



CANARY WHARF
GROUP PLC

CWE SPVC LIMITED

Registered number: 3123343

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



CWE SPVC LIMITED

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CWE SPVC 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.

In preparing this report, the directors have taken advantage of the small companies exemptions.

PRINCIPAL ACTIVITY

The company holds a 99 year pass through interest in certain floors of One Canada Square, Canary Wharf.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £156,487 (2017 - £73,734).

No dividends have been paid or proposed for the year (2017 - £NIL).

DIRECTORS

The directors who served during the year were:

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

The company provides an indemnity to all directors (to the extent permitted by law) in respect of liabilities incurred as a result of their office. The company also has in place liability insurance covering the directors and officers of the company. Both the indemnity and insurance were in force during the year ended 31 December 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 27 June 2019 and signed on its behalf.



J R Garwood
Secretary

**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; 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 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.

CWE SPVC LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWE SPVC LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of CWE SPVc 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; and
- the related notes 1 to 15.

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWE SPVC 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWE SPVC 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.

A handwritten signature in black ink, appearing to read 'J Wright', is written over a horizontal line.

James Wright FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
27 June 2019

CWE SPVC LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

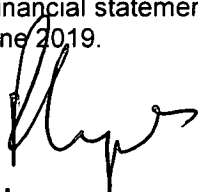
	Note	2018 £	2017 £
Turnover		6,404,306	8,401,618
Cost of sales		(6,058,786)	(8,193,027)
GROSS PROFIT		345,520	208,591
Administrative expenses		(280,086)	(138,996)
Movement in fair value of investment properties	7	46,097	1,153
OPERATING PROFIT		111,531	70,748
Tax on profit	6	44,956	2,986
PROFIT FOR THE FINANCIAL YEAR		156,487	73,734
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		156,487	73,734

The notes on pages 9 to 18 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Investment property	7	823,653	777,556
		<u>823,653</u>	<u>777,556</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	8	2,634,666	2,244,530
Debtors: amounts falling due within one year	8	1,449,186	2,689,029
Cash at bank and in hand		428,133	390,315
		<u>4,511,985</u>	<u>5,323,874</u>
Creditors: amounts falling due within one year	9	(1,435,887)	(2,699,445)
NET CURRENT ASSETS		<u>3,076,098</u>	<u>2,624,429</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,899,751</u>	<u>3,401,985</u>
Creditors: amounts falling due after more than one year	10	(2,608,319)	(2,222,084)
PROVISIONS FOR LIABILITIES			
Deferred tax	11	(16,526)	(61,482)
		<u>(16,526)</u>	<u>(61,482)</u>
NET ASSETS		<u>1,274,906</u>	<u>1,118,419</u>
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Profit and loss account	13	1,274,905	1,118,418
		<u>1,274,906</u>	<u>1,118,419</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 June 2019.


R J J Lyons
 Director

The notes on pages 9 to 18 form part of these financial statements.

CWE SPVC 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	1,118,418	1,118,419
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	156,487	156,487
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	156,487	156,487
AT 31 DECEMBER 2018	1	1,274,905	1,274,906

The notes on pages 9 to 18 form part of these financial statements.

**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	1,044,684	1,044,685
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	73,734	73,734
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	73,734	73,734
AT 31 DECEMBER 2017	1	1,118,418	1,118,419

The notes on pages 9 to 18 form part of these financial statements.

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

1. GENERAL INFORMATION

CWE SPVC 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 Strategic Report.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

The principal accounting policies have been applied consistently throughout the year and the preceding year and are summarised below:

2.2 Going concern

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

2.3 Cash flow statement

The company has taken the exemption from preparing the cash flow statement under Section 1.12(b) as it is a member of a group where the parent of the group prepares publicly available consolidated accounts which are intended to give a true and fair view.

2.4 Revenue

Rental income from operating leases is recognised in the Income Statement on a straight-line basis over the term of the lease. Lease incentives granted, including rent free periods, are recognised as an integral part of the net consideration for the use of the property and are therefore also recognised on the same straight line basis. Direct costs incurred in negotiating and arranging new leases are also amortised on the same straight line basis. Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example turnover rents, are recorded in the periods in which they are earned.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Investment properties

Investment properties, including land and buildings held for development and investment properties under construction, are measured initially at cost including related transaction costs. The finance costs associated with direct expenditure on properties under construction or undergoing refurbishment are capitalised.

Where a property interest is acquired under a lease the investment property and the associated lease liability are initially recognised at the lower of the fair value and the present value of the minimum lease payments including any initial premium. Lease payments are apportioned between the finance charge and a reduction in the outstanding obligation for future amounts payable. The total finance charge is allocated to accounting periods over the lease term so as to produce a constant periodic charge to the remaining balance of the obligation for each accounting period.

Investment properties are subsequently revalued, at each reporting date, to an amount comprising the fair value of the property interest plus the carrying value of the associated lease liability less separately identified accrued rent, amortised lease incentives and negotiation costs. The gain or loss on remeasurement is recognised in the income statement.

2.6 Financial instruments

The directors have taken advantage of the exemption in paragraph 1.12c of FRS 102 allowing the company not to disclose the summary of financial instruments by the categories specified in paragraph 11.41.

Trade and other receivables

Debtors 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.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.7 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.

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.

Valuation of investment properties

The company uses valuations performed by independent valuers as the fair value of its properties. The valuations are based upon assumptions including future rental income, anticipated void costs and the appropriate discount rate or yield. The valuers also make reference to market evidence of transaction prices for similar properties.

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

4. AUDITOR'S REMUNERATION

Auditor's remuneration of £2,500 (2017 - £2,000) for the audit of the company for the year has been borne by another group undertaking.

5. EMPLOYEES

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

6. TAXATION

	2018 £	2017 £
Current tax on profits for the year	-	-
	-	-
	-	-
TOTAL CURRENT TAX	-	-
DEFERRED TAX		
Origination and reversal of timing differences	(44,956)	(2,986)
TOTAL DEFERRED TAX	(44,956)	(2,986)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	(44,956)	(2,986)

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

6. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

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

	2018 £	2017 £
Profit on ordinary activities before tax	111,531	70,748
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 - 19.25%)	21,191	13,619
EFFECTS OF:		
Property rental business	(348)	-
Expenses not deductible for tax purposes	3,713	2,380
Non-taxable income	(1,458)	-
Deferred tax eliminated on conversion to REIT	(57,545)	-
Change in tax rates	5,289	395
Indexation	-	(3,053)
Group relief	(15,798)	(16,327)
TOTAL TAX CHARGE FOR THE YEAR	(44,956)	(2,986)

On 29 March 2018, Stork Holdings Limited, a direct subsidiary of Stork HoldCo L.P., listed its shares on The International Stock Exchange in Jersey and the group headed by Stork Holdings Limited, which includes the company, converted to a REIT. As a consequence of the conversion, all qualifying property rental business is exempt from corporation tax. Only income and expenses relating to non-qualifying activities will continue to be taxable.

The deferred tax liability relating to property revaluation, for space not occupied by group undertakings, has been released.

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.

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

7. INVESTMENT PROPERTY

	Long term leasehold investment property £
VALUATION	
At 1 January 2018	777,556
Surplus on revaluation	46,097
AT 31 DECEMBER 2018	823,653

The company holds a 99 year pass through interest in certain floors of One Canada Square, Canary Wharf.

At 31 December 2018, the property was valued externally by CBRE Limited, qualified valuers with recent experience in office properties at Canary Wharf. The fair value was determined in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, using:

- Discounted cash flows based on inputs provided by the company (current rents, terms and conditions of lease agreements) and assumptions and valuation models adopted by the valuers (estimated rental values, terminal values and discount rates).
- Yield methodology based on inputs provided by the company (current rents) and assumptions and valuation models adopted by the valuers (estimated rental values and market capitalisation rates).

The resulting valuations are cross checked against the initial yields and the fair market values per square foot derived from actual market transactions.

No allowance was made for any expenses of realisation nor for any taxation which might arise in the event of disposal.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	2017 £
Historic cost	50,000	50,000

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

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

	2018 £	2017 £
Leasehold properties	823,653	777,556
Negotiation costs	441,150	186,509
Lease incentives	1,996,367	1,112,945
Intercompany lease incentives due from fellow subsidiaries	197,149	945,076
Negotiation costs attributable to fellow subsidiaries	(436,740)	(184,644)
Lease incentives attributable to fellow subsidiaries	(2,171,579)	(2,037,442)
	<u>850,000</u>	<u>800,000</u>

The property interest in One Canada Square is let to several tenants with an average lease length of 5.1 years (2017 - 2.1 years).

The future minimum undiscounted payments under the non-cancellable operating leases are as follows:

	2018 £	2017 £
Within one year	5,240,558	6,947,723
In one to five years	13,114,825	7,564,618
After more than five years	15,817,987	1,359,760
	<u>34,173,370</u>	<u>15,872,101</u>

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

8. DEBTORS

	2018 £	2017 £
DUE AFTER MORE THAN ONE YEAR		
Lease incentives and negotiation costs	2,634,666	2,244,530
	<u>2,634,666</u>	<u>2,244,530</u>
	2018 £	2017 £
DUE WITHIN ONE YEAR		
Trade debtors	360,824	722,534
Amounts owed by group undertakings	811,142	1,958,829
Prepayments and accrued income	277,220	7,666
	<u>1,449,186</u>	<u>2,689,029</u>

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

Lease incentives and negotiation costs

Other debtors due after more than one year consist of the following:

	2018 £	2017 £
Negotiation costs	441,150	186,509
Lease incentives	1,996,367	1,112,945
Lease incentives granted to fellow subsidiary undertakings	197,149	945,076
	<u>2,634,666</u>	<u>2,244,530</u>

9. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	268,450	517,890
Other creditors	428,133	390,315
Accruals and deferred income	739,304	1,791,240
	<u>1,435,887</u>	<u>2,699,445</u>

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

CWE SPVC LIMITED

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

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

	2018 £	2017 £
Lease incentives and negotiation costs attributable to fellow subsidiary undertakings	2,608,319	2,222,084
	<u>2,608,319</u>	<u>2,222,084</u>

11. DEFERRED TAXATION

	2018 £
At beginning of year	(61,482)
Charged to profit or loss	44,956
AT END OF YEAR	<u><u>(16,526)</u></u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Revaluation of investment properties	(16,526)	(61,482)
	<u>(16,526)</u>	<u>(61,482)</u>

12. SHARE CAPITAL

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

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

13. RESERVES

The distributable reserves of the company differ from its retained earnings as follows:

	2018 £	2017 £
Retained earnings	1,274,905	1,118,418
Revaluation of investment properties	(773,653)	(727,556)
Deferred tax on revaluation of investment properties	16,526	61,482
Distributable reserves	517,778	452,344

14. OTHER FINANCIAL COMMITMENTS

As at 31 December 2018 and 31 December 2017 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

The company has annual commitments in respect of operating leases on land and buildings expiring after more than five years equal to 99% of its net rents receivable. The expense recognised in the year was £5,910,298 (2017 - £6,889,749).

15. CONTROLLING PARTY

The company's immediate parent undertaking is CWE SPV HCo Limited.

As at 31 December 2018, the smallest group of which the company is a member and for which group financial statements are drawn up is the consolidated financial statements of Canary Wharf Group Investment Holdings plc. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB.

The largest group of which the company is a member for which group financial statements are drawn up is the consolidated financial statements of Stork HoldCo LP, an entity registered in Bermuda and the ultimate parent undertaking and controlling party. Stork HoldCo LP is registered at 73 Front Street, 5th Floor, Hamilton HM12, Bermuda.

Stork HoldCo LP is controlled as to 50% by Brookfield Property Partners LP and as to 50% by Qatar Investment Authority.

The directors have taken advantage of the exemption in paragraph 102.33.1A of FRS 102 allowing the company not to disclose related party transactions with respect to other wholly-owned group companies.