

**CANARY WHARF (FS INVEST) LIMITED**

Registered number: 07321412

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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# **CANARY WHARF (FS INVEST) LIMITED**

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## **CANARY WHARF (FS INVEST) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report and the financial statements for the year ended 31 December 2015.

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

#### **PRINCIPAL ACTIVITY**

The company holds a 30% interest in Canary Wharf (FS Two) Limited.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £4,947 (2014 -£4,920).

No dividends have been paid or proposed (2014: £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 2015 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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 29 April 2016 and signed on its behalf.



**J R Garwood**  
Secretary

## **CANARY WHARF (FS INVEST) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

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 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 and then apply them consistently;
- make judgments 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **CANARY WHARF (FS INVEST) LIMITED**

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

We have audited the financial statements of Canary Wharf (FS Invest) Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16. 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'.

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.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**


We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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

**CANARY WHARF (FS INVEST) LIMITED**

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

- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.

  
Mark Beddy (Senior Statutory Auditor)  
for and on behalf of  
**Deloitte LLP**  
Chartered Accountant and Statutory Auditor  
London, UK

29 April 2016

**CANARY WHARF (FS INVEST) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	As restated 2014 £
Amortisation of loan measurement difference		11,845	10,731
Other operating income		4,900	4,900
<b>Operating profit</b>		<b>16,745</b>	<b>15,631</b>
Interest receivable and similar income	5	47	20
Interest payable and expenses	6	(11,845)	(10,731)
<b>Profit before tax</b>		<b>4,947</b>	<b>4,920</b>
<b>Profit for the year</b>		<b>4,947</b>	<b>4,920</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>4,947</b>	<b>4,920</b>

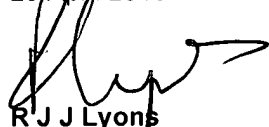
The notes on pages 9 to 16 form part of these financial statements.

**CANARY WHARF (FS INVEST) LIMITED**  
**REGISTERED NUMBER:07321412**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	As restated 2014 £
<b>Fixed assets</b>			
Investments	8	139,026	139,026
		<u>139,026</u>	<u>139,026</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	1,225	4,900
Cash at bank and in hand		23,397	14,775
		<u>24,622</u>	<u>19,675</u>
Creditors: amounts falling due within one year	11	(100)	(100)
<b>Net current assets</b>		<u>24,522</u>	<u>19,575</u>
<b>Total assets less current liabilities</b>		<u>163,548</u>	<u>158,601</u>
Creditors: amounts falling due after more than one year	12	(125,942)	(114,097)
<b>Net assets</b>		<u><u>37,606</u></u>	<u><u>44,504</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Capital contribution		13,083	24,928
Profit and loss account		24,522	19,575
		<u><u>37,606</u></u>	<u><u>44,504</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2016.

  
**R J J Lyons**  
 Director

The notes on pages 9 to 16 form part of these financial statements.



**CANARY WHARF (FS INVEST) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2015**

	Share capital	Capital contribution	Retained earnings	Total equity
	£	£	£	£
At 1 January 2015	1	24,928	19,575	44,504
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	4,947	4,947
<b>Total comprehensive income for the year</b>	-	-	4,947	4,947
<b>Contributions by and distributions to owners</b>				
Amortisation of loan measurement difference	-	(11,845)	-	(11,845)
<b>Total transactions with owners</b>	-	(11,845)	-	(11,845)
<b>At 31 December 2015</b>	<b>1</b>	<b>13,083</b>	<b>24,522</b>	<b>37,606</b>

**CANARY WHARF (FS INVEST) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2014**

	Share capital	Capital contribution	Retained earnings	Total equity
	£	£	£	£
At 1 January 2014 (as previously stated)	1	-	14,655	14,656
Prior year adjustment	-	35,659	-	35,659
At 1 January 2014 (as restated)	<u>1</u>	<u>35,659</u>	<u>14,655</u>	<u>50,315</u>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	4,920	4,920
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>4,920</u>	<u>4,920</u>
<b>Contributions by and distributions to owners</b>				
Amortisation of loan measurement difference	-	(10,731)	-	(10,731)
<b>Total transactions with owners</b>	<u>-</u>	<u>(10,731)</u>	<u>-</u>	<u>(10,731)</u>
<b>At 31 December 2014</b>	<u><u>1</u></u>	<u><u>24,928</u></u>	<u><u>19,575</u></u>	<u><u>44,504</u></u>

The notes on pages 9 to 16 form part of these financial statements.

## **CANARY WHARF (FS INVEST) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **1. ACCOUNTING POLICIES**

##### **1.1 General Information**

Canary Wharf (FS Invest) Limited is an English Limited Company registered at One Canada Square, Canary Wharf, London, E14 5AB.

The nature of the company's operations and its principal activities are set out in the Director's Report.

##### **1.2 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").

Information on the impact of first-time adoption of FRS 102 is given in note 16.

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 2).

The principal accounting policies are summarised below:

##### **1.3 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.

##### **1.4 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.

##### **1.5 Investments**

Investments are stated at cost less any provision for impairment.

## **CANARY WHARF (FS INVEST) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **1.6 Financial Instruments**

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

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

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, deposits held with banks and other short term highly liquid investments with original maturities of 3 months or less, which are held for the purpose of meeting short term cash commitments.

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

Trade and other creditors are stated at cost.

##### **Borrowings**

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

#### **1.7 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.

## **2. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

For the year ended 31 December 2015, there were no items which the directors believe are significant to the financial statements.

## **3. AUDITOR'S REMUNERATION**

The auditor's remuneration of £800 (2014 - £800) for the audit of the company has been borne by another group undertaking.

## **4. EMPLOYEES**

The company has no employees other than the directors, who did not receive any remuneration (2014 -£NIL).

# CANARY WHARF (FS INVEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

### 5. INTEREST RECEIVABLE

	2015 £	2014 £
Bank interest receivable	47	20
	<u>47</u>	<u>20</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Loans from group undertakings	11,845	10,731
	<u>11,845</u>	<u>10,731</u>

### 7. TAXATION

#### Total current tax

#### 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 20.25% (2014 -21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>4,947</u>	<u>4,920</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.5%)	1,002	1,058
<b>Effects of:</b>		
Non-taxable income	(2,399)	(2,307)
Group relief	<u>1,397</u>	<u>1,249</u>
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

#### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The tax rate of 20.25% has been calculated by reference to the current corporation tax rate of 20% which was in effect for the final three quarters of the year and the previous rate of 21% which was in effect for the first quarter of the year.

# CANARY WHARF (FS INVEST) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

### 8. FIXED ASSET INVESTMENTS

	Other fixed asset investments £
<b>Cost or valuation</b>	
At 1 January 2015	139,026
<b>At 31 December 2015</b>	<u>139,026</u>

The company owns 139,026 ordinary £1 shares in Canary Wharf (FS Two) Limited which represents a 30% interest in the company. At 31 December 2015, Canary Wharf (FS Two) Limited had net assets of £2,793,104 (2014 - £2,295,635) and recorded a profit of £497,469 for the year then ended (2014 - £1,354,061).

The directors are of the opinion that the value of the company's investments at 31 December 2015 was not less than the amount shown in the company's balance sheet.

### 9. DEBTORS

	2015 £	2014 £
Trade debtors	-	3,675
Prepayments and accrued income	1,225	1,225
	<u>1,225</u>	<u>4,900</u>

### 10. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Cash at bank	23,397	14,775
	<u>23,397</u>	<u>14,775</u>

## CANARY WHARF (FS INVEST) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### 11. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	100	100
	<u>100</u>	<u>100</u>

#### 12. CREDITORS: Amounts falling due after more than one year

	2015 £	As restated 2014 £
Loan from parent undertaking	125,942	114,097
	<u>125,942</u>	<u>114,097</u>

The loan owed to the parent undertaking bears no interest and is repayable within three years of the date of practical completion of the development at 20 Fenchurch Street.

The prior year balance has been restated and the current year balance has been recalculated in accordance with the 'amortised cost method', as prescribed by Section 11, FRS 102, using a market rate of 10%.

The measurement difference between the original and recalculated amount of the loan has been treated as a capital contribution and will be amortised over the life of the loan.

#### 13. SHARE CAPITAL

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

#### 14. RELATED PARTY TRANSACTIONS

The company holds a 30% investment in Canary Wharf (FS Two) Limited. During the year the company billed £3,675 (2014: £3,675) to Canary Wharf (FS Two) Limited for administrative services in relation to the 20 Fenchurch Street development and further £1,225 (2014: £1,225) was accrued. At 31 December 2015, all of the billed amounts were settled.

## **CANARY WHARF (FS INVEST) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **15. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS**

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

As at 31 December 2015, 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 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 group companies.



**CANARY WHARF (FS INVEST) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**16. FIRST TIME ADOPTION OF FRS 102**

	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Note						
Fixed assets	139,026	-	139,026	139,026	-	139,026
Current assets	14,755	-	14,755	19,675	-	19,675
Creditors: amounts falling due within one year	(100)	-	(100)	(100)	-	(100)
<b>Net current assets</b>	<b>14,655</b>	<b>-</b>	<b>14,655</b>	<b>19,575</b>	<b>-</b>	<b>19,575</b>
<b>Total assets less current liabilities</b>	<b>153,681</b>	<b>-</b>	<b>153,681</b>	<b>158,601</b>	<b>-</b>	<b>158,601</b>
Creditors: amounts falling due after more than one year	(139,025)	35,659	(103,366)	(139,025)	24,928	(114,097)
<b>Net assets</b>	<b>14,656</b>	<b>35,659</b>	<b>50,315</b>	<b>19,576</b>	<b>24,928</b>	<b>44,504</b>
Capital and reserves	14,656	35,659	50,315	19,576	24,928	44,504

**CANARY WHARF (FS INVEST) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**16. FIRST TIME ADOPTION OF FRS 102 (continued)**

		As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
	Note			
Administrative expenses		4,900	-	4,900
Other operating income	2	-	10,731	10,731
<b>Operating profit</b>		<b>4,900</b>	<b>10,731</b>	<b>15,631</b>
Interest receivable and similar income		20	-	20
Interest payable and similar charges	1	-	(10,731)	(10,731)
<b>Profit on ordinary activities after taxation and for the financial year</b>		<b>4,920</b>	<b>-</b>	<b>4,920</b>

Explanation of changes to previously reported profit and equity:

- 1 The interest free loan from the parent undertaking has been restated in accordance with the 'amortised cost method', as prescribed by Section 11, FRS 102. Interest has been recalculated using a market rate of 10%.
- 2 The difference between the original and recalculated amount of the loan has been credited to capital contribution account and is being amortised over the life of the loan.