



## **CABOT PLACE HOLDINGS LIMITED**

Registered number: 03302749

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**CABOT PLACE HOLDINGS LIMITED**

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## **CABOT PLACE HOLDINGS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors, in preparing this Strategic Report, have complied with section 414C of the Companies Act 2006.

This Strategic Report has been prepared for the company and not for the group of which it is a member and therefore focuses only on matters which are significant to the company.

#### **BUSINESS MODEL**

The company is a wholly owned subsidiary of Canary Wharf Group plc and its ultimate parent undertaking is Stork HoldCo LP.

The principal activity of the company is property investment. The company holds properties directly and via Jersey Property Unit Trusts ('JPUT').

#### **BUSINESS REVIEW**

As shown in the company's profit and loss account, the company's loss after tax for the year was £2,198,780 (2020 - loss of £85,004,828).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £165,407,736 (2020 - £167,606,516).

On 20 December 2021 the company transferred all of the units it held in One Canada Square Retail Unit Trust to a fellow subsidiary undertaking.

#### **FUTURE DEVELOPMENTS**

There have not been any significant events since the balance sheet date.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The risks and uncertainties facing the business are monitored through continuous assessment, regular formal reviews and discussion at the Canary Wharf Group Investment Holdings plc audit committee and board. Such discussion focuses on the risks identified as part of the system of internal control which highlights key risks faced by the Group and allocates specific day to day monitoring and control responsibilities as appropriate. As a member of Canary Wharf Group, the current key risks of the company include ongoing impact of COVID-19, the cyclical nature of the property market, departure from the EU, concentration risk, financing risk, interest rate risk and policy and planning risks.

##### **Cyclical nature of the property market**

The valuation of the Company and Group's assets are subject to many other external economic and market factors. In recent years, the London real estate market has had to cope with fluctuations in demand caused by key events such as the 2008/2009 financial crisis, uncertainty in the Eurozone and the implications of the UK's withdrawal from the EU. The full impact of the Russian invasion of Ukraine and sanctions imposed on Russia as a consequence and of the coronavirus is not yet possible to predict. Any long term continuation of the pandemic will however inevitably affect short and medium term economic performance and confidence, with adverse implications for the property market. The real estate market has to date, however, been assisted by the depreciation of sterling since the EU referendum and the continuing presence of overseas investors attracted by the relative transparency of the real estate market in London which is still viewed as both relatively stable and secure. Previous Government announcements, in particular the changes to stamp duty underpinned continuing demand in the residential market and the value of the Group's development sites. Property valuations for office properties let on long leases to tenants with good covenants have remained relatively strong despite continuing economic uncertainties which are unhelpful to confidence across the wider real estate sector.

**CABOT PLACE HOLDINGS LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Financing risk**

The broader economic cycle inevitably leads to movements in inflation, interest rates and bond yields. The company finances its operations largely through surplus cash and intercompany finance.

**Concentration risk**

The Group's real estate assets are currently located on or adjacent to the Estate. Although a majority of tenants have traditionally been linked to the financial services industry, this proportion has now fallen to around only 50% of tenants. Wherever possible steps are still taken to mitigate or avoid material consequences arising from this concentration.

## **CABOT PLACE HOLDINGS LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **SECTION 172(1) STATEMENT COMPANIES ACT 2006**

Section 172 (1) of the Companies Act 2006 requires that a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

**(a) the likely consequences of any decision in the long term**

The Board meets regularly to discuss and make decisions on matters of strategic importance to the business, to promote the long- term success of the Company and to consider the likely long term impact of any such decisions.

In accordance with the Articles of Association the Company has by ordinary resolution appointed each of the directors. Accordingly, there is an alignment of the interests between shareholders and the Board. The Group Executive Chairman and Group Chief Executive Officer are also members of the Board.

**(b) the interests of the Company's employees**

The Company has no employees other than the directors, who did not receive remuneration from the Company during the year.

**(c) the need to foster the Company's business relationships with suppliers, customers and others**

The Group has strong and well-established long-term relationships with its suppliers, tenants and customers. This is evidenced by the continuation of links across the full value chain, over many years, with the full range of contractors, advisors and suppliers who interact directly with employees of the company without the intervention of sub-contractors.

**(d) the impact of the Company's operations on the community and the environment**

The Group publishes an annual Corporate Responsibility report which is available on the Group website. However, in addition to the above, the Group is committed to fostering positive links within the local communities in which it works. The Group has an appointed Group Strategy Director who manages a team which works collaboratively with the London Boroughs of Tower Hamlets and of Lambeth. The Director is also engaged politically and is responsible for the Group's long-term strategy, planning, community and sports events, links with local educational establishments and promotional arts events.

The Group is an established member of the Tower Hamlets Partnership Executive Group which engages with a range of local business leaders. The Group's Personnel Department has well established links with local schools, colleges, universities and with the local job centre.

**(e) the desirability of the Company maintaining a reputation for high standards of business conduct**

The Group expects the highest standards of conduct from its employees, business partners and suppliers with which it engages. The Group has an established internal risk control and audit process with a range of official policies. In addition, the Internal Audit process is provided independently by Ernst & Young LLP.

The Group is fully compliant with all current GDPR laws and employment legislation.

**(f) the need to act fairly between members of the Company**

The Company's articles of association may be amended by special resolution of the Company's shareholder. The Company is a wholly owned subsidiary within the Stork HoldCo LP group of companies and is a single member company under section 123 (1) of the Companies Act 2006.

Throughout 2022 the Board will continue to review how the Group can improve engagement with its employees and stakeholders.


**CABOT PLACE HOLDINGS LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**KEY PERFORMANCE INDICATORS**

The Canary Wharf Group (comprising Canary Wharf Group plc and its subsidiaries) manages its operations on a unified basis. For this reason, the company's directors believe that key performance indicators specific to the company are not necessary or appropriate for an understanding of the development, performance or position of its business. The performance of the Canary Wharf Group, which includes the company, is discussed in the Annual Report of Canary Wharf Group plc, which does not form part of this report.

This report was approved by the board on 28 November 2022 and signed on its behalf.

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**A S J Daffern**  
Director

## **CABOT PLACE HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £2,198,780 (2020 - loss £85,004,828).

Dividends of £Nil (2020 - £Nil) have been paid during the year.

#### **DIRECTORS**

The directors who served during the year were:

A S J Daffern (appointed 6 May 2021)  
Sir George Iacobescu CBE (resigned 1 July 2021)  
K J Kingston (appointed 6 May 2021)  
S Z Khan  
R J J Lyons (resigned 21 May 2021)  
R J Worthington (appointed 6 May 2021)

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 2021 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.

#### **FUTURE DEVELOPMENTS**

Details of the company's future developments are set out in the Strategic Report.

#### **FINANCIAL INSTRUMENTS**


The financial risk management objectives and policies together with the principal risks and uncertainties of the company are contained within the Strategic Report.

#### **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 28 November 2022 and signed on its behalf.

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**A S J Daffern**  
Director

## **CABOT PLACE HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **CABOT PLACE HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABOT PLACE HOLDINGS LIMITED**

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

##### **OPINION**

In our opinion the financial statements of Cabot Place Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 17.

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

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

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

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

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

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

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

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

## **CABOT PLACE HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABOT PLACE HOLDINGS LIMITED**

#### **OTHER INFORMATION**

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **RESPONSIBILITIES OF DIRECTORS**

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## **CABOT PLACE HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABOT PLACE HOLDINGS LIMITED**

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

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

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

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

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

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

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

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

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

## **CABOT PLACE HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABOT PLACE HOLDINGS LIMITED**

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

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic and 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;

We have nothing to report in respect of these matters.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lyn Cowie CA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Aberdeen, United Kingdom  
28 November 2022

**CABOT PLACE HOLDINGS LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Other operating income		-	527,250
<b>OPERATING PROFIT</b>		-	527,250
Loss from fixed asset investments	9	(561,959)	(78,292,617)
Provision against investments	9	946,404	(4,300,465)
Interest receivable and similar income	6	-	16,107
Interest payable and similar charges	7	(2,583,225)	(2,955,103)
<b>LOSS BEFORE TAX</b>		(2,198,780)	(85,004,828)
Tax on loss	8	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(2,198,780)	(85,004,828)
Other comprehensive income for the year		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(2,198,780)</u>	<u>(85,004,828)</u>

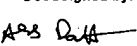
The notes on pages 14 to 23 form part of these financial statements.

**CABOT PLACE HOLDINGS LIMITED**  
**REGISTERED NUMBER: 03302749**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Investments	9	215,388,200	258,145,818
Investment property	10	10,000	10,000
		<u>215,398,200</u>	<u>258,155,818</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	11	60,354,083	20,391,519
Cash at bank and in hand		987	1,000
		<u>60,355,070</u>	<u>20,392,519</u>
Creditors: amounts falling due within one year	12	(620,607)	(110,941,821)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>59,734,463</u>	<u>(90,549,302)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>275,132,663</u>	<u>167,606,516</u>
Creditors: amounts falling due after more than one year	13	(109,724,927)	-
<b>NET ASSETS</b>		<u><u>165,407,736</u></u>	<u><u>167,606,516</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	2	2
Retained earnings	15	165,407,734	167,606,514
		<u><u>165,407,736</u></u>	<u><u>167,606,516</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 November 2022.

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**A S J Daffern**  
 Director

The notes on pages 14 to 23 form part of these financial statements.

**CABOT PLACE HOLDINGS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2021	2	167,606,514	167,606,516
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Loss for the year	-	(2,198,780)	(2,198,780)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(2,198,780)	(2,198,780)
<b>AT 31 DECEMBER 2021</b>	<u>2</u>	<u>165,407,734</u>	<u>165,407,736</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2020	2	252,611,342	252,611,344
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Loss for the year	-	(85,004,828)	(85,004,828)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(85,004,828)	(85,004,828)
<b>AT 31 DECEMBER 2020</b>	<u>2</u>	<u>167,606,514</u>	<u>167,606,516</u>

The notes on pages 14 to 23 form part of these financial statements.

## **CABOT PLACE HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Cabot Place Holdings Limited is a private company limited by shares incorporated in the UK under the Companies Act 2006 and registered in England and Wales at One Canada Square, Canary Wharf, London, E14 5AB.

The nature of the company's operations and its principal activities are set out in the 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 Replacement of LIBOR as an interest rate benchmark**

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

##### **2.3 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.

##### **The impact of COVID-19**

The UK economy has been significantly impacted by COVID-19 which has caused widespread disruption and economic uncertainty since March 2020. Despite all remaining COVID-19 restrictions being removed in the first half of 2022, the impact of lockdowns, work from home recommendations and other restrictions that were in place at various times from March 2020 to early 2022 continue have lasting disruption which has contributed to higher inflation, rising interest rates and the resulting knock-on impact to consumer spending. The impact of higher inflation and rising interest rates creates uncertainty around the pace of recovery in the retail market.

However the business is well positioned to weather those challenges and is not expected that the crisis will have material impact on the assets, liabilities or performance of the company during the coming year.

##### **2.4 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.



## **CABOT PLACE HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **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 associated lease liability is 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 Investments**

Investments in subsidiaries are stated at cost less any provision for impairment.

Investments in unit trusts are stated at fair value. The fair value is calculated by reference to the company's share of the net assets of the investment, as adjusted for assets and liabilities which are not carried at fair value. Any movement is taken to the income statement.

Income from investments is recognised as the company becomes entitled to receive payment. Dividend income from investments in companies is recognised when received or irrevocably declared.

##### **Trade and other payables**

Trade and other creditors are stated at cost.

##### **2.7 Financial instruments**

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

##### **Trade and other receivables**

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

##### **Loans receivable**

Loans receivable are recognised initially at the transaction price including transaction costs. Subsequent to initial recognition, loans receivable are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Income Statement over the period of the loan, using the effective interest method.

##### **Trade and other payables**

Trade and other creditors are stated at cost.

## **CABOT PLACE HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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

##### **Borrowings**

Standard loans payable are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans payable are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Income Statement over the period of the loan, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

##### **2.8 Taxation**

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

#### **3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

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

##### **Valuation of investment properties**

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

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

Investments in JPUTs are carried at fair value. The directors have valued the investment at the company's share of the JPUT's net asset value, as adjusted for the fair value of the JPUT's property interest.

For the year ended 31 December 2021, the financial statements of the company did not contain any significant items that required the application of judgements, apart from those involving estimation.

#### **4. AUDITOR'S REMUNERATION**

Auditor's remuneration of £8,200 (2020 - £6,000) for the audit of the company has been borne by another group undertaking.

**CABOT PLACE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****5. EMPLOYEES**

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2021 £	2020 £
Interest receivable from group companies	-	16,107
	<u>-</u>	<u>16,107</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2021 £	2020 £
Bank interest payable	13	-
Financing costs	146,866	174,521
Loans from group undertakings	2,416,572	2,759,495
Other interest payable	19,774	21,087
	<u>2,583,225</u>	<u>2,955,103</u>

**8. TAXATION**

	2021 £	2020 £
Current tax on loss for the year	-	-
<b>TOTAL CURRENT TAX</b>	<u>-</u>	<u>-</u>

**CABOT PLACE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****8. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is different to (2020 - different to) the standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(2,198,780)	(85,004,829)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2020 - 19.0%)	(417,768)	(16,150,918)
<b>EFFECTS OF:</b>		
Property rental business	(1,268,107)	(739,369)
Fair value movements not subject to tax	1,883,388	17,038,342
Non taxable income	(201,270)	(100,177)
Interest restriction	-	(18,726)
Capital allowances	-	(30,152)
Group relief	3,757	1,000
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>-</b>	<b>-</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

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

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

**CABOT PLACE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****9. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £	Investments in Jersey Property Unit Trusts £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2021	55,050,005	208,244,763	263,294,768
Disposals	-	(34,417,165)	(34,417,165)
Share of capital losses	-	(9,286,857)	(9,286,857)
At 31 December 2021	<u>55,050,005</u>	<u>164,540,741</u>	<u>219,590,746</u>
<b>IMPAIRMENT</b>			
At 1 January 2021	5,148,950	-	5,148,950
Movement in provision against investment	(946,404)	-	(946,404)
At 31 December 2021	<u>4,202,546</u>	<u>-</u>	<u>4,202,546</u>
<b>NET BOOK VALUE</b>			
At 31 December 2021	<u>50,847,459</u>	<u>164,540,741</u>	<u>215,388,200</u>
At 31 December 2020	<u>49,901,055</u>	<u>208,244,763</u>	<u>258,145,818</u>

The share of capital losses relates to revaluation of an investment property recognised in the income statement of the Jersey Property Unit Trust.

In December 2021 the company transferred all of the 99.2% of the units it held in One Canada Square Retail Unit Trust to Canary Wharf Retail Limited, a fellow subsidiary undertaking, for a consideration of £34,417,165.

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Cabot Place Limited	Property Investment	Ordinary	100%
Cabot Place (RT2) Limited	Property Investment	Ordinary	100%
Canary Wharf Retail (DS3) Limited	Property Investment	Ordinary	100%
Canary Wharf Retail (RT4) Limited	Property Investment	Ordinary	100%
Nash Court Retail Limited	Property Investment	Ordinary	100%
Canada Square (Pavilion) Limited	Property Investment	Ordinary	100%

The company received dividends of £Nil from its subsidiary undertakings during the year (2020 - £Nil).

**CABOT PLACE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****Investment in Jersey Property Unit Trusts**

At 31 December 2021 the company held 99.8% (2020 - 99.8%) of the units in Cabot Place (Retail) Unit Trust and Nil% (2020 - 99.2%) of the units in One Canada Square (Retail) Unit Trust.

	2021 £	2020 £
Cost of interest in Jersey Property Unit Trust	131,660,627	163,058,267
Share of accumulated capital profits	32,880,113	45,186,496
	<u>164,540,740</u>	<u>208,244,763</u>

During the year the company recorded distributions as follows:

	2021 £	2020 £
Distributions in advance brought forward	807,817	817,725
Distributions received	6,610,897	6,942,581
Distributions accrued/ (in advance) carried forward	1,306,184	(807,817)
Fair value capital movement	(4,561,427)	(85,245,106)
Loss on disposal of Jersey Property Unit Trust	(4,725,430)	-
<b>Loss from fixed asset investments</b>	<u>(561,959)</u>	<u>(78,292,617)</u>

In accordance with Section 400 of the Companies Act 2006, financial information is only presented in these financial statements about the company as an individual undertaking and not about its group because the company and its investment are included in the consolidated financial statements of a larger group (Note 17).

The directors are of the opinion that the fair value of the company's investments at 31 December 2021 was not less than the amount shown in the company's balance sheet.

**CABOT PLACE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****10. INVESTMENT PROPERTY**Freehold  
investment  
property  
£**VALUATION**

At 1 January 2021

10,000

**AT 31 DECEMBER 2021****10,000**

At 31 December 2021, the property was valued externally by Savills Commercial 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 at £NIL (2020 - £NIL).

**11. DEBTORS**

	2021 £	2020 £
Amounts owed by parent undertaking	1	1
Amounts owed by fellow subsidiary undertakings	20,470,927	14,925,529
Loan to fellow subsidiary undertaking	39,883,155	5,465,989
	<u>60,354,083</u>	<u>20,391,519</u>

£5,465,989 of the loans to a fellow subsidiary undertaking carries interest at a rate linked to LIBOR and is repayable on demand. In December 2021 the company entered into a new, non interest bearing loan of £34,417,166 with a fellow subsidiary undertaking which is repayable on demand.

Other amounts owed by group undertakings are interest free and repayable on demand

**CABOT PLACE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****12. CREDITORS: Amounts falling due within one year**

	2021 £	2020 £
Loan from fellow subsidiary undertaking	-	109,578,061
Amounts owed to group undertakings	5	5
Accrued interest on loan from fellow subsidiary undertaking	497,082	452,192
Accruals and deferred income	123,520	911,563
	<u>620,607</u>	<u>110,941,821</u>

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

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

	2021 £	2020 £
Loan from fellow subsidiary undertaking	109,724,927	-
	<u>109,724,927</u>	<u>-</u>

The loan from fellow subsidiary undertaking carries interest at the LIBOR plus 2.1%. During the year the loan was extended with a new repayment date of 23 April 2025.

At 31 December 2021, there were capitalised financing costs of £Nil (2020 - £146,866) offset against the loan.

**14. SHARE CAPITAL**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
2 (2020 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>



**CABOT PLACE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****15. RESERVES**

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

	2021 £	2020 £
Retained earnings	165,407,734	167,606,514
Revaluation of investment properties	(10,000)	(10,000)
Share of accumulated capital profits	(144,316,896)	(156,623,278)
<b>Distributable reserves</b>	<b>21,080,838</b>	<b>10,973,236</b>

The share of capital profits relates to the revaluation of an investment property recognised in the income statement of the Jersey Property Unit Trust. The company recognises its share of this unrealised profit in the carrying value of its investment.

**16. OTHER FINANCIAL COMMITMENTS**

As at 31 December 2021 and 31 December 2020 the company had given fixed and floating charges over substantially all its assets to secure the commitments of certain other group undertakings.

**17. CONTROLLING PARTY**

The company's immediate parent undertaking is Canary Wharf Investments Limited.

As at 31 December 2021, the smallest group of which the company is a member and for which group financial statements are drawn up is the consolidated financial statements of Canary Wharf Group Investment Holdings plc. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB.

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

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

The directors have taken advantage of the exemption in paragraph 33.1A of FRS 102 allowing the company not to disclose related party transactions with respect to other wholly-owned group companies