CDR MIDCO GP LIMITED

REGISTERED NUMBER: 11516359

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

FRIDAY
ACIXA5QA
A10 22/12/2023 #169
COMPANIES HOUSE

CDR MIDCO GP LIMITED

CONTENTS

CDR MIDCO GP LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

CDR Midco GP Limited (the 'company') present the strategic report for the year ended 31 March 2023.

Principal activity and business review

The company's principal activity during the year was the management and holding of the Investment Partnership, CDR Midco L.P..

In the year ended 31 March 2023, the company recognised priority distribution income of £1,000 (2022 - £1,000) from it 100% owned partnership CDR Midco L.P.. The profit after taxation amounted to £811 (2022 - £805).

Going concern

At 31 March 2023 the company recognised net current assets and net assets of £4,048.

The company's only source of income is the priority share payment from CDR Midco L.P., and its only outgoing is the tax payable on this income. As such on a standalone basis the company is forecast to be able to meet its liabilities as they fall due for at least 12 months from the date of issuance of these financial statements.

However the company is a holding company in a broader structure, whose main trading entity is The Arch Company Properties L.P. The Arch Company Properties L.P. ("the Partnership") has external debt totalling £856.3m at 31 March 2023. No significant changes to this debt loan have occurred between the year-end and the date of issuance of these financial statements. Included within the total debt are loans of £156.3m which are due to be refinanced in November 2024. The Partnership's business plan is to refinance these loans with the existing or an alternate lender prior to the maturity date. Based on the March 2023 valuation, the partnership's loan-to-value ratio ('LTV') is 42.8%. The partnership's investment properties comprise a highly diversified, cash generative and high occupancy portfolio of mixed-use properties principally in London but also across other major cities and towns in the UK. The directors consider that there remains appetite from lenders for loans, at moderate LTVs, secured against high- quality real estate such as that owned by the partnership. Therefore, the directors are confident that the refinancing of the maturing debt can be completed prior to its maturity date. The ultimate owners of the partnership are two of the largest private investors in UK real estate and have extensive experience of real estate capital markets. The board of directors, which includes representatives from both ultimate investors, has consulted with its investors, in reaching the above conclusions. However, as at the date of issuance of these financial statements, there can of course be no certainty that the maturing debt will be refinanced and £156.3m is a material amount.

Based on the above, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the future of the company is inextricably linked to that of The Arch Company Properties L.P. given that is the primary trading entity within the company's group structure. Accordingly the fact that The Arch Company Properties L.P. needs to refinance a portion of its debt in November 2024 represents a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Future Development

For the foreseeable future, the directors do not anticipate any significant change to its current activity.

Principal risks and uncertainties

The company's principal risks are those of its partnership, CDR Midco L.P. whose objective is to achieve medium to long-term revenue and capital growth from its interest in leasehold assets throughout the United Kingdom. The directors confirm that on a regular basis, a robust assessment of the principal risks facing the company and the partnership including those that would threaten its business model, future performance, solvency and liquidity is carried out.

The directors are also conscious of the prevailing conditions in the UK economy, and the risks and uncertainties faced by property companies in general. In summary, the directors consider the company to be well organised, and the impact of these risks to be low.

Russell Gurnhill	**Adam Dakin**
Director	Director

Signed for and on behalf of the company as directors of CDR JV GP Limited.

19 December 2023

CDR MIDCO GP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors of CDR Midco GP Limited (the 'company') present their report and the audited financial statements for the year ended 31 March 2023. The company was incorporated on 14 August 2018 and is the general partner of CDR Midco L.P.. The company's prior reporting period was year the ended 31 March 2022.

Principal activty

The principal activty of the general partner is the management of its partnership, CDR Midco L.P., which carry on the business of investing and in particular of identifying, researching, negotiating, making, holding and realising investments.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Adam Dakin
Graham Edwards
Russell Gurnhill
Graeme Hunter
Gemma Kataky
Adam Shah
Luigi Caruso
Jeremie Veisse

Results and dividends

The profit for the year after taxation amounted to £811 (2022 - £805). The directors do not recommend the payment of dividend (2022 - £nil).

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006), commonly known as Directors and Officers insurance, in relation to certain losses and liabilities which the directors may incur (or have incurred) to third parties in the course of their professional duties, were in force during the period of directorship and, at the date of this report, are in force for the current directors.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Directors' responsibilities statement

The directors are responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 the financial statements, the directors are required to:

• select suitable accounting policies and then apply them consistently;

• state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• make judgements and accounting estimates that are reasonable and prudent; and

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

• so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

• they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The independent auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under the Companies Act 2006, s.487(2).

By order of the board

Aaron Burns
Signed for and on behalf of the Group as secretary of Telereal Services Limited, the corporate secretary of the general partner.
19 December 2023

Independent auditors' report to the members of CDR Midco GP Limited

Report on the audit of the financial statements

Opinion

In our opinion, CDR Midco GP Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2023; the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is a holding company in a broader structure whose main trading entity is The Arch Company Properties L.P., therefore the future of the company is inextricably linked to that of The Arch Company Properties L.P.. The Arch Company Properties L.P. has £156.3m of external debt which is due to be refinanced in November 2024, and there is no certainty as at the date of issuance of these financial statements that this maturing debt will be refinanced. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a 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.

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

Emphasis of matter - True and fair override - Consolidated Financial Statements

In forming our opinion on the financial statements, which is not modified, we draw attention to Note 1 of the financial statements which describes the true and fair override taken by the directors in not preparing consolidated financial statements.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud
- Reviewing minutes of meetings of those charged with governance
- Performing procedures over any unusual journal entries
- Designing audit procedures to incorporate unpredictability into our testing
- Challenging assumptions made by management in determining their judgements and accounting estimates
- Review of financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Robert Wilkinson

Robert Wilkinson (*Senior Statutory Auditor*)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 December 2023

CDR MIDCO GP LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR PERIOD ENDED 31 MARCH 2023

	Note	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Distribution income	7	1,000	1,000
Finance expense	8	-	(5)
Profit before tax		1,000	995
Taxation	9	(189)	(190)
Profit after taxation		811	805
Total comprehensive income for the financiál year		811	805

All income are from continuing operations.

The notes on pages 14 to 18 are an integral part of these financial statements.

CDR MIDCO GP LIMITED
REGISTERED NUMBER: 11516359

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	31 March 2023 £	31 March 2022 £
Current assets			
Amounts due from related parties	4	5,002	4,002
Total current assets		5,002	4,002
Current liabilities			
Amount due to related parties	5	764	575
Taxation	9	190	190
Total current liabilities		954	765
Net assets		4,048	3,237
Equity			
Capital and Reserves attributable to shareholders			
Share capital	10	2	2
Retained earnings		4,046	3,235
Total equity		4,048	3,237

The financial statements on pages 10 to 18 were approved for issue by the Board of Directors on 19 December 2023 and signed on its behalf by:

Russell Gurnhill
Director

Adam Dakin
Director

The notes on pages 14 to 18 are an integral part of these financial statements.

CDR MIDCO GP LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital £	Retained earnings £	Total equity £
At 01 April 2021	2	2,430	2,432
Comprehensive income for the year			
Profit and total comprehensive income for the year	-	805	805
At 31 March 2022 and 1 April 2022	2	3,235	3,237
Comprehensive income for the year			
Profit and total comprehensive income for the year	-	811	811
At 31 March 2023	2	4,046	4,048

The notes on pages 14 to 18 are an integral part of these financial statements.

CDR MIDCO GP LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Cash flows from operating activities		
Profit before tax	1,000	995
Movement in working capital		
Increase in amounts owed by related parties	(811)	(805)
Corporation tax paid	(189)	(190)
	(1,000)	(995)
Net cash used in operating activities	-	-
Cash flows from financing activities		
Interest paid	-	-
Net cash generated from financing activities	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-
Cash and cash equivalents at the end of year comprise:		
Cash balances	-	-

The notes on pages 14 to 18 are an integral part of these financial statements.

1 Accounting policies

General information

CDR Midco GP Limited ('the company') is a limited company established in England and Wales with a registered address of 6th Floor Watling House, 33 Cannon Street, London, EC4M 5SB. The company is the general partner of CDR Midco L.P. ('the partnership'), a limited partnership established in England and Wales, with the same registered address.

As its general partner, the partnership is managed by the company in accordance with the Partnership's Limited Partnership Agreement dated 14 August 2018, as restated by a deed of adherence dated 16 August 2018 ('the LPA'). The directors of the company are therefore responsible for management, operation and administration of the affairs of the partnership.

The directors present its annual report and financial statements for the year ended 31 March 2023. The prior period was the year ended 31 March 2022.

Basis of preparation

These financial statements have been prepared in accordance with the UK-adopted International Accounting Standards in conformity with the requirements of Companies Act 2006. They were authorised for issue by the company's board of directors on 19 December 2023.

The financial statements have been prepared in Sterling (rounded to the nearest pound), which is the functional and presentational currency of the company.

The preparation of financial statements in accordance with the UK-adopted International Accounting Standards in conformity with the requirements of Companies Act 2006, requires management to make judgements, estimates and assumptions in certain circumstances that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. Management believes that the underlying assumptions are appropriate and that the company's financial statements are fairly presented.

No critical estimates have been made in the process of applying the company's accounting policies.

The following accounting policies have been applied consistently throughout the accounting periods presented:

CDR Midco L.P. meets the definition of a subsidiary undertaking as the partnership is controlled by CDR Midco GP Limited, the general partner, which forms part of the group. The Companies Act 2006 and IFRS 10, require the full consolidation of all subsidiary undertakings. However, the directors consider that the consolidated financial statements would not present a true and fair view if CDR Midco L.P. was consolidated, with other partners with significant interest accounted for as minority interest.

The group's consolidated assets and liabilities as at 31 March 2023 would be £1,258,012,000 and £1,000 respectively (2022 - £1,663,974 and £800 respectively). However, after accounting for minority interest, net equity would be £nil (2022: £nil). Consolidated income (including interest income and fair value adjustment) and expenditure (including interest payable and distribution) would be £(336,166,000) and £78,397,000 respectively (2022 (*restated*) - £716,031,000 and £32,922,000 respectively). After minority interest, consolidated profit for the financial period would be £nil (2022 - £nil).

Going concern

At 31 March 2023 the company recognised net current assets and net assets of £4,048.

The company's only source of income is the priority share payment from CDR Midco L.P., and its only outgoing is the tax payable on this income. As such on a standalone basis the company is forecast to be able to meet its liabilities as they fall due for at least 12 months from the date of issuance of these financial statements.

However the company is a holding company in a broader structure, whose main trading entity is The Arch Company Properties L.P. The Arch Company Properties L.P. ("the Partnership") has external debt totalling £856.3m at 31 March 2023. No significant changes to this debt loan have occurred between the year-end and the date of issuance of these financial statements. Included within the total debt are loans of £156.3m which are due to be refinanced in November 2024. The Partnership's business plan is to refinance these loans with the existing or an alternate lender prior to the maturity date. Based on the March 2023 valuation, the partnership's loan-to-value ratio ('LTV') is 42.8%. The partnership's investment properties comprise a highly diversified, cash generative and high occupancy portfolio of mixed-use properties principally in London but also across other major cities and towns in the UK. The directors consider that there remains appetite from lenders for loans, at moderate LTVs, secured against high- quality real estate such as that owned by the partnership. Therefore, the directors are confident that the refinancing of the maturing debt can be completed prior to its maturity date. The ultimate owners of the partnership are two of the largest private investors in UK real estate and have extensive experience of real estate capital markets. The board of directors, which includes representatives from both ultimate investors, has consulted with its investors, in reaching the above conclusions. However, as at the date of issuance of these financial statements, there can of course be no certainty that the maturing debt will be refinanced and £156.3m is a material amount.

Based on the above, the directors believes that it remains appropriate to prepare the financial statements on a going concern basis. However, the future of the company is inextricably linked to that of The Arch Company Properties L.P. given that is the primary trading entity within the company's group structure. Accordingly the fact that The Arch Company Properties L.P. needs to refinance a portion of its debt in November 2024 represents a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

1 Accounting policies (continued)

Standards, amendments and interpretations effective in the period
The accounting policies used in these financial statements are consistent with those applied in the last annual financial statements, as amended where relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the year, the impact of which is outlined below.

A number of new amendments to the standards listed below came effective from 1 April 2022. These new amendments do not have any impact on the company's income statement or balance sheet.

Amendments to IFRS 3, 'business combinations' update a reference in IFRS 3 to the conceptual framework for financial reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related costs in profit or loss.

Amendments to IAS 37, 'provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

In April 2022, IFRIC issued an agenda decision in respect of demand deposit (the 'IFRIC Decision on Deposits') and in October 2022, the IFRIC finalised an agenda in respect of 'Lessor forgiveness of lease payments (IFRS 9 and IFRS 16)'('the IFRIC Decisions on Concession'). Both these decisions do not have an impact on the company's financial statements.

No endorsed but not yet effective amendments to UK-adopted international accounting standards have been early adopted by the company. No amendments are expected to have a material impact on the company.

Financial instruments

Financial assets

Financial assets which include amounts owed by related undertakings are recognised at transaction price and as the transactions do not have any financing arrangement the assets are stated at amortised cost.

The directors have made an assessment of the intercompany position at 31 March 2023 and consider the outstanding balance is repayable on demand and the borrower/debtor has sufficient accessible highly liquid cash to repay the balance if demanded at the reporting date. As such the directors consider the expected credit loss to be immaterial.

Financial liabilities

All financial liabilities are recognised initially at fair value, and subsequently stated at amortised cost.

Share capital
Ordinary shares are classified as equity. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

Income Recognition
Income represents share of income in CDR Midco L.P., calculated in accordance with the Partnership Deed. The income is fixed at £1,000 per annum and accounted for when the distribution is approved.

Taxes
Income tax on the profit for the period comprises current tax. Current tax is the tax payable on the taxable income for the period and any adjustment in respect of previous period.

2 Significant accounting judgements, estimates and assumptions

No critical accounting judgements, estimates and assumptions have been made in the process of applying the company's accounting policies, other than those involving estimations noted above, that have had a material effect on the amounts recognised in the financial statements.

3 Investments

The company is the general partner in an investment partnership CDR Midco L.P. (which is registered in England and Wales and has the following registered office: 6th Floor Watling House, 33 Cannon Street, London, United Kingdom, EC4M 5SB.

As general partner, the company is liable for any debts of the limited partnership that cannot be met by the limited partnership itself. As at 31 March 2023, the financial statements of the limited partnership included net assets of £1,258,007,000 (2022 - *restated* - £1,663,970,000). The latest accounts of the Partnership have been appended to the copy of the Company's accounts sent to the registrar under the Companies Act 2006.

4 Amounts due from related parties

	31 March 2023	31 March 2022
	£	£
TT CDR Assetco Limited	1	1
BX CDR Holdco Limited	1	1
CDR Midco L.P.	5,000	4,000
	5,002	4,002

The amounts owed by related parties are interest-free, unsecured and repayable on demand. There are no material differences between the carrying value and the fair value of debtors as at 31 March 2023 or 31 March 2022. The detailed transactions between the parties are disclosed in the Related Party note 7.

CDR MIDCO GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5 Amounts due to related parties

	31 March 2023	31 March 2022
	£	£
The Arch Company Properties L.P.	764	575
	764	575

The amounts owed to related parties are interest-free, unsecured and repayable on demand. There are no material differences between the carrying value and the fair value of creditors as at 31 March 2023 or 31 March 2022. The detailed transactions between the parties are disclosed in the Related Party note 7.

6 Financial risk management

Financial risk factors

The company's activities expose it to a variety of risks including credit risk and liquidity risk. The directors, who have overall responsibility for the establishment and oversight of the company's risk management have put in place a risk management programme that assesses such risk and seeks to minimise the potential effects on the company's performance.

For the purposes of this note, the directors have taken into account current facts and circumstances and what they consider to be standard market practice and industry accepted levels of risk and exposure, given the nature of the company's business.

Actual outcomes and results may differ significantly in the future, which may result in a number of the risks outlined in this note having a materially adverse impact on the company's performance. However, the existence of these risks and exposures may also have a positive impact on the future performance of the company. The directors do not guarantee the ultimate performance of the company.

(i) Credit risk

Credit risk is the risk of the company's net asset value changing due to a counterparty (debtor) defaulting on its obligations made to the company. The company has no significant concentrations of credit risk outside of the group. Credit risk arises from its loans to related parties. Credit risk is managed on a group basis.

An analysis of the credit quality of financial assets is as follows:

	31 March 2023	31 March 2022
	£	£
Amounts payable by group undertakings gross	5,002	4,002
Neither past due nor impaired	5,002	4,002
Past due but not impaired		
- less than 30 days overdue	-	-
- 30 to 90 days overdue	-	-
Amounts payable by related parties	5,002	4,002

(ii) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when they fall due. The company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The directors monitor this risk and the liquidity position of the company on a periodic basis and consider the potential timing of the maturity of its assets and liabilities and projected operating cash flows. There are currently no external capital requirements.

A summary table with maturity of financial assets and liabilities presented below is used to manage liquidity risk. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the balance sheet as the impact of discounting is not significant.

The maturity analysis of financial assets is as follows:

As at 31 March 2023	Due within one year	1-2 years	2-5 years	Over 5 years	TOTAL
	£	£	£	£	£
Amounts due from related parties	5,002	-	-	-	5,002

As at 31 March 2022	Due within one year	1-2 years	2-5 years	Over 5 years	TOTAL
	£	£	£	£	£
Amounts due from related parties	4,002	-	-	-	4,002

The maturity analysis of financial liabilities is as follows:

As at 31 March 2023	Due within one year	1-2 years	2-5 years	Over 5 years	TOTAL
	£	£	£	£	£
Amounts due to related parties	764	-	-	-	764

6 Financial risk management
(ii) Liquidity risk (continued)

As at 31 March 2022	Due within one year £	1-2 years £	2-5 years £	Over 5 years £	TOTAL £
Amounts due to related parties	575	-	-	-	575

7 Related Party

The company is in a joint agreement with various entities below either through deed of partnerships or common ownership.

Transactions with group undertakings
As per the Limited Partnership Agreement, the general partner is entitled to £1,000 per annum of the Priority Share, the first £1,000 of the profits the partnership distributes in the period. The amount receivable by the general partner at the year end amounts to £5,000 (2022 - £4,000).

Other related party transactions
The company's costs for the year ended 31 March 2023 was £nil (2022 - £5). The Arch Company Properties L.P., an associated partnership paid the company's taxation for prior periods. The amount due to The Arch Company Properties L.P. at 31 March 2023 totalled £764 (2022 - £575).

CDR Midco GP Limited is equally owned by BX CDR Holdco Limited and TT CDR Assetco Limited, meanwhile The Arch Company Properties L.P. is indirectly owned by both companies.

8 Finance expense

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Other interest	-	5
	-	5

9 Taxation

Income tax recognised in profit and loss

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Current tax	189	190
Current tax on profit for the year	189	190

Factors affecting tax charge for the period
There were no factors affecting the current period's tax charge.

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Profit before tax	1,000	995
Profit before tax multiplied by the rate of corporation tax in the UK of 19% (2022 -19%)	190	189
Disallowed expenses	-	1
Prior Period adjustment	(1)	-
Total tax expense	189	190

Changes in tax rates and factors affecting the future tax charges
UK corporation tax increased on 1 April 2023 from 19% to 25%.

Current tax liabilities

	31 March 2023 £	31 March 2022 £
Corporations tax payable	(190)	(190)
Total tax liabilities	(190)	(190)

10 Share capital

	31 March 2023 £	31 March 2022 £
Allotted, called up and fully paid		
2 (2022 - 2) ordinary shares of £1 each	2	2
	2	2

The company issued 2 ordinary shares of £1 at par on 14 August 2018.

11 Auditors' remuneration

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements	5,000	2,000

The audit fee was paid and borne on the company's behalf by The Arch Company Services Limited, an associated company.

12 Directors' remuneration

None of the directors received remuneration for their services to the company for the year ended 31 March 2023 (2022 - £nil).

The company did not have any employees during the period under review (2022 - £nil).

13 Controlling party

CDR Midco GP Limited is owned equally by TT CDR Assetco Limited and BX CDR Holdco Limited. There is no controlling party.

CDR MIDCO L.P.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REGISTERED NUMBER: LP019712

CONTENTS

CDR MIDCO L.P.

GENERAL PARTNER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The general partner presents the financial statements for the year ended 31 March 2023. The partnership's prior period was the year ended 31 March 2022.

In preparing this report, the general partner has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006, as applied to qualifying partnerships. It has also taken advantage of the exemptions provided by section 414B of the Companies Act 2006 in not preparing a Strategic Report.

CDR Midco L.P. ("the partnership") was registered under the Limited Partnership Act on 14 August 2018.

Principal activities, business review and results

The objective of the partnership is to maximise the value generated from its investment in The Arch Company Properties L.P.. The change in net assets attributable to partners due (loss)/profit for the year ended 31 March 2023, amounted to £414,563,000 (2022 - Profit - *restated* £683,108,000). The result (2022 - profit) for the year includes £414,562,000 - loss (2022 - £683,109,000 - gain) change in the fair value of its investment in The Arch Company Properties L.P..

Distributions

During the year ended 31 March 2023, the partnership made distributions totalling £78,397,000 (2022 - £32,923,000).

Going concern

At 31 March 2023 the partnership had net current liabilties of £5,000 and net assets of £1,258,007,000.

Other than distributions receivable and payable, which pass through the partnership, the partnership's only outflow is in relation to priority share payments to its general partner, CDR Midco GP Limited. Given the partnership's lack of inflows and its net current liability position, a fellow group undertaking The Arch Company Properties L.P. has agreed to provide financial support to the partnership for a period of at least 12 months from the date of signing of these financial statements such that the partnership can operate as a going concern and settle its liabilities as they fall due.

However, The Arch Company Properties L.P. has external debt totalling £856.3m at 31 March 2023. No significant changes to this debt loan have occurred between the year-end and the date of issuance of these financial statements. Included within the total debt are loans of £156.3m which are due to be refinanced in November 2024. The Partnership's business plan is to refinance these loans with the existing or an alternate lender prior to the maturity date. Based on the March 2023 valuation, the partnership's loan-to-value ratio ('LTV') is 42.8%. The partnership's investment properties comprise a highly diversified, cash generative and high occupancy portfolio of mixed-use properties principally in London but also across other major cities and towns in the UK. The general partner considers that there remains appetite from lenders for loans, at moderate LTVs, secured against high- quality real estate such as that owned by the partnership. Therefore, the general partner is confident that the refinancing of the maturing debt can be completed prior to its maturity date. The ultimate owners of the partnership are two of the largest private investors in UK real estate and have extensive experience of real estate capital markets. The board of directors, which includes representatives from both ultimate investors, has consulted with its investors, in reaching the above conclusions. However, as at the date of issuance of these financial statements, there can of course be no certainty that the maturing debt will be refinanced and £156.3m is a material amount.

Based on the above, the general partner believes that it remains appropriate to prepare the financial statements on a going concern basis. However, given the partnership's reliance on The Arch Company Properties L.P. for financial support and given the fact that The Arch Company Properties L.P. needs to refinance a portion of its debt in November 2024, this represents a material uncertainty which may cast significant doubt on the partnership's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Future developments

For the foreseeable future, the general partner does not anticipate any significant change to its current activity.

Statement of general partner's responsibilities in respect of the financial statements

The general partner is responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the general partner to prepare financial statements for each financial year. Under that law the general partner has prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, as applied to qualifying partnerships, a general partner 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 partnership and of the profit or loss of the partnership for that period. In preparing the financial statements, the general partner is required to:

• select suitable accounting policies and then apply them consistently;

• state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• make judgements and accounting estimates that are reasonable and prudent; and

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The general partner is responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The general partner is also responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006.

General Partner's confirmations

In the case of each member in office at the date the general partner's report is approved:

• so far as the member is aware, there is no relevant audit information of which the partnership's auditors are unaware; and

• they have taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the partnership's auditors are aware of that information.

This report was approved by the board on 19 December 2023 and signed on its behalf.

Aaron Burns
Signed for and on behalf of the partnership as secretary of Telereal Services Limited, the corporate secretary of the general partner.

Independent auditors' report to the partners of CDR Midco L.P.

Report on the audit of the financial statements

Opinion

In our opinion, CDR Midco L.P.'s financial statements:

- give a true and fair view of the state of the partnership's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2023; the statement of comprehensive income and statement of changes in net assets attributable to the partners for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the partnership's ability to continue as a going concern. The partnership is reliant on a letter of support from The Arch Company Properties L.P., a partnership under common ownership. The Arch Company Properties L.P. has £156.3m of external debt which is due to be refinanced in November 2024, and there is no certainty as at the date of issuance of these financial statements that this maturing debt will be refinanced. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the partnership's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the partnership were unable to continue as a going concern.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The general partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the General Partner's Report, we also considered whether the disclosures required by the UK Companies Act 2006 as applied to qualifying partnerships have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 as applied to qualifying partnerships requires us also to report certain opinions and matters as described below.

General Partner's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the General Partner's Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we did not identify any material misstatements in the General Partner's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the general partner for the financial statements

As explained more fully in the Statement of general partner's responsibilities in respect of the financial statements, the general partner is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The general partner is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the partnership'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 general partner either intends to liquidate the partnership or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the partnership and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud
- Reviewing minutes of meetings of those charged with governance
- Performing procedures over any unusual journal entries
- Designing audit procedures to incorporate unpredictability into our testing
- Challenging assumptions made by management in determining their judgements and accounting estimates
- Review of financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of general partner's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion, the general partner was not entitled to: take advantage of the small companies exemption in preparing the General Partner's Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Robert Wilkinson

Robert Wilkinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 December 2023

CDR MIDCO L.P.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	Year ended 31 March 2023 £'000	*Restated* Year ended 31 March 2022 £'000
Distributions received		78,396	32,922
Net fair value (loss)/gain on financial assets at fair value	4	(414,562)	683,109
(Loss)/Profit before distributions to the partners		(336,166)	716,031
Finance costs			
Distribution to General Partner		(1)	(1)
Distribution to Limited Partners		(78,396)	(32,922)
Change in net assets attributable to partners due to (loss)/profit		(414,563)	683,108
Attributable to:			
General Partner		-	-
Limited Partner		(414,563)	683,108
		(414,563)	683,108

2022 figures have been restated to reflect the change in accounting policy with further information in note 2 and 8.

All income is from continuing activities.

The notes on pages 12 to 16 are an integral part of these financial statements.

CDR MIDCO L.P.

REGISTERED NUMBER: LP019712

BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	31 March 2023 £'000	*Restated* 31 March 2022 £'000
Non-current assets			
Investments	4	1,258,012	1,663,974
Total assets		1,258,012	1,663,974
Liabilities			
Current liabilities			
Amount owed to a related party	5	5	4
Total current liabilities		5	4
Net assets attributable to partners		1,258,007	1,663,970
Represented by:			
General Partner's capital account		-	-
Limited Partners' capital account		1,258,007	1,663,970
		1,258,007	1,663,970

The prior year Balance Sheet have been represented with further information in note 2 and 8.

The financial statements on pages 9 to 16 were approved by the general partner on 19 December 2023 and signed on its behalf by:

Russell Gurnhill

Adam Dakin

Signed for and on behalf of the partnership as directors of the general partner, CDR Midco GP Limited.

The notes on pages 12 to 16 are an integral part of these financial statements.

CDR MIDCO L.P.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE PARTNERS FOR THE YEAR ENDED 31 MARCH 2023

	General Partner's Capital account	Limited Partner's Capital account	Total partners' funds
	£'000	£'000	£'000
At 1 April 2021	-	980,862	980,862
Change in net assets attributable to partners due to profit	-	683,108	683,108
At 31 March 2022 and 1 April 2022	-	1,663,970	1,663,970
Change in net assets attributable to partners due to loss	-	(414,563)	(414,563)
Capital from partners	-	8,600	8,600
At 31 March 2023	-	1,258,007	1,258,007

The prior year Statement of Changes in Equity has been replaced with Statement of Changes in Net Assets with further information in note 2 and 8.

The notes on pages 12 to 16 are an integral part of these financial statements.

1 Accounting policies

General information

CDR Midco L.P. ("the partnership") is a limited partnership, established in England and Wales by the Limited Partnership Agreement (the LPA) dated 14 August 2018, as amended and restated by a deed of adherence dated 16 August 2018. The partnership's registered address and principal place of business is 6th Floor Watling House, 33 Cannon Street, London, EC4M 5SB.

The general partner of the partnership is CDR Midco GP Limited. The general partner has immediate control of the partnership however there is no ultimate controlling party. The general partner is responsible for the management, operation and administration of the affairs of the partnership.

The general partner presents its general partner's report and financial statements for the year ended 31 March 2023. The prior period was the year ended 31 March 2022. Comparative financial information as at, and for the year ended, 31 March 2022 has been restated. For further information see note 8.

Basis of preparation

These financial statements have been prepared in accordance with the UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Regulations, requires the use of certain critical accounting estimates.

The Partnership is a joint venture between TT CDR Assetco Limited and BX CDR Holdco Limited and is equity accounted into the group financial statements of TT CDR Assetco Limited which are publicly available (see note 9).

The financial statements have been prepared in Sterling (rounded to the nearest thousand pounds), which is the functional and presentational currency of the partnership.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period.

Cash flow statement

The partnership has not prepared a cash flow statement as it does not hold any bank accounts. The cash flow statement presented in the prior year incorrectly included non-cash transactions and, since there were no bank accounts in the prior year either, has hence not been presented as comparative financial information in these financial statements.

Going concern

At 31 March 2023 the partnership had net current liabilities of £5,000 and net assets of £1,258,007,000.

Other than distributions receivable and payable, which pass through the partnership, the partnership's only outflow is in relation to priority share payments to its general partner, CDR Midco GP Limited. Given the partnership's lack of inflows and its net current liability position, a fellow group undertaking The Arch Company Properties L.P. has agreed to provide financial support to the partnership for a period of at least 12 months from the date of signing of these financial statements such that the partnership can operate as a going concern and settle its liabilities as they fall due.

However, The Arch Company Properties L.P. has external debt totalling £856.3m at 31 March 2023. No significant changes to this debt loan have occurred between the year-end and the date of issuance of these financial statements. Included within the total debt are loans of £156.3m which are due to be refinanced in November 2024. The Partnership's business plan is to refinance these loans with the existing or an alternate lender prior to the maturity date. Based on the March 2023 valuation, the partnership's loan-to-value ratio ('LTV') is 42.8%. The partnership's investment properties comprise a highly diversified, cash generative and high occupancy portfolio of mixed-use properties principally in London but also across other major cities and towns in the UK. The general partner considers that there remains appetite from lenders for loans, at moderate LTVs, secured against high- quality real estate such as that owned by the partnership. Therefore, the general partner is confident that the refinancing of the maturing debt can be completed prior to its maturity date. The ultimate owners of the partnership are two of the largest private investors in UK real estate and have extensive experience of real estate capital markets. The board of directors, which includes representatives from both ultimate investors, has consulted with its investors, in reaching the above conclusions. However, as at the date of issuance of these financial statements, there can of course be no certainty that the maturing debt will be refinanced and £156.3m is a material amount.

Based on the above, the general partner believes that it remains appropriate to prepare the financial statements on a going concern basis. However, given the partnership's reliance on The Arch Company Properties L.P. for financial support and given the fact that The Arch Company Properties L.P. needs to refinance a portion of its debt in November 2024, this represents a material uncertainty which may cast significant doubt on the partnership's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Standards, amendments and interpretations effective in the period

The accounting policies used in these financial statements are consistent with those applied in the last financial statements, as amended where relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the period, the impact of which is outlined below.

A number of new amendments to the standards, listed below, became effective from 1 April 2022. These new amendments do not have any impact on the partnership's income statement or balance sheet.

Amendments to IFRS 3, 'business combinations' update a reference in IFRS 3 to the conceptual framework for financial reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related costs in profit or loss.

Amendments to IAS 37, 'provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Accounting policies (continued)
Standards, amendments and interpretations effective in the period (continued)

In April 2022, IFRIC issued an agenda decision in respect of demand deposit (the 'IFRIC Decision on Deposits') and in October 2022, the IFRIC finalised an agenda in respect of 'Lessor forgiveness of lease payments (IFRS 9 and IFRS 16)'('the IFRIC Decisions on Concession'). Both these decisions do not have an impact on the partnership's financial statement.

No endorsed but not yet effective amendments to UK-adopted international accounting standards have been early adopted by the partnership. No amendments are expected to have a material impact on the partnership.

Investments
The partnership's investments balance represents funds advanced to The Arch Company Properties L.P., a limited partnership in which the partnership has a 100% interest. The funds are interest free advances and give the partnership the right to receive the net profits of the partnership and a cash distribution, subject to certain terms and as approved by the general partner. The partnership interest is treated as a financial asset carried at fair value. The financial asset is recognised initially at fair value and subsequently valued on the same basis at the balance sheet date. The net fair value gain or loss on the financial asset is recognised through the profit and loss account. Cash distributions received on the financial asset are shown separately on the face of the income statement rather than being shown as part of the fair value movement on the financial asset.

Financial instruments

Financial assets and financial liabilities are recognised when the partnership becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Debt instrument
Debt instruments which meet the following conditions are measured at amortised cost.

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount attributable to the current period or prior periods.

Distribution received
Distributions received are recognised when paid.

Distributions payable
Distributions of net assets attributable to the limited and general partners and any repayments of funded committed capital are shown in the Statement of Comprehensive Income and the Statement of Changes in Net Assets Attributable to the Partners when paid.

Taxation
The partnership is domiciled in the United Kingdom. Under the current laws of the United Kingdom, there is no income, estate, corporation, capital gains or other taxes payable by the partnership. Any other tax liability arising on the activities of the partnership will be borne by the individual partners.

2 Significant accounting judgements, estimations and assumptions

The preparation of financial statements in accordance with international accounting standards in conformity with requirements of the Companies Act 2006, requires management to make estimates and assumptions in certain circumstances that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Partner's interests

Following a change in judgement that the Limited Partnership is obliged to return surplus cash to the limited partners to repay their interests before the end of the Limited Partnership's life, the accounting policy applied to the presentation of partnership interests has changed. In the prior year, partners' interests were classified as equity instruments under IAS 32 Financial Instrument Presentation. In the current year partners' interests have been classified as financial liabilities and the comparative financial information has been restated following this change in judgement. For further information on the impacts of this reclassification on the financial statements see note 8.

The Limited Partnership Agreement sets out the rights of each of the partners to receive returns on their investment in the Partnership. It has been judged that there is a contractual obligation for the Limited Partnership to deliver cash to the partners before the end of the life of the partnership to repay their partnership interests.

Investment valuation

The partnership reviews the carrying value of its investments at each balance sheet date. The partnership's investment in The Arch Company Properties L.P. ("ArchCo") is valued based on the net asset value of ArchCo with adjustments made for items not held at fair value on its balance sheet, the only such item being debt. An adjustment is also made to the valuation in respect of an estimated price reduction that a potential purchaser would make to allow for operating costs associated with managing the ArchCo 's property portfolio. A key driver of the investment value is the valuation of ArchCo 's property portfolio, which is held on its balance sheet at fair value.

2 Significant accounting judgements, estimations and assumptions (continued)
Investment valuation (continued)

The ArchCo's property portfolio is valued at each balance sheet date by an external qualified chartered surveyor in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. Valuations are made using various assumptions and estimates which include, but are not limited to, estimated rental values (ERV) of the properties, the terms of tenants occupations of the properties, rental growth, the length of void periods between lettings and capitalisation yields. Capitalisation yields are one of the more subjective of the estimates and are also a key driver of the valuation. Sensitivities to the valuation, for changes in capitalisation yields, are set out in note 4.

3 Financial Risk Management

The partnership is in a joint arrangement where the objective of the partnership is to maximise the value generated from its investment in The Arch Company Properties L.P.. The partnership confirms that a robust assessment of the principal risks facing the partnership, including those that would threaten its business model, future performance, solvency and liquidity are carried out on a regular basis.

(i) Economic outlook
The partnership reviews the economic environment in which it operates to assess whether changes to the economic outlook justify the risk appetite of the business. The partnership is mindful of the ongoing economic uncertainty due to geo-political tension and the stickiness of UK inflation, but the focus remains on controlling what the partnership can within the business. Looking ahead the partnership business is well positioned, financially strong and has a clear long term strategy.

(ii) Liquidity risk
Liquidity risk is the risk that the partnership will not be able to meet its financial obligations as and when they fall due. The partnership's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the partnership's reputation.

The general partner monitors this risk and the liquidity position of the partnership on a periodic basis to consider the potential timing of the maturity of its assets and liabilities and projected operating cash flows. There are currently no external capital requirements.

A summary table with maturity of financial liabilities excluding partners capital presented below is used to manage liquidity risk. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the balance sheet as the impact of discounting is not significant.

The maturity analysis of financial instruments is as follows:

Financial liabilities

31 March 2023	Due within one year £'000	1-2 years £'000	2-5 years £'000	Over 5 years £'000	TOTAL £'000
Amounts owed to a related party	5	-	-	-	5

Financial liabilities

31 March 2022	Due within one year £'000	1-2 years £'000	2-5 years £'000	Over 5 years £'000	TOTAL £'000
Amounts owed to a related party	4	-	-	-	4

4 Investments

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Opening balance	1,663,974	980,865
Capital from partners	8,600	-
Fair value adjustment	(414,562)	683,109
Closing balance	1,258,012	1,663,974

The partnership's investments balance represents its interest in The Arch Company Properties L.P. which owns a portfolio of properties. As set out in note 2, the valuation of that property portfolio is a key driver of the value of the partnership's investment.

Property valuation basis

As at 31 March 2023 and 31 March 2022 the fair value of The Arch Company Properties L.P.'s investment properties was determined by the external valuers. The valuation assumes a portfolio sale of all of the properties in one lot since that is the most likely disposal method for the properties. The valuation was prepared in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, which allows for a valuation on a portfolio basis.

The valuers' opinion of fair value was derived by adopting the 'investment method' of valuation. This method involves applying capitalisation yields to current and future rental streams net of property costs. The capitalisation yields and future rentals are based on comparable properties and leasing transactions in the market using the valuers' professional judgement and market observation.

The partnership considers all of the investment properties to fall within 'Level 3', as defined by IFRS 13, because some of the key inputs to the valuation, such as capitalisation yields and market rental vlaue are unobservable, as defined by IFRS13.

4 Investments (continued)
Valuation basis (continued)

Note 2 lists the assumptions and estimates used within the valuation and notes that capitalisation yields are key driver of the valuation. The table below sets out the impact on the fair value of the partnership's property portfolio as at 31 March 2023 given a plus or minus 50 basis point (bp) shift in the capitalisation yields used within the valuation.

2023	Blended Yield £'000	Net rental value £'000	Market Value £'000
London	4.25%	78,882	1,737,900
Outside London	6.75%	18,867	261,700
	4.58%	97,749	1,999,600

Yield sensitivity analysis	Minus 50 bps	Blended Yield	Plus 50 bps
London	3.75%	4.25%	4.75%
Outside London	6.25%	6.75%	7.25%

Market value based on yield movement	Minus 50 bps £'000	Blended Yield £'000	Plus 50 bps £'000
London	1,969,600	1,737,900	1,554,900
Outside London	282,700	261,700	243,700
	2,252,300	1,999,600	1,798,600

The table below sets out the impact on the fair value of the partnership's property portfolio as at 31 March 2022 given a plus or minus 25 basis point (bp) shift in the capitalisation yields used within the valuation.

2022	Blended Yield £'000	Net rental value £'000	Market Value £'000
London	3.55%	78,858	2,065,157
Outside London	4.33%	17,939	385,399
	3.68%	96,797	2,450,556

Yield sensitivity analysis	Minus 25 bps	Blended Yield	Plus 25 bps
London	3.30%	3.55%	3.80%
Outside London	4.08%	4.33%	4.58%

Market value based on yield movement	Minus 25 bps £'000	Blended Yield £'000	Plus 25 bps £'000
London	2,210,379	2,065,157	1,919,821
Outside London	407,558	385,399	363,042
	2,617,937	2,450,556	2,282,863

5 Amount owed to a related party

	31 March 2023 £'000	31 March 2022 £'000
Amount due to general partner	5	4
	5	4

6 Auditors' remuneration

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Fees payable to the partnership's auditors and their associates for the audit of the partnership's annual financial statements	5	5

The audit fee was paid and borne on the partnership's behalf by The Arch Company Services Limited, an associated company.

7 Related party transactions

The partnership is in a joint arrangement with various other companies and partnerships and had the following related party transactions.

Transactions with related parties

As per the Limited Partnership Agreement, the general partner is entitled to £1,000 per annum of the priority share, the first £1,000 of the profits the partnership distributes in the period. The amount due to the general partner at the end of the year amounted to £5,000 (2022 - £4,000).

Other related party transaction

The partnership's operating costs for the year ended 31 March 2023 totalled £Nil (2022 - £Nil).

CDR Midco L.P., and The Arch Company Properties L.P. are indirectly owned by BX CDR Holdco Limited and TT CDR Assetco Limited.

8 Prior period restatements

As per note 2, following the change in judgement made in applying the IAS 32 presentation accounting policy, the general partner has restated comparative financial information to reflect the partner's interest as financial liabilities as opposed to equity instruments. The impact on this restatement on comparative financial information is quantified below:

Balance Sheet

Following the restatement, the equity of the partnership as at 1 April 2021 and 31 March 2022, is nil.

At 1 April 2021, the previously reported £980,862,000 of Partners' capital classified as equity is now presented as 'net assets attributable to the partners' (a liability). At 31 March 2022, the previously reported £1,663,970,000 of Partners' capital classified as equity, is now presented as 'net assets attributable to the partners'.

Statement of comprehensive income

For the year ended 31 March 2022, distributions to the General Partner and Limited Partners totaling £32,923,000, which were previously presented as a deduction to equity in the Statement of Changes in Equity, are now presented as finance expense in the statement of comprehensive income. The aggregate impact of these adjustments is to reduce the previously reported profit for the year of £716,031,000 by £32,923,000 and report a change in net assets attributable to partners due to (loss)/profit of £683,108,000.

Statement of Changes in Equity

As a result of the reclassification of Partner's interests, the partnership has no equity instruments (as defined by IAS 32) at 31 March 2021, 31 March 2022 or 31 March 2023. A Statement of Changes in Net Assets Attributable to Partners is presented in lieu of the previously presented Statement of Changes in Equity.

9 Controlling party

The limited partner is indirectly owned by TT CDR Assetco Limited and BX CDR Holdco Limited. The general partner has immediate control of the partnership however there is no ultimate controlling party.

The general partner is CDR Midco GP Limited.