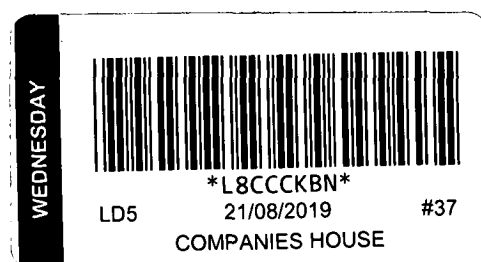


CANARY WHARF (FS BORROWER) LIMITED

Registered number: 09872463

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



CANARY WHARF (FS BORROWER) LIMITED

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CANARY WHARF (FS BORROWER) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The company borrows externally and lends finance on to group companies.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,279 (2017 - £803,750).

No dividends were paid in the year (2017 - £390,000).

DIRECTORS

The directors who served during the year were:

Sir George Iacobescu CBE
R J J Lyons
A P Anderson II

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 2018 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 20 August 2019 and signed on its behalf.



J R Garwood
Secretary

CANARY WHARF (FS BORROWER) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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;
- 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 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 (FS BORROWER) LIMITED

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Canary Wharf (FS Borrower) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit 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;
- the cash flow statement; and
- the related notes 1 to 13.

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 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

CANARY WHARF (FS BORROWER) LIMITED

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

CANARY WHARF (FS BORROWER) LIMITED

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

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.



Valerie Main (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
20 August 2019

CANARY WHARF (FS BORROWER) LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Administrative expenses		-	(3,690)
Other operating income		1,290	-
OPERATING PROFIT/(LOSS)		<u>1,290</u>	<u>(3,690)</u>
Interest receivable and similar income	6	289	11,468,063
Interest payable and similar charges	7	-	(10,485,733)
PROFIT BEFORE TAX		<u>1,579</u>	<u>978,640</u>
Tax on profit	8	(300)	(174,890)
PROFIT FOR THE FINANCIAL YEAR		<u>1,279</u>	<u>803,750</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,279</u></u>	<u><u>803,750</u></u>

The notes on pages 10 to 15 form part of these financial statements.

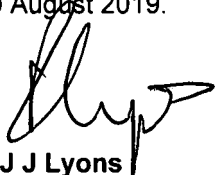
CANARY WHARF (FS BORROWER) LIMITED
REGISTERED NUMBER: 09872463

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	37,762	37,762
Cash at bank and in hand		19,930	92,540
		<u>57,692</u>	<u>130,302</u>
Creditors: amounts falling due within one year	10	(20,700)	(94,589)
NET CURRENT ASSETS		<u>36,992</u>	<u>35,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>36,992</u>	<u>35,713</u>
NET ASSETS		<u>36,992</u>	<u>35,713</u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Retained earnings		36,991	35,712
		<u>36,992</u>	<u>35,713</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 August 2019.



R J J Lyons
Director

The notes on pages 10 to 15 form part of these financial statements.

CANARY WHARF (FS BORROWER) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2018	1	35,712	35,713
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	1,279	1,279
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	1,279	1,279
AT 31 DECEMBER 2018	1	36,991	36,992

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2017	1	(378,038)	(378,037)
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	803,750	803,750
Dividends: Equity capital	-	(390,000)	(390,000)
AT 31 DECEMBER 2017	1	35,712	35,713

The notes on pages 10 to 15 form part of these financial statements.

CANARY WHARF (FS BORROWER) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	1,279	803,750
ADJUSTMENTS FOR:		
Loan interest payable and amortisation of loan issue fees	-	8,237,478
Taxation charge	300	174,890
Decrease in debtors	-	1,981,850
Decrease in amounts owed by groups	-	285,593,153
Decrease in amounts owed by associates	-	(37,762)
(Decrease)/increase in creditors	(1,290)	3,102,767
Decrease in amounts owed to group undertakings	-	(10,591,869)
Corporation tax paid	(72,899)	(29,979)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>(72,610)</u>	<u>289,234,278</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	-	(291,500,000)
Dividends paid	-	(390,000)
Interest paid	-	(9,189,275)
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(301,079,275)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(72,610)</u>	<u>(11,844,997)</u>
Cash and cash equivalents at beginning of year	92,540	11,937,537
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>19,930</u>	<u>92,540</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	19,930	92,540
	<u>19,930</u>	<u>92,540</u>

The notes on pages 10 to 15 form part of these financial statements.

CANARY WHARF (FS BORROWER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Canary Wharf (FS Borrower) Limited is a 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 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 have been applied consistently throughout the period and are summarised below:

2.2 Going concern

At 31 December 2018, the company had completed its activities and is expected to become dormant. As a result the financial statements have been prepared on a basis other than going concern which includes, where appropriate, writing down the company's assets to net realisable value. For the years ended 31 December 2018 and 31 December 2017, this did not result in any changes to the value of the company's assets.

2.3 TAXATION

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expenses or income.

CANARY WHARF (FS BORROWER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.4 FINANCIAL INSTRUMENTS

Trade and other receivables

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

Trade and other payables

Trade and other creditors are stated at cost.

Borrowings

Loans payable are recognised initially at 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.

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.

For the year ended 31 December 2018, there were no items which the directors believe are significant to the financial statements.

4. OTHER OPERATING INCOME

	2018 £	2017 £
Other operating income	1,290	-
	<u>1,290</u>	<u>-</u>

5. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

CANARY WHARF (FS BORROWER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

6. INTEREST RECEIVABLE

	2018 £	2017 £
Loan to Canary Wharf (FS Holdings) Limited Partnership	-	8,242,765
Amortisation of loan fees	-	3,222,627
Bank interest receivable	289	2,671
	<u>289</u>	<u>11,468,063</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Bank interest payable	-	3,567,628
Amortisation of loan fees	-	3,827,827
Periodic loan fees	-	55,262
Loans from group undertakings	-	2
Breakage fees payable	-	2,248,255
Fair value movement of derivatives not designated as part of a hedging arrangement	-	786,759
	<u>-</u>	<u>10,485,733</u>

8. TAXATION

	2018 £	2017 £
CORPORATION TAX		
Current tax on profits for the year	300	72,899
TOTAL CURRENT TAX	<u>300</u>	<u>72,899</u>
DEFERRED TAX		
Origination and reversal of timing differences	-	101,991
TOTAL DEFERRED TAX	<u>-</u>	<u>101,991</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>300</u>	<u>174,890</u>

CANARY WHARF (FS BORROWER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19.0% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,579	978,640
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 - 19.25%)	300	188,388
EFFECTS OF:		
Changes in the rates of tax	-	(13,498)
TOTAL TAX CHARGE FOR THE YEAR	300	174,890

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

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

CANARY WHARF (FS BORROWER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

9. DEBTORS

	2018 £	2017 £
DUE WITHIN ONE YEAR		
Amounts due from Canary Wharf (FS Holdings) Limited Partnership	37,762	37,762
	<u>37,762</u>	<u>37,762</u>

Amounts due from Canary Wharf (FS Holdings) Limited Partnership are interest free and repayable on demand.

10. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to Canary Wharf Limited	14,400	14,400
Corporation tax	300	72,899
Accruals and deferred income	6,000	7,290
	<u>20,700</u>	<u>94,589</u>

Amounts owed to Canary Wharf Limited are interest free and repayable on demand.

11. FINANCIAL INSTRUMENTS

	2018 £	2017 £
FINANCIAL ASSETS		
Bank current accounts	19,930	92,540
Financial assets that are debt instruments measured at amortised cost	37,762	37,762
	<u>57,692</u>	<u>130,302</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(20,400)</u>	<u>(94,589)</u>

CANARY WHARF (FS BORROWER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

12. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

13. CONTROLLING PARTY

The company's immediate parent is Canary Wharf (FS Holdings) Limited Partnership.

Canary Wharf (FS Holdings) Limited Partnership is owned 29.997% by Canary Wharf (FSLP) Limited, 23.331% by WT holding Lux Sarl, 23.331% by Qatar Holdings Luxembourg II Sarl, 23.331% by Chengdong Investment Corporation and 0.01% by Canary Wharf (FS Jersey GP) Limited.

The company has entered into loans with Canary Wharf (FS Holdings) Limited Partnership.