

Registration number: 09411165

# 22 Bishopsgate (DevCo) Limited

Annual report and financial statements

For the year ended 31 December 2021



## **22 Bishopsgate (DevCo) Limited**

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## **22 Bishopsgate (DevCo) Limited**

### **Company information**

<b>Directors</b>	V.L. Hall F.A. Faravelli M.K. Perrott (appointed 1 June 2021) H.A. Badham (resigned 31 May 2021)
<b>Registered office</b>	14th Floor 22 Bishopsgate London United Kingdom EC2N 4BQ
<b>Bankers</b>	Royal Bank of Scotland Plc PO Box 2027 Parklands De Havilland Way Bolton BL6 4YU
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

## **22 Bishopsgate (DevCo) Limited**

### **Strategic report**

#### **For the year ended 31 December 2021**

The Directors present their Strategic report together with the Directors' report and the audited financial statements of 22 Bishopsgate (DevCo) Limited (the "Company") for the year ended 31 December 2021.

#### **Business review**

The Company's principal activity is to develop the land known collectively as 22 Bishopsgate, owned by 22 Bishopsgate Limited Partnership acting by its' General Partner, 22 Bishopsgate General Partner Limited and is governed by a Development Management Agreement "the DMA". Development commenced early 2017, reaching practical completion in November 2020. AXA Real Estate Managers UK Limited were appointed to act as Asset and Development Manager with Multiplex Construction Europe Limited as main contractor.

The building reached practical completion in November 2020, which was later than targeted and the construction contract with the main contractor allowed for liquidated and ascertained damages to be levied. A settlement was agreed during the year allowing for an extension of time as a result of additional Covid-19 related delays. The final retention payment remains outstanding to the main contractor whilst snagging is resolved, expected to complete in Q2 2022. The food market completed fit-out during the year, the gym and flexible work space remain under fit-out with the aim to open in Q1 2022. Other amenities, such as the wellness centre will begin fit out activities once an operator has been selected.

#### **Financial review**

##### **Performance**

For the year ended to 31 December 2021 the Company made a profit of £5,235 (2020: £3,570).

No dividends have been paid or proposed during the year ended 31 December 2021 (2020: £nil).

##### **Principal risks and uncertainties**

The Directors of 22 Bishopsgate (DevCo) Limited consider the following risks to be those which are material to the performance of the Company:

##### *Liquidity and cash flow risk*

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. Costs are tightly controlled with fixed price construction contracts. The Company regularly produces cashflow forecasts to monitor and control this risk and has received capital commitments from 22 Bishopsgate Limited Partnership to recharge these costs. Please refer to the Financial risk management section in note 13 for further information on the liquidity and cash flow risk management.

##### *Political and regulatory risk*

The Company has assessed the impact of the ongoing conflict in Ukraine and as the Company has no trade with Ukraine or Russia, it is not expected to have any material impact.

##### *Operational risk*

The Company is exposed to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Company regularly reviews operational issues and implements policies which are designed to mitigate these risks.

##### *Legal and regulatory failure*

The Company is exposed to the risk of breaches of compliance with legal contracts, financial regulation and terms of investment. The Company mitigates these risks by appointing reputable service providers of a high standing under agreements which set out their responsibilities and indemnities.

## 22 Bishopsgate (DevCo) Limited

### Strategic report (continued) For the year ended 31 December 2021

#### Principal risks and uncertainties (continued)

##### *Construction risk*

The project has been significantly de-risked following practical completion and the inclusion of controlled pricing mechanisms within the construction contracts such as the fixed price nature of the main construction contract and the inclusion of liquidated and ascertained damages for late delivery of the project. Retentions are also held against the main contractor in the event snagging works are not completed post practical completion.

##### *COVID-19 risk*


The Company has considered the potential impact of a continuation of the Covid-19 pandemic and the areas of the business it may negatively impact. The risk of material impact has reduced significantly following practical completion of the property and settlement of liquidated and ascertained damages with the main contractor. Remedying outstanding snagging works and fit-out of amenities spaces may take longer due to social distancing measures or delays to supply of materials, however these have been factored into development timetables and are not material to the operations of the property.

#### Key performance indicators

The Directors consider the key performance indicators of the Company to be the completion of the snagging works, the settlement of the retentions and completion of fit out of the remaining amenities spaces.

Mar 30, 2022

Approved by the Board on..... and signed on its behalf by:

  
Martin PERROTT (Mar 30, 2022 13:52 GMT+1)  
.....  
M.K. Perrott  
Director

## **22 Bishopsgate (DevCo) Limited**

### **Directors' report**

#### **For the year ended 31 December 2021**

The Directors present their annual report on the affairs of 22 Bishopsgate (DevCo) Limited (the "Company"), together with the audited financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activities of the Company is to construct and develop an office tower on the land known collectively as 22 Bishopsgate.

#### **Future developments**

Currently there are no significant future developments for the Company. The Company will continue its normal activities for the foreseeable future.

#### **Use of financial instruments**

The Company's principal financial instrument is cash. The main purpose of these financial instruments is to provide finance for the Company's operations. The Company has various other financial assets and liabilities, such as receivables and payables, which arise directly from its operations.

For further information please refer to notes 11 and 12 to the financial statements of the Company.

#### **Financial risk management**

The Company, through its use of financial instruments, is exposed to market risk, credit risk and liquidity risk.

A comprehensive review of the principal financial risks and their management can be found in note 13.

#### **Directors**

The Directors, who held office during the year, and up to the date of signing of these financial statements, except as noted, were as follows:

H.A. Badham (resigned 31 May 2021)

V.L. Hall

F.A. Faravelli

M.K. Perrott (appointed 1 June 2021)

#### **Directors' remuneration and interest**

The Directors of the Company who were in office during the period from 1 January 2021 up to the date of signing the financial statements are listed under the Directors heading within the Directors' report. None of the Directors were remunerated for their services as Directors of the Company (2020: £nil).

No Director had any beneficial interest in the share capital of the Company at any time during the year (2020: none).

#### **Indemnification of Directors**

During the reporting year and until the date of signing the financial statements the Company's articles of association included a qualifying third party indemnity provision which indemnifies every Director of the Company against all costs, charges, losses, expenses and liabilities incurred by him/her in relation to his/her duties, powers, or office.

#### **Political donations and political expenditure**

The Company made no political or charitable donations during the year (2020: £nil)

## 22 Bishopsgate (DevCo) Limited

### Directors' report (continued) For the year ended 31 December 2021

#### Post balance sheet events

There were no significant events after the balance sheet date.

#### Going concern

The financial statements have been prepared on the going concern basis on the assumption that there are still retentions to be paid to the main contractor once snagging is complete and that the Company will continue to carry out amenity fit-out works. Administrative and development costs of the Company are to be recharged to 22 Bishopsgate Limited Partnership as per the Development Management Agreement. The Directors have considered current market conditions and the cash requirements of the Company for the period of 12 months from the signing of the financial statements, concluding that applying the going concern basis is appropriate.

#### Directors' Confirmation

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.


This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### Appointment of auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and the Directors have agreed to their re-appointment.

Mar 30, 2022

Approved by the Board on..... and signed on its behalf by:

  
Martin PERROTT (Mar 30, 2022 13:52 GMT+1)

.....  
M.K. Perrott  
Director

## **22 Bishopsgate (DevCo) Limited**

### **Statement of directors' responsibilities in respect of the financial statements**

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

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

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

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

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

#### ***Directors' confirmations***

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



## **Independent auditors' report to the members of 22 Bishopsgate (DevCo) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, 22 Bishopsgate (DevCo) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2021; the Statement of comprehensive income, the Statement of changes in equity and the Cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

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

#### **Independence**

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

#### **Conclusions relating to going concern**

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

#### **Reporting on other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## **Independent auditors' report to the members of 22 Bishopsgate (DevCo) Limited (continued)**

### **Reporting on other information (continued)**

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

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

#### *Strategic report and Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the Directors for the financial statements*

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

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

#### *Auditors' responsibilities for the audit of the financial statements*

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

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

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

## **Independent auditors' report to the members of 22 Bishopsgate (DevCo) Limited (continued)**

### **Responsibilities for the financial statements and the audit (continued)**

#### *Auditors' responsibilities for the audit of the financial statements (continued)*

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Reviewing relevant meeting minutes;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, unusual account codes, unusual words or material amounts at year end; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

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

#### *Use of this report*

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

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



.....  
James Read (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

30 March 2022

## 22 Bishopsgate (DevCo) Limited

### Statement of comprehensive income For the year ended 31 December 2021

	Note	2021 £	2020 £
<b>Revenue</b>			
Development income		2,674,907	46,286,540
Development advisory fees		<u>56,386</u>	<u>57,235</u>
<b>Total revenue</b>	5	2,731,293	46,343,775
Development costs		<u>(2,674,907)</u>	<u>(46,286,540)</u>
<b>Total operating income</b>		56,386	57,235
Operating expenses	9	<u>(49,837)</u>	<u>(55,789)</u>
<b>Operating profit</b>		6,549	1,446
Finance income	8	<u>227</u>	<u>2,961</u>
<b>Profit before tax</b>		6,776	4,407
Income tax expense	10	<u>(1,541)</u>	<u>(837)</u>
<b>Profit and total comprehensive income for the year</b>		<u><u>5,235</u></u>	<u><u>3,570</u></u>

The above results were derived from continuing operations.

The notes on pages 14 to 25 form an integral part of these financial statements.

## 22 Bishopsgate (DevCo) Limited

### Statement of financial position As at 31 December 2021

	Note	2021 £	2020 £
<b>Assets</b>			
<b>Non-current assets</b>			
Trade and other receivables	11	541,800	541,800
<b>Total non-current assets</b>		<u>541,800</u>	<u>541,800</u>
<b>Current assets</b>			
Trade and other receivables	11	12,195,734	34,360,510
Cash at bank and in hand		305,968	570,351
<b>Total current assets</b>		<u>12,501,702</u>	<u>34,930,861</u>
<b>Total assets</b>		<u>13,043,502</u>	<u>35,472,661</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	12,441,618	34,808,746
Corporation tax payable	10	1,288	837
<b>Total current liabilities</b>		<u>12,442,906</u>	<u>34,809,583</u>
<b>Net current assets</b>		<u>58,796</u>	<u>121,278</u>
<b>Non-current liabilities</b>			
Trade and other payables	12	541,800	609,517
<b>Total non-current liabilities</b>		<u>541,800</u>	<u>609,517</u>
<b>Total liabilities</b>		<u>12,984,706</u>	<u>35,419,100</u>
<b>Net assets</b>		<u>58,796</u>	<u>53,561</u>
<b>Equity</b>			
Share capital	14	400	400
Retained earnings	15	58,396	53,161
<b>Total equity</b>		<u>58,796</u>	<u>53,561</u>

The financial statements of 22 Bishopsgate (DevCo) Limited (registration number: 09411165) were approved by the Board of Directors and authorised for issue on Mar.30.2022

They were signed on its behalf by:

M.K. Perrott  
M.K. Perrott

M.K. Perrott

Director

The notes on pages 14 to 25 form an integral part of these financial statements.

## 22 Bishopsgate (DevCo) Limited

### Statement of changes in equity For the year ended 31 December 2021

	Share capital £	Retained earnings £	Total £
At 1 January 2020	400	49,591	49,991
Profit for the year	-	3,570	3,570
At 31 December 2020	<u>400</u>	<u>53,161</u>	<u>53,561</u>
	Share capital £	Retained earnings £	Total £
At 1 January 2021	400	53,161	53,561
Profit for the year	-	5,235	5,235
At 31 December 2021	<u>400</u>	<u>58,396</u>	<u>58,796</u>

The notes on pages 14 to 25 form an integral part of these financial statements.

## 22 Bishopsgate (DevCo) Limited

### Cash flow statement For the year ended 31 December 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit before income tax	6,776	4,407
<b>Adjustments for:</b>		
Finance income	(227)	(2,961)
Changes in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	22,164,776	(8,784,496)
(Decrease)/increase in trade and other payables	(22,434,845)	7,504,855
<b>Cash outflow from operations</b>	(263,520)	(1,278,195)
Income tax paid	(1,090)	(2,737)
<b>Net cash outflow from operating activities</b>	(264,610)	(1,280,932)
<b>Cash flows from investing activities</b>		
Interest received	227	2,961
<b>Net cash inflow from investing activities</b>	227	2,961
<b>Net decrease in cash at bank and in hand</b>	(264,383)	(1,277,971)
Cash at bank and in hand at the beginning of the year	570,351	1,848,322
<b>Cash at bank and in hand at the end of the year</b>	305,968	570,351

The notes on pages 14 to 25 form an integral part of these financial statements.

## **22 Bishopsgate (DevCo) Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **1 General information**

22 Bishopsgate (DevCo) Limited (the 'Company') is a private company limited by share capital, incorporated in England and Wales and domiciled in the United Kingdom ('UK').

The address of its registered office is:

14th Floor  
22 Bishopsgate  
London  
United Kingdom  
EC2N 4BQ

The principal activities of the Company is to construct and develop an office tower on the land known collectively as 22 Bishopsgate.

#### **2 Adoption of new and revised Standards**

##### **New and amended standards adopted by the Company**

There were no standards or amendments that were applied by the Company for the first time for the financial year beginning on 1 January 2021.

##### **New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company.

The Company is assessing the impact of the following standards:

- Amendments to IAS 1 - Classification of liabilities as current or non-current.
- Onerous contracts - Cost of fulfilling a contract - Amendments to IAS 37.

The following standards are not expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions:

- IFRS 17 - Insurance contracts.
- Amendments to IAS 16 - Proceeds before intended use.
- Amendments to IAS 12 - Deferred taxes related to assets and liabilities arising from a single transaction.
- Amendments to IFRS 16 - COVID-19 rent concession amendment - extension.
- Annual improvements to IFRS's 2018-2020 cycle.
- Amendments to IFRS 3 - Reference to the Conceptual Framework.
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture.



## **22 Bishopsgate (DevCo) Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2021**

#### **3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of accounting**

These financial statements have been prepared in accordance with UK-adopted international accounting standards, in conformity with the requirements of the Companies Act 2006, applicable to Companies reporting under IFRS.

##### **Basis of preparation**

These financial statements cover the years ended 31 December 2021 and 31 December 2020.

The financial statements have been prepared on a going concern basis applying a historical cost convention.

The preparation of financial statements in conformity with UK-adopted IFRS requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. Management believe that the underlying assumptions are appropriate and that the Company's financial statements are fairly presented.

##### **Going concern**

The financial statements have been prepared on the going concern basis on the assumption that there are still retentions to be paid to the main contractor once snagging is complete and that the Company will continue to carry out amenity fit-out works. Administrative and development costs of the Company are to be recharged to 22 Bishopsgate Limited Partnership as per the Development Management Agreement. The Directors have considered current market conditions and the cash requirements of the Company for the period of 12 months from the signing of the financial statements, concluding that applying the going concern basis is appropriate.

##### **Functional and presentational currency**

The financial statements are presented in British Pounds, the functional and presentational currency of the Company.

##### **Revenue**

Revenue includes development fees and advisory fees for development services provided under a Development Management Agreement between 22 Bishopsgate (DevCo) Limited and 22 Bishopsgate Limited Partnership.

Revenue is recognised in the accounting period in which development services are rendered to 22 Bishopsgate Limited Partnership.

All of the Company's revenue is derived from continuing operations.

##### **Operating expenses**

Expenses include audit fees, tax and other professional fees, and other expenses which are accounted for on an accruals basis. All the Company's expenses are derived from continuing operations and are included in the statement of comprehensive income.

## 22 Bishopsgate (DevCo) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 3 Summary of significant accounting policies (continued)

##### **Taxation**

The tax expense for the period comprises current tax which includes UK corporate tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

##### **(i) Financial assets**

Financial assets are classified in the following measurement categories:

- fair value (either through profit and loss or through other comprehensive income (OCI)) and
- amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company's financial assets are comprised of trade and other receivables and cash at bank and in hand. These basic financial assets are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method.

##### **Impairment**

From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company's financial assets are subject to the expected credit loss model.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

##### **(ii) Financial liabilities**

The Company's financial liabilities are comprised of trade and other payables. These basic financial liabilities are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

## **22 Bishopsgate (DevCo) Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2021**

#### **3 Summary of significant accounting policies (continued)**

##### **Trade receivables**

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less impairment provision. The Partnership applies the simplified approach permitted by IFRS 9, with expected lifetime losses on the trade receivables recognised from the initial recognition of the receivable. The Partnership holds the trade receivables with the objective to collect the contractual cash flows.

##### **Cash at bank and in hand**

Cash at bank and in hand includes cash held on deposit with financial institutions.

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Share capital**

Ordinary shares are classified as equity.

Shares are classified as equity when there is no obligation to transfer cash or other assets.

#### **4 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors did not make any material critical accounting estimates or judgements.

## 22 Bishopsgate (DevCo) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 5 Total revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Development income	2,674,907	46,286,540
Development advisory fees	56,386	57,235
	<u>2,731,293</u>	<u>46,343,775</u>

All revenue was wholly derived from operations undertaken in the United Kingdom.

#### 6 Directors' emoluments

The Directors are considered to be the Company's only key management personnel.

The Directors are not employed by the Company and Directors' emoluments are included in the aggregate of Directors' emoluments disclosed in the financial statements of the companies by whom they are employed.

The Directors are employed by companies investing in, or advising, the Company and their directorships are held as part of their employment. Directors' emoluments are not recharged to the Company as the sums involved are not material and cannot be accurately allocated to individual entities.

#### 7 Employees

The Company does not have any employees (2020: nil).

#### 8 Finance income

	2021 £	2020 £
<i>Finance income</i>		
Interest income on bank deposits	<u>227</u>	<u>2,961</u>

#### 9 Operating expenses

	2021 £	2020 £
Legal and professional fees	21,712	25,399
Auditors' remuneration - audit fee	26,701	23,636
Other operating expenses	619	734
Foreign exchange loss	805	6,020
	<u>49,837</u>	<u>55,789</u>

There were no non-audit fees payable to the auditors during the year (2020: £nil).

## 22 Bishopsgate (DevCo) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 10 Income tax expense

Tax charged in the statement of profit or loss:

	2021 £	2020 £
<b>Current tax</b>		
UK Corporation tax on profit for the year	1,541	837
<b>Total tax expense</b>	<u>1,541</u>	<u>837</u>

The total tax expense for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2021 £	2020 £
Profit before tax	<u>6,776</u>	<u>4,407</u>
Expected tax expense based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,287	837
Adjustments in respect of prior periods	254	-
<b>Total tax charge</b>	<u>1,541</u>	<u>837</u>

#### 11 Trade and other receivables

	2021 £	2020 £
<b>Amounts falling due after one year</b>		
Other receivables	541,800	541,800
<b>Total receivables due after one year</b>	<u>541,800</u>	<u>541,800</u>
<b>Amounts falling due within one year</b>		
Trade receivables	2,191,958	-
Other receivables	907,621	1,212,343
Amounts receivable from related parties (note 16)	8,949,987	33,148,167
VAT receivable	146,168	-
<b>Total receivables due within one year</b>	<u>12,195,734</u>	<u>34,360,510</u>

The other receivables balance consists of bonds previously paid to both the City of London and Transport for London that are due to be refunded within the next 12 months.

Amounts receivable from related parties includes the recharge to 22 Bishopsgate Limited Partnership of the retention and other payables to Multiplex Construction Europe Limited and Overbury plc. These amounts are interest free.

## 22 Bishopsgate (DevCo) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 12 Trade and other payables

	2021	2020
	£	£
<b>Amounts falling due within one year</b>		
Trade payables	2,523,429	444,820
Accrued expenses	9,011,378	33,099,837
VAT payable	-	74,946
Amounts payable to related parties (note 16)	906,811	1,189,143
<b>Total payables due within one year</b>	<b>12,441,618</b>	<b>34,808,746</b>

Included within accrued expenses is an amount of £8,873,770 (2020: £17,721,060), which is the retention on building contracts. Retention on building contract represents 3% of the gross value of works performed under the contract to 31 December 2021 (2020: 3%). This balance will become payable once all defects have been made good, which is expected to be within 12 months of the practical completion date.

	2021	2020
	£	£
<b>Amounts falling due after one year</b>		
Other payables	-	67,717
Amounts payable to related parties (note 16)	541,800	541,800
<b>Total payables due after one year</b>	<b>541,800</b>	<b>609,517</b>

#### 13 Financial risk management

The principal financial instruments, from which these risks arise, are cash at bank and in hand, trade and other payables and trade and other receivables.

The Company is exposed to risks that arise from its use of financial instruments. These risks include market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk.

##### *(a) Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk arises from cash at bank and in hand.

The Company's exposure to market risk is considered to be minimal. Currency risk is limited as the Company operates entirely within the UK and is British Pound denominated. There is minimal foreign exchange impact from working with non-UK suppliers. The Company has no significant exposure to price risk as it does not hold any equity securities or commodities. As the Company's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Company's income.

## 22 Bishopsgate (DevCo) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 13 Financial risk management (continued)

##### *(b) Liquidity risk*

Liquidity risk arises from the Company's management of working capital.

The table below analyses the Company's non-derivative financial instruments into relevant maturity groupings based on the remaining year at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 December 2021	On demand	Less than 1 year	More than 1 year	Total
	£	£	£	£
<b>Assets</b>				
Trade receivables	-	2,191,958	-	2,191,958
Cash at bank and in hand	305,968	-	-	305,968
Amounts receivable from related parties	-	8,949,987	-	8,949,987
Other receivables	-	1,053,790	541,800	1,595,590
<b>Total</b>	<b>305,968</b>	<b>12,195,734</b>	<b>541,800</b>	<b>13,043,503</b>
<b>Liabilities</b>				
Trade payables	-	2,523,429	-	2,523,429
Accrual and other payables	-	9,011,378	-	9,011,378
Amounts payable to related parties	-	906,811	541,800	1,448,611
<b>Total</b>	<b>-</b>	<b>12,441,618</b>	<b>541,800</b>	<b>12,983,418</b>

## 22 Bishopsgate (DevCo) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 13 Financial risk management (continued)

##### (b) Liquidity risk (continued)

At 31 December 2020	On demand	Less than 1 year	More than 1 year	Total
	£	£	£	£
<b>Assets</b>				
Cash at bank and in hand	570,351	-	-	570,351
Amounts receivable from related parties	-	33,148,167	-	33,148,167
Other receivables	-	1,212,343	541,800	1,754,143
<b>Total</b>	<b>570,351</b>	<b>34,360,510</b>	<b>541,800</b>	<b>35,472,661</b>
<b>Liabilities</b>				
Trade payables	-	444,820	-	444,820
Accrual and other payables	-	33,174,783	67,717	33,242,500
Amounts payable to related parties	-	1,189,143	541,800	1,730,943
<b>Total</b>	<b>-</b>	<b>34,808,746</b>	<b>609,517</b>	<b>35,418,263</b>

##### (c) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company does not enter into derivatives to manage credit risk.

Credit risk arises from cash at bank and in hand and deposits with banks and financial institutions and other receivables.

The Company has policies in place to ensure that deposits are placed with reputable banks with BBB+ or better credit ratings. The expected credit losses for cash at bank and in hand is considered to be immaterial.

The Company's main exposure to credit risk is from intercompany receivables with 22 Bishopsgate Limited Partnership (the 'Partnership'). To mitigate the risk, the financial position of the Company and the Partnership is monitored by the asset manager, AXA Real Estate Investment Managers UK Limited. As there were no intercompany receivables past due or impaired at 31 December 2021 the Company has not recognised any provisions under the expected credit loss model (2020: £nil). For aging details of other receivables refer to the liquidity risk note on page 21.

The Company considers that the amount that best represents its maximum exposure to credit risk is £12,461,156 (2020: £35,472,661).

Due to their short term nature, the carrying value of cash at bank and in hand, other receivables and VAT receivables approximates their fair value.



## 22 Bishopsgate (DevCo) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 14 Share capital

##### Allotted, called-up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>

The total authorised number of ordinary shares is 400 (2020: 400) with a par value of £1 per share.

#### 15 Retained earnings

	2021 £	2020 £
At 1 January	53,161	49,591
Profit for the financial year	<u>5,235</u>	<u>3,570</u>
At 31 December	<u>58,396</u>	<u>53,161</u>

#### 16 Related party transactions

Details of outstanding balances with related parties as at 31 December 2021 and 31 December 2020 are as follows:

	2021 £	2020 £
<b>Current assets</b>		
22 Bishopsgate Limited Partnership - Recharge of project development costs - retention on building contract	<u>8,949,987</u>	<u>33,148,167</u>
	2021 £	2020 £
<b>Current liabilities</b>		
22 Bishopsgate Limited Partnership - Bonds and other expenses paid by the Partnership on behalf of the Company	906,811	1,189,143
<b>Non-current liabilities</b>		
22 Bishopsgate Limited Partnership - Bonds and other expenses paid by the Partnership on behalf of the Company	<u>541,800</u>	<u>541,800</u>
	<u>1,448,611</u>	<u>1,730,943</u>

## 22 Bishopsgate (DevCo) Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 16 Related party transactions (continued)

	2021 £	2020 £
<b>22 Bishopsgate Limited Partnership</b>		
Project development costs recharged	2,674,907	46,286,540
Development advisory fees	56,386	57,235
	<u>2,731,293</u>	<u>46,343,775</u>

Included within trade receivables is an amount receivable from 22 Bishopsgate Limited Partnership of £2,191,958 (2020: £nil).

Included within trade payables is an amount owing to 22 Bishopsgate Limited Partnership of £436,177 (2020: £436,177).

Details of transactions with related parties during the year ended 31 December 2021 are as follows:

Amounts receivable from related parties represent re-charges of construction costs and are recoverable in accordance with a Development Management Agreement dated 17 February 2016. The terms of this agreement require that all sums due to the Company are settled in good time and, at latest, by the date upon which the Company is required to settle its liabilities with the relevant service providers.

AXA Real Estate Investment Managers UK Limited, acts as the Asset Manager for the Company. During the year the Company incurred development management fees of £nil (2020: £309,961). This includes fees of £nil (2020: £nil) which were outstanding at year end.

#### 17 Parent and ultimate parent undertaking

The immediate parent companies of 22 Bishopsgate (DevCo) Limited are PSPIB-RE UK Inc., incorporated in Canada, Marsheg 1 B.V., incorporated in The Netherlands, Hopkins Investments Pte. Ltd., incorporated in Singapore and bcIMC RealpoolGlobal GP Holdings Inc., incorporated in Canada.

In the opinion of the Directors of the Company, the Company's ultimate parents and controlling parties as at 31 December 2021 are Public Sector Pension Investment Board (PSPIB), which is registered in Canada, AXA SA (AXA) which is registered in France, Temasek Holdings (Private) Limited (Temasek), which is registered in Singapore and British Columbia Investment Management Corporation (BCIMC), which is registered in Canada.

There is not considered to be a single ultimate controlling party.

#### 18 Capital commitments

As at 31 December 2021 the Company had unprovided contractual obligations such as development, amenity fitout, technology, artwork expenditure of £17,000,000 (2020: £28,750,000). The cost of these were agreed in the business plan and will be met from drawdown of remaining committed Partner capital.

## **22 Bishopsgate (DevCo) Limited -**

### **Notes to the financial statements (continued) For the year ended 31 December 2021**

#### **19 Capital management**

The Company monitors its cash and shares. The Company's objectives when maintaining capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide benefits for other stakeholders.

The Company is not exposed to any externally imposed capital requirements.

#### **20 Post balance sheet events**

There were no significant events after the balance sheet date.