% assessed by reference to the property interest in 25 Churchill Place held by the company and certain fellow subsidiary undertakings. These covenants were satisfied throughout the year.

**CANARY WHARF INVESTMENTS (BP4) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****16. DERIVATIVE FINANCIAL INSTRUMENTS**

On 22 July 2022, the company entered into an interest rate cap to hedge the exposure to the variability in cash flows on floating rate debt caused by movements in market rates of interest. The capped interest rate is 2% on a notional amount of £444m, expiring on 22 July 2023.

The fair value of the interest rate cap resulted in the recognition of a £5.1m asset at the year end, of which £4.5m was paid at inception. This instrument has been designated as part of a hedging relationship and therefore is revalued through other comprehensive income. Included within prepayments and accrued income is an amount of £656,753 relating to financial year ended 31 December 2022.

This new interest rate cap replaced an existing interest rate cap which expired on 22 July 2022, which had a capped interest rate of 1.5% on a notional amount of £300m. This instrument was not designated as part of a hedging relationship and therefore was revalued through the profit and loss.

The fair values of derivative financial instruments have been determined by reference to market values provided by the relevant counter party, which is level 2 of the fair value hierarchy.

Changes in interest rates would primarily affect the market value of derivative financial instruments.

A +1% parallel shift in the interest rate curve used to value the derivatives, with all other variables held constant, would debit the value of the derivatives by £2.3m and credit the income statement with the same amount.

A -1% parallel shift in the interest rate curve used to value the derivatives, with all other variables held constant, would credit the value of the derivatives by £2.3m and debit the income statement with the same amount.

The 1% sensitivity has been selected based on the directors' view of a reasonable interest rate curve movement assumption.

**17. OPERATING LEASE LIABILITIES**

The minimum lease payments under the operating lease liability fall due as follows:

	2022 £	2021 £
Within one year	1,000	1,000
Between 1-5 years	4,000	4,000
Over 5 years	982,959	984,959
	<u>987,959</u>	<u>989,959</u>



**CANARY WHARF INVESTMENTS (BP4) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Opening balance	17,129	17,129
Finance rents paid	(1,000)	(1,000)
Finance charges	1,000	1,000
	<u>17,129</u>	<u>17,129</u>

Rents of £1,000 per annum are payable until 16 December 3010. The interest rate implicit in the lease is 6.2%.

**18. SHARE CAPITAL**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1 (2021 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

**19. RESERVES**

The company has no distributable reserves at 31 December 2022. The total of the company's realised gains and losses was as follows:

**20. OTHER FINANCIAL COMMITMENTS**

As at 31 December 2022 and 31 December 2021 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

The company has annual commitments of £1,000, which expire after more than five years, in respect of operating leases on land and buildings.

**21. CONTROLLING PARTY**

The company's immediate parent undertaking is Canary Wharf (BP4) Limited.

As at 31 December 2022, 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 wholly-owned group companies.