



CANARY WHARF
GROUP PLC

CANARY WHARF DEVELOPMENTS LIMITED

Registered number: 6199021

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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CANARY WHARF DEVELOPMENTS LIMITED

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CANARY WHARF DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

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

PRINCIPAL ACTIVITY

The principal activity of the company during the year was to act as an investment company.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £93,927,395 (2016 - £17,186,485).

No dividends have been paid or proposed in the year (2016 - £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 2017 and at the time of the approval of this Directors' Report. Neither the indemnity nor the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 25 June 2018 and signed on its behalf.



J R Garwood
Secretary

CANARY WHARF DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

CANARY WHARF DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF DEVELOPMENTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Canary Wharf Developments Limited (the 'company') 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

OTHER INFORMATION

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

CANARY WHARF DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF DEVELOPMENTS LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

CANARY WHARF DEVELOPMENTS LIMITED

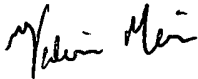
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF DEVELOPMENTS LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



Valerie Main (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
25 June 2018

CANARY WHARF DEVELOPMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Provision against investments	9	(11,200,297)	(491,827)
Movement in fair value of investment in JPUT	9	(5,005,043)	(9,039,659)
OPERATING LOSS		(16,205,340)	(9,531,486)
Dividend received	9	107,888,500	16,790,100
Interest receivable and similar income	6	1,446,316	7,378,642
Interest payable and expenses	7	(25,572)	-
PROFIT BEFORE TAX		93,103,904	14,637,256
Tax on profit	8	823,491	2,549,229
PROFIT FOR THE FINANCIAL YEAR		93,927,395	17,186,485
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		93,927,395	17,186,485

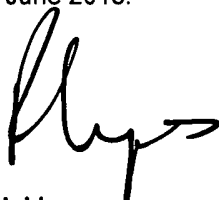
The notes on pages 9 to 21 form part of these financial statements.

CANARY WHARF DEVELOPMENTS LIMITED
REGISTERED NUMBER: 6199021

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Investments	9	506,611,307	319,658,632
		<u>506,611,307</u>	<u>319,658,632</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	120,149,952	249,385,576
Cash at bank and in hand		245,697	112,127
		<u>120,395,649</u>	<u>249,497,703</u>
Creditors: amounts falling due within one year	11	(352,316,318)	(387,569,601)
NET CURRENT LIABILITIES		<u>(231,920,669)</u>	<u>(138,071,898)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		274,690,638	181,586,734
Deferred tax	12	(15,291,092)	(16,114,583)
NET ASSETS		<u>259,399,546</u>	<u>165,472,151</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Retained earnings	14	259,399,545	165,472,150
		<u>259,399,546</u>	<u>165,472,151</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2018.



R J J Lyons
Director

The notes on pages 9 to 21 form part of these financial statements.

CANARY WHARF DEVELOPMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2017	1	165,472,150	165,472,151
Profit for the year	-	93,927,395	93,927,395
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	93,927,395	93,927,395
AT 31 DECEMBER 2017	1	259,399,545	259,399,546

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2016	1	148,285,665	148,285,666
Profit for the year	-	17,186,485	17,186,485
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	17,186,485	17,186,485
AT 31 DECEMBER 2016	1	165,472,150	165,472,151

The notes on pages 9 to 21 form part of these financial statements.

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

Canary Wharf Developments 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 Directors' Report.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

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

2.2 Going concern

At the year end, the company is in a net asset position, but has net current liabilities. Included in this are group creditors of £352,290,746, which to the extent that the company cannot pay, will not be called in for at least a period of 12 months from the signing date of the financial statements.

In addition, as a member of the Canary Wharf Group, the company has access to considerable resources.

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

2.3 Cash flow statement

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

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Investments

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

Loans to subsidiaries which only entitle the company to an interest in the assets of the company once it has completed its principal activity are treated as additional investments.

Investments in unit trusts are stated at fair value, with changes recognised in other comprehensive income unless the carrying amount of the investment falls below its original cost, after which the deficit is recognised in the Statement of Comprehensive Income.

Other investments are stated at cost less any provision for impairment.

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. Revenue profits and losses in unit trusts are recognised on an accruals basis.

2.5 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.

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

Borrowings

Standard loans payable are recognised initially at the net proceeds including transaction costs, unless the gross proceeds do not represent the value of a financing transaction. In this case the present value of future payments discounted at a market rate of interest for a similar debt instrument is used in place of proceeds and the difference between the two amounts is accounted for as a capital component.

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.

Where loans are subject to contractual terms and arrangements that are non-standard, the carrying value is assessed as the present value of the most likely contractual cash flows, subject to the limitations of the underlying terms. Any movements are recognised in the income statement.

2.6 Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expenses or income.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Valuation of 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.

Valuation of intercompany debt

In assessing the carrying value of non-standard loans, the company forecasts the present value of the most likely contractual cash flows of the underlying instrument. Estimates and judgments are made in the timing and quantum of the cash flows, the discount rate applied, as well as the impact of the underlying terms that can be triggered in the agreements to change the cash flows. These assessments are reviewed and amended annually.

4. AUDITOR'S REMUNERATION

The auditor's remuneration of £800 (2016 - £800) for the audit of the company has been borne by another group undertaking.

5. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £	2016 £
Interest receivable from group companies	1,446,262	7,378,384
Other interest receivable	54	258
	<u>1,446,316</u>	<u>7,378,642</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Other interest payable	25,572	-
	<u>25,572</u>	<u>-</u>

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

8. TAXATION

	2017 £	2016 £
Current tax on profits for the year	-	-
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>
DEFERRED TAX		
Origination and reversal of timing differences	(823,491)	(1,512,351)
Changes to tax rates	-	(1,036,878)
TOTAL DEFERRED TAX	<u>(823,491)</u>	<u>(2,549,229)</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>(823,491)</u>	<u>(2,549,229)</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>93,103,904</u>	<u>14,637,256</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	17,922,502	2,927,451
EFFECTS OF:		
Expenses not deductible for tax purposes	2,173,353	116,432
Dividends from UK companies	(20,739,950)	(3,358,020)
Changes in tax rates	108,992	(769,994)
Group relief	(288,388)	(1,465,098)
TOTAL TAX CHARGE FOR THE YEAR	<u>(823,491)</u>	<u>(2,549,229)</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The tax rate of 19.25% has been calculated by reference to the current corporation tax rate of 19% which was in effect for the final three quarters of the year and the previous rate of 20% which was in effect for the first quarter of the year.

Enacted in the Finance Act (No.2) 2015 is a reduction in the corporation tax rate to 17.0% on 1 April 2020. Deferred tax has been provided by reference to this enacted corporation tax rate.

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Investment in Jersey Property Unit Trusts £	Investment in joint ventures £	Total £
COST OR VALUATION				
At 1 January 2017	125,850,193	194,299,764	503	320,150,460
Additions	134,684,562	68,473,456	-	203,158,018
Disposals	(3)	-	-	(3)
Share of profit/(loss)	-	(5,005,043)	-	(5,005,043)
At 31 December 2017	<u>260,534,752</u>	<u>257,768,177</u>	<u>503</u>	<u>518,303,432</u>
IMPAIRMENT				
At 1 January 2017	491,828	-	-	491,828
Charge for the period	11,200,297	-	-	11,200,297
At 31 December 2017	<u>11,692,125</u>	<u>-</u>	<u>-</u>	<u>11,692,125</u>
NET BOOK VALUE				
At 31 December 2017	<u>248,842,627</u>	<u>257,768,177</u>	<u>503</u>	<u>506,611,307</u>
At 31 December 2016	<u>125,358,365</u>	<u>194,299,764</u>	<u>503</u>	<u>319,658,632</u>

During the year a dividend of £107,550,000 was paid by Canary Wharf (FSLP) Limited, £190,000 by Canary Wharf (FSGP) Limited and £148,500 by 20 Fenchurch Street Developer Limited (2016 - total dividend of £16,790,100).

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Subsidiary Undertakings

A complete list of the company's subsidiary undertakings is shown in note 18.

During the year the company subscribed for 134,299 additional ordinary £1 shares in Heron Quays West LP (One) Limited at par and an additional 40,245 ordinary £1 shares in Heron Quays West LP (Two) Limited at par. It also subscribed to 130,001,001 ordinary £1 shares in Canary Wharf NQO Holdings Limited at par, 1 ordinary £1 share in Canary Wharf (CS Park Pavillion) Limited at par and 1 ordinary £1 share in Canary Wharf Holdings Euston Limited at par.

During the year the company disposed of 1 ordinary £1 share held in Canary Wharf NQO GP Limited at par, 1 ordinary £1 share held in Canary Wharf Central Limited at par and 1 ordinary £1 shares held in Canary Wharf NQO HoldCo Limited at par.

The company also subscribed for an additional 4,509,014 ordinary £1 shares at par in Canary Wharf (Drapers Gardens) Limited which was in a net liability position. The investment was immediately impaired by the same amount.

At 31 December, the net realisable value of certain subsidiaries was less than the carrying value in the company's balance sheet. An increase in the provision for impairment of £11,200,297 (2016 - 491,828) has been recognised in the income statement.

Investment in Jersey Properties Unit Trusts

At 31 December 2017 the company held 99.94% of the units in the Heron Quays West Investment Unit Trust.

	2017 £	2016 £
Initial contribution	2,991,009	2,991,009
Additional contribution	169,960,431	101,486,975
Capitalised fees	41,004	41,004
	<u>172,992,444</u>	<u>104,518,988</u>
	2017 £	2016 £
Cost of investment in Jersey Property Unit Trust	172,992,444	104,518,988
Share of capital profits	89,947,602	94,791,667
Share of revenue losses	(5,171,869)	(5,010,891)
	<u>257,768,177</u>	<u>194,299,764</u>

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Investment in joint ventures

The company holds 500 ordinary £1 shares at par in 20 Fenchurch Street Developer Limited. This is a 50:50 joint venture with Land Securities Group plc.

The company also holds 1 ordinary £1 share in Braeburn Estates Developments (1) Limited, 1 ordinary £1 share at par in Braeburn Estates Developments (Infrastructure) Limited and 1 ordinary £1 share at par in Braeburn Estates Developments (2) Limited. These are 50:50 joint ventures with Qatari Diar Real Estate Investment Company.

The directors are of the opinion that the value of the company's investments at 31 December 2017 was not less than the amount shown in the company's Statements of Financial Position. 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 subsidiary undertakings are included in the consolidated financial statements of a larger group (Note 17).

10. DEBTORS

	2017 £	2016 £
Amounts owed by group undertakings	120,149,942	249,385,548
Prepayments and accrued income	10	28
	<u>120,149,952</u>	<u>249,385,576</u>

Amounts owed by group undertakings consists of the following:

	2017 £	2016 £
Amounts owed by fellow subsidiaries	65,110	50,110
Amounts owed by own subsidiary undertakings	77,078,221	77,775,088
Loan to fellow subsidiary undertaking	43,006,611	171,560,350
	<u>120,149,942</u>	<u>249,385,548</u>

The loan to a fellow subsidiary undertaking carries interest at a rate linked to LIBOR and is repayable on demand.

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

11. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	352,290,746	387,569,601
Accruals and deferred income	25,572	-
	<u>352,316,318</u>	<u>387,569,601</u>

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Amounts owed to group undertakings consist of the following:

	2017 £	2016 £
Amounts owed to parent undertaking	9,163,021	100,403,255
Amounts owed to fellow subsidiary undertakings	14,865,991	11,242,856
Amounts owed to subsidiary undertakings	15	16,309,771
Loan from parent undertaking	328,261,719	259,613,719
	<u>352,290,746</u>	<u>387,569,601</u>

The loan from a parent undertaking and other amounts owed to group undertakings are interest free and repayable on demand.

12. DEFERRED TAXATION

	2017 £
At beginning of year	(16,114,583)
Charged to profit or loss	823,491
AT END OF YEAR	<u>(15,291,092)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Revaluation of investments	(15,291,092)	(16,114,583)
	<u>(15,291,092)</u>	<u>(16,114,583)</u>

13. SHARE CAPITAL

	2017 £	2016 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

On 28 February 2018, subsequent to the year end, the company issued a further 6 ordinary £1 shares to its parent undertaking at par.

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

14. RESERVES

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

	2017 £	2016 £
Retained earnings	259,399,545	165,472,150
Share of unrealised revaluation surplus	(89,947,602)	(94,791,667)
Deferred tax on unrealised revaluation surplus	15,291,092	16,114,583
Distributable reserves	184,743,035	86,795,066

15. OTHER FINANCIAL COMMITMENTS

As at 31 December 2017 and 31 December 2016 the company had given charges over substantially all its assets to secure the commitments of certain other group undertakings.

16. POST BALANCE SHEET EVENTS

On 29 March 2018, Stork Holdings Limited, a direct subsidiary of Stork HoldCo L.P., listed its shares on The International Stock Exchange in Jersey and the group headed by Stork Holdings Limited, which includes the company, converted to a REIT. As a consequence of the conversion, it is anticipated that the deferred tax liability will be released.

On 28 February 2018, subsequent to the year end, the company issued a further 6 ordinary £1 shares to its parent undertaking at par.

17. CONTROLLING PARTY

Until 28 February 2018, the company's immediate parent undertaking was Canary Wharf Group plc. On that date, the shares in the company were transferred to Canary Wharf Holdings Limited, a subsidiary of Canary Wharf Group plc.

As at 31 December 2017, 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.

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

18. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

DIRECT SUBSIDIARY UNDERTAKINGS

Name	Country of incorporation	Class of shares	Holding	Principal activity
Canary Wharf (CS Park Pavilion) Limited	England & Wales	Ordinary	100%	Property investment
Canary Wharf (Drapers Gardens) Limited	England & Wales	Ordinary	100%	Investment holding
Canary Wharf (FS Invest) Limited	England & Wales	Ordinary	100%	Investment holding
Canary Wharf (FSGP) Limited	England & Wales	Ordinary	100%	Investment holding
Canary Wharf (FSLP) Limited	England & Wales	Ordinary	100%	Investment holding
Canary Wharf Central Limited	England & Wales	Ordinary	100%	Investment holding
Canary Wharf Contractors (10BS) Limited	England & Wales	Ordinary	100%	Property contractor
Canary Wharf Contractors (1BS) Limited	England & Wales	Ordinary	100%	Property contractor
Canary Wharf Holdings (PB) Limited	England & Wales	Ordinary	100%	Investment holding
Canary Wharf Holdings Euston Limited	England & Wales	Ordinary	100%	Dormant
Canary Wharf Investments (RSNQ) Limited	England & Wales	Ordinary	100%	Investment holding
Canary Wharf HQO Holdings Limited	England & Wales	Ordinary	100%	Investment holding
CW Wood Wharf J4 Limited	England & Wales	Ordinary	100%	Property development
Heron Quays West GP (One) Limited	Scotland	Ordinary	100%	General partner
Heron Quays West GP (Two) Limited	Scotland	Ordinary	100%	General partner
Heron Quays West Infrastructure Development Company Limited	England & Wales	Ordinary	100%	Property contractor
Heron Quays West LP (One) Limited	England & Wales	Ordinary	100%	Investment holding
Heron Quays West LP (Two) Limited	England & Wales	Ordinary	100%	Investment holding
Heron Quays West Pavillion Development Company Limited	England & Wales	Ordinary	100%	Property contractor

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 INDIRECT SUBSIDIARY UNDERTAKINGS

Name	Country of incorporation	Class of shares	Holding	Principal activity
Canary Wharf (North Quay) Limited	England & Wales	Ordinary	100%	Property investment
Canary Wharf (PB) Jersey Limited	Jersey	Ordinary	100%	Investment holding
Canary Wharf (Riverside South) Limited	England & Wales	Ordinary	100%	Dormant
Canary Wharf Euston GP Holdings Limited	England & Wales	Ordinary	100%	Dormant
Canary Wharf Euston LP Limited	England & Wales	Ordinary	100%	Dormant
Canary Wharf Grosvenor Place (Jersey) Limited	Jersey	Ordinary	100%	Dormant
Canary Wharf NQO GP Limited	England & Wales	Ordinary	100%	General partner
Canary Wharf NQO Holdco Limited	England & Wales	Ordinary	100%	Property development
Canary Wharf NQO Limited Partnership	England & Wales	Ordinary	100%	Property investment
Canary Wharf NQO LP Limited	England & Wales	Ordinary	100%	Investment holding
Canary Wharf NQO Trustee Limited	England & Wales	Ordinary	100%	Trustee landlord
Euston Station Development GP Limited	England & Wales	Ordinary	100%	Dormant
Heron Quays West (1) Limited Partnership	England & Wales	Ordinary	100%	Property investment
Heron Quays West (1) T1 Limited	England & Wales	Ordinary	100%	Trustee landlord
Heron Quays West (1) T2 Limited	England & Wales	Ordinary	100%	Trustee landlord
Heron Quays West (T1) Limited	England & Wales	Ordinary	100%	Dormant
Heron Quays West GP (Four) Limited	England & Wales	Ordinary	100%	General partner
Heron Quays West GP (Three) Limited	England & Wales	Ordinary	100%	General partner
Heron Quays West Investment (One) SLP	Scotland	Partnership capital	100%	Investment holding
Heron Quays West Investment (Two) SLP	Scotland	Partnership capital	100%	Investment holding
Heron Quays West Limited Partnership	England & Wales	Ordinary	100%	Property investment
Heron Quays West T2 Limited	England & Wales	Ordinary	100%	Dormant

CANARY WHARF DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Subsidiaries incorporated in England and Wales are registered at One Canada Square, Canary Wharf, London E14 5AB. Subsidiaries incorporated in Scotland are registered at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN. Subsidiaries incorporated in Jersey are registered at 47 Esplanade, St Helier, Jersey, JE1 0BD.