

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

Registered number: 05043352

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

HIGHLIGHTS

Summary Performance

Income statement	2023	2022	Change
Operating loss	£(593.7)m	£(343.6)m	(72.8)%
Underlying operating profit ⁽¹⁾	£261.3m	£238.1m	9.7%
Loss before tax	£(889.3)m	£(194.4)m	(357.5)%
Underlying profit before tax ⁽¹⁾	£27.6m	£39.9m	(30.8)%
Capital and other items loss before tax ⁽²⁾	£(916.9)m	£(234.3)m	(291.3)%
Loss after tax	£(912.0)m	£(179.4)m	(408.4)%
Basic loss per share	(121.8)p	(24.2)p	(402.7)%
Balance Sheet	2023	2022	Change
Carrying value of property portfolio ⁽³⁾	£6,895.5m	£8,069.0m	(14.5)%
Fair value of property portfolio ⁽³⁾	£6,833.3m	£8,008.3m	(14.7)%
Net assets	£3,006.4m	£3,628.3m	(17.1)%
Adjusted NAV per share ⁽⁴⁾	84p	502p	(83.3)%
Unrestricted cash and available undrawn RCF ⁽⁵⁾	£459.3m	£220.3m	
Net debt	£3,716.7m	£4,222.1m	
Look through LTV ratio ⁽⁶⁾	51.9%	50.9%	
% of total debt at fixed interest rates or hedged interest	94.1%	88.6%	
Total debt secured, extended and refinanced	£429.3m	£401.0m	

⁴ Based on share issue of 3,740.4m in 2023 versus 740.4m in 2022 following the share issue of 3 billion shares as consideration for the £300.0m equity subscription committed by the Group's ultimate shareholders, Brookfield and QIA. Refer to Note 25 for further detail. On a like for like basis, the adjusted NAV per share for 2023 would have been 423p (2022 – 502p).

Operational statistics	2023	2022
Office:		
– Occupancy (multi let ⁽⁷⁾ / total ⁽⁸⁾)	81.1% / 91.1%	85.0% / 92.5%
– Lettings sq ft	172,000	417,000
Retail & Hospitality:		
– Occupancy (retail malls)	95.6%	97.9%
– Lettings sq ft	73,000	177,000
Build to Rent:		
– Occupancy ⁽⁹⁾	88.2%	96.7%
– Average rental growth achieved ⁽¹⁰⁾	10.1%	6.8%

Notes

For further information on the above, refer to the Strategic Review and Financial Review sections. A list of defined terms is provided in Definitions.

- The Group uses Alternative Performance Measures (APMs) which are not defined or specified within IFRS. The Directors use these measures in order to assess the underlying operational performance of the Group and allow greater comparability between years but do not consider them to be a substitute for IFRS measures. Underlying operating profit and underlying profit before tax excludes 'capital and other items' as defined in Note 1(x).
- Capital and other items include movement on property revaluations, the fair value of hedging instruments, refinancing costs and gains and significant transactions one off in nature and quantum.
- The fair value of the property portfolio is determined by independent external valuers. The IFRS carrying value of the property portfolio includes adjustments for tenant incentives, deferred negotiation costs and obligations under lease liabilities. See reconciliation of carrying value to fair value in Note 10.
- Adjusted NAV is reconciled in Note 3.
- £130.0m RCFs available to the Group at 31 December 2023 and 31 December 2022, of which £nil was drawn at the year end.
- The Look through LTV ratio compares the aggregate of the fair value of the property portfolio (£6,833.3m) and the fair value of JVs and investments (£119.1m) against net debt excluding derivatives (£3,609.4m). Refer to Note 22 for reconciliation of the Look through LTV.
- Multi let buildings include One Canada Square, 40 Bank Street, 20 Water Street, 7 Westferry Circus, 25 Churchill Place and 1/5 Bank Street.
- 31 December 2023 excludes 10 Cabot Square following transaction with Barclays as not actively being relet.
- Figures include PRS asset (Newfoundland), and affordable and intermediate assets (30 Harbord Square, 50 Harbord Square and 65 Harbord Square).
- Figures only include PRS asset (Newfoundland).

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT

This Strategic Review has been prepared in order to provide additional information on the Group's strategic direction.

The Strategic Review contains certain forward looking statements. These statements are made by the Board in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including economic and business risk factors, underlying any such forward looking information.

This Strategic Review has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to the Company and its subsidiary undertakings when viewed as a whole.

A list of defined terms used throughout these financial statements is provided in Definitions.

Presentation of information

Information within the Strategic Review is presented excluding the Group's share of joint ventures unless stated.

Group Structure

Within Stork Holdco LP there are 2 sub groups, Canary Wharf Group Residential Limited ('CWGRL') and Stork Holdings Limited ('SHL'). CWGRL contains One Park Drive and 10 Park Drive (the 2 Build to Sell residential properties), the Tribe hotel and the Braeburn joint venture (PFS at Southbank) the results of which are not reflected in the results disclosed in these financial statements. The operating results of the Tribe hotel are included in the CWGRL Group and a lease payment is made to the CWGIH Group which owns the property asset. Within SHL there are 2 sub groups, Canary Wharf Group Investment Holdings plc ('CWGIH') and the WWP3 Group.

In July 2023, the CWGIH Group disposed of its interest in the 4 residential properties under construction at 13 Brannan Street, 40 Charter Street, 50-60 Charter Street and 70-80 Charter Street to an affiliated entity in the WWP3 Group at market value of £241.0m. The transaction was structured as a disposal of 13 subsidiaries and grant of 3 plot leases for no gain or loss. The assets and liabilities of the WWP3 Group are not reflected in the results disclosed in these financial statements. See Note 10 for further details on this transaction.

Principal activities

The principal activity of the Group is the ownership, management and development of the Canary Wharf Estate (the 'Estate') in East London.

Estate overview

Canary Wharf is a 128 acre private Estate substantially owned by the Group. The Group develops, manages and currently owns interests in approximately 26.5 NIA m sq ft of mixed use space and over 1,400 Residential Build to Rent apartments including properties held in joint ventures.

The Group has created a vibrant mixed use neighbourhood with a thriving offering across office, residential, retail, leisure, hospitality and sport. The Estate benefits from excellent transport links and infrastructure including 16.5 acres of parks and 5km of water boardwalks. There are over 300 retailers across the Wharf, including over 75 cafes, bars and restaurants, 7 grocery stores and 5 health clubs. Canary Wharf is also home to a growing roster of leisure and social venues catering for visitors, office workers and residents.

The Group's operations as well as its property portfolio are located on the Estate. The property portfolio is split into 5 categories: office, retail, Build to Rent ('BTR') (including affordable and intermediate affordable housing), residential trading properties ('PFS') and development. A summary of the Estate's properties, including the properties owned by the Group is set out below.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

At 31 December 2023	Share %	Number of properties	NIA m sq ft
Total Estate	–	57	26.5
Wholly owned:			
– Office	100.0	12	6.9
– Retail	100.0	19	1.2
– BTR ⁽¹⁾	100.0	4	0.8
– PFS ⁽²⁾	100.0	1	0.1
Part Owned:			
– PRS: 8 Water Street and 10 George Street	50.0	2	0.4
– Office: 10 Upper Bank Street	10.0	1	1.0
No ownership or superior interest only ⁽³⁾	–	18	8.7
Development ⁽⁴⁾	–	–	7.4

Notes:

- 1 Figures include PRS asset (Newfoundland), and affordable and intermediate assets (30 Harbord Square, 50 Harbord Square and 65 Harbord Square).
- 2 Previously included within Development, 8 Harbord Square, a trading property comprising 82 loft style apartments reached practical completion in December 2023.
- 3 Properties constructed by CWG but later disposed via disposal of freehold or overriding leasehold interest. The Group earns estate service charge income on these properties.
- 4 Comprises 0.2m sq ft NIA under construction, 5.9m sq ft NIA held for future development and 1.3m sq ft NIA relating to the Wood Wharf Phase 3 which is held by an affiliated entity owned by SHL, the immediate parent company of CWGIH.

The Group generated rental income from its office, retail and BTR property interests and sales proceeds from its PFS property. Income is also generated from managing the Estate as well as managing properties the Group wholly owns, part owns and certain buildings where the Group does not hold an ownership interest.

Estate performance

The Group has continued to add new amenities as well as enhance existing ones during the year. Virtually all retail and leisure on the Estate is wholly owned by the Group, which provides a significant benefit as the Group is able to curate space and bring in occupiers that complement one another to create a unique retail and leisure offer.

Transportation is critical to the success of the Estate, and the opening of the Elizabeth Line in 2022 continues to be a huge connectivity boost. This coupled with the expanding and unique offering across the Estate has driven footfall to record levels, with over 67.0m visitors to the Estate in 2023, up nearly 25.0% from 2022 with a weekly average of 1.3m visitors.

The Estate's residential community also continues to grow with over 2,300 residential units built and an additional 2,000 residential units under construction. There are over 3,500 people living on the Estate and 150,000 people living within a one mile radius.

The Tribe hotel, which opened in August 2022, provides 312 rooms of accommodation and has introduced a hospitality offer directly on the Estate. Trading during 2023 was positive with average occupancy at 80.0%.

Plans to green the estate, in partnership with the Eden Project, continue to progress. This year will focus on the creation of a green spine through the centre of the Estate. Middle Dock activation has now commenced, which includes the construction outside the Jubilee underground station of a new podium into a waterfront boardwalk and access for sports such as open water swimming (which took place for a second consecutive summer in 2023), kayaking and paddle boarding. In tandem, new restaurants, boardwalks, parks and art spaces will complement the Estate's collection of more than 100 works of public art – the largest free collection in the UK. Works have been procured and early construction work has begun with the first phase due to complete in Q3 2024.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Office

	2023	2022
Number of properties	12	12
Total NIA (m sq ft)	6.9	6.9
Fair value ⁽¹⁾	£4,343.0m	£5,261.4m
Rental income ⁽²⁾	£247.8m	£242.0m
Lettings achieved (including renewals) ⁽²⁾		
– Number	10	20
– Sq ft	94,000	417,000
– Average headline rent (£/psf)	£60.76	£59.69
– Average lease term (to expiry)	9.0 years	6.4 years
Occupancy (multi let buildings) ⁽³⁾	81.1%	85.0%
Occupancy (all buildings) ⁽⁴⁾	91.1%	92.5%
WAULT (to expiry)	11.1 years	10.6 years
WAULT (to break)	8.9 years	8.7 years

Notes:

- 1 Fair value reflects total building, including non office elements.
- 2 For the year ended 31 December 2023 and 2022 respectively. Rental income for the year ended 31 December 2023 excludes £307.4m in respect of the 10 Cabot Square transaction with Barclays.
- 3 Multi let buildings include One Canada Square, 40 Bank Street, 20 Water Street, 7 Westferry Circus, 25 Churchill Place and 1/5 Bank Street.
- 4 31 December 2023 excludes 10 Cabot Square following transaction with Barclays as not actively being relet.

The year ended 31 December 2023 saw a continuation of increasing interest rates and high inflation resulting in delayed decision making by corporate occupiers for office space. Office demand continued to be polarised towards best in class to support corporate sustainability objectives and in person collaboration. The Group is well positioned to benefit from this clear flight to quality, given our continued focus and ongoing commitment to placemaking, environmental sustainability, customer engagement, increasing amenities, improved transportation links and infrastructure.

The ongoing success of the Group's MadeFor platform, delivering high quality, sustainable, ready to occupy office space, is testament to the Group's commitment to meet the demands of the next generation of occupiers. Across the portfolio the Group is now able to service the needs of the broadest range of business sectors and sizes – from one desk up to large multi floor leases.

The Group signed 10 office lettings including renewals in the year (94,000 sq ft), generating £5.7m of rent per annum for an average term to expiry of 9.0 years at an average headline rent of £60.76 (£47.01 NER to expiry, £39.56 NER to break) per sq ft. A further 5 lettings and renewals (53,000 sq ft) were under offer at 31 December 2023 with a potential to secure £3.1m of rent per annum, 3 of which were signed subsequent to year end.

In December 2023, a subsidiary of the Group and Barclays Bank Plc ('Barclays') agreed changes to lease arrangements at 10 Cabot Square and One Churchill Place. A sub lease of 10 Cabot Square was agreed with Barclays and in a separate transaction, Barclays agreed an extension of its UK Headquarters at One Churchill Place by 5 years to 2039 underlying their long term commitment to Canary Wharf.

Further evidence of the evolution of a major life sciences hub on the Estate are new leases with hVIVO at 40 Bank Street and AviadoBio at 20 Water Street. These, together with Genomics England headquartered in One Canada Square and the Kadans Science Partner incubator space (with over 9 early stage biotech companies in the space) which completed in June 2023 at 20 Water Street, continue to establish our credentials to attract the UK's most innovative life sciences businesses. The Group now has over 100,000 sq ft let to life sciences occupiers and during the year also obtained the detailed planning consents at One North Quay for the development of a 823,000 sq ft GIA commercial laboratory building, the largest private life sciences building in Europe.

Office portfolio occupancy has reduced slightly from 92.5% at 31 December 2022 to 91.1% at 31 December 2023 due primarily to leases expiring at 40 Bank Street. Occupancy of the multi let buildings reduced from 85.0% at 31 December 2022 to 81.1% at 31 December 2023 driven by the same factors.

WAULT has increased in the year to 11.1 years, with the 10 Cabot Square sub lease and 40 Bank Street lease expirations offset by the One Churchill Place lease extension and new hVIVO lease at 40 Bank Street.

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STRATEGIC REPORT (Continued)

Retail & Hospitality

	2023	2022
Number of properties	19	19
Total NIA (m sq ft)	1.2	1.2
Fair value ⁽¹⁾	£1,161.0m	£1,142.0m
Rental income ⁽²⁾	£68.5m	£56.8m
Lettings achieved (including renewals)		
– Number	75	59
– Sq ft	172,000	177,000
– Average headline rent (£/psf) ⁽³⁾	£63.42	£36.53
– Average lease term (to expiry)	10.5 years	11.6 years
Occupancy (retail malls)	95.6%	97.9%
WAULT (to expiry)	8.7 years	8.3 years
WAULT (to break)	7.7 years	7.8 years

Notes:

- 1 Fair value reflects total building, including storage elements.
- 2 For the year ended 31 December 2023 and 31 December 2022 respectively. 2023 includes £4.7m (2022 – £2.5m) lease income from the operating company that operates Tribe Hotel, that is owned by CWGRL Group and £2.6m commercialisation income (2022 – £nil).
- 3 Excluding kiosk lettings and renewals, the average headline rent (£/psf) is £59.59 for 2023 (2022 – £35.78).

The retail & hospitality business continued to perform strongly in the year despite the wider ongoing economic uncertainty including inflation and associated pressures on consumer spending.

The Group exchanged 75 retail lettings including renewals in the year (172,000 sq ft). New lettings generated £6.9m of rent per annum and renewals secured £4.4m. A further 23 lettings including renewals (115,000 sq ft) were with solicitors at 31 December 2023, with a potential to secure £9.2m of rent per annum, 12 of which were signed subsequent to year end.

Lettings achieved in the year have continued to expand the Estate's diverse amenities, opening 37 new retail and leisure outlets to suit the needs of a growing number of office customers, residents, and visitors. We have grown our café, bar and restaurant offering from 38 pre COVID-19 to over 75, focusing on bringing more relevant offerings to the Estate with the likes of Blacklock, Blank Street and Buns from Home. General interest has increased in 2024 and will be boosted by the upcoming openings, Hovarda opening their second site aboard a Wood Wharf floating water pavilion, Third Space and The Cube opening in 15 Water Street and Cricket opening their fourth site with their cocktail bar SOMA.

As the Estate evolves, repurposing space continues to be at the forefront and in August 2023 the Group successfully opened Padium, London's first premium Padel club. Additionally, in January 2024 the Group opened Flip Out, a 30,000 sq ft indoor family adventure park repurposing a full level of car park space in Cabot Square, which is attracting a wider family following particularly at weekends. These leisure openings have continued to drive footfall from a wider catchment building on successful Fairgame and Capital Karts openings in 2022.

There have been 10 tenants enter liquidation and 3 administrations in the year, of which 6 of these units have been relet with rents in excess of previous rents.

Rent collection has been stable during the year at around 97.0% with negligible rent concessions granted.

At 31 December 2023, occupancy across the retail malls was 95.6%, with units in solicitors at 31 December 2023 increasing this to 97.5%.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**STRATEGIC REPORT (Continued)****Build To Rent**

	<u>2023</u>	<u>2022</u>
Number of properties ⁽¹⁾	4	4
Total NIA (m sq ft) ⁽¹⁾	0.8	0.8
Fair value ⁽¹⁾⁽²⁾	£598.9m	£665.0m
Rental income ⁽¹⁾⁽³⁾	£28.2m	£21.3m
Average rental growth achieved ⁽³⁾⁽⁴⁾	10.1%	6.8%
Retention rate achieved ⁽³⁾⁽⁴⁾	59.4%	46.0%
Occupancy ⁽¹⁾⁽³⁾	88.2%	96.7%

Notes:

- 1 Figures include PRS asset (Newfoundland), and affordable and intermediate assets (30 Harbord Square, 50 Harbord Square and 65 Harbord Square).
- 2 Fair value reflects total building including retail units.
- 3 For the year ended 31 December 2023 and 31 December 2022 respectively.
- 4 Figures only include PRS asset (Newfoundland).

PRS occupancy on the Estate fell in last few months of the year as letting demand decreased in line with seasonal market trends. Despite this, rental growth has remained strong throughout the year with rents achieving increases of 10.1% on average and retention rates improving. Despite reduced activity conversion rates improved, partially offsetting the decreased letting demand.

PFS

	<u>2023</u>	<u>2022</u>
Number of properties	1	–
Total NIA (m sq ft)	0.1	–
Units available for sale	78	–
Sales proceeds ⁽¹⁾	£3.3m	–

Notes:

- 1 For the year ended 31 December 2023 and 31 December 2022 respectively.

Previously under construction, 8 Harbord Square, a trading property comprising 82 loft style apartments reached practical completion in December 2023. Sales on 4 apartments completed generating £3.3m sales proceeds with a further 7 exchanged by the end of the year.

Properties under construction

The below table summarises the properties under construction on the Estate:

	<u>Expected completion</u>	<u>Residential units</u>	<u>NIA m sq ft</u>
3 West Lane and 15 West Lane (formerly 45 Charter Street and 10 Brannan Street)	2024	378	0.1
One Charter Street (joint venture)	2025	279	0.1
		<u>657</u>	<u>0.2</u>

3 West Lane and 15 West Lane (formerly 45 Charter Street and 10 Brannan Street)

378 serviced apartments across 2 new buildings to be operated by the Group's Vertus platform. Construction works during the year have continued in line with budget and programme, with the buildings now topped out and fit out works commenced. The development remains on target to complete by the end of 2024.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**STRATEGIC REPORT (Continued)*****One Charter Street (joint venture with Edyn)***

An aparthotel comprising 279 Edyn branded serviced residential apartments, a rooftop restaurant, ground floor retail and amenity space. Construction works during the year have continued with modular units installation ongoing. The development was delayed following the administration of Caledonian Modular Limited in March 2022 and subsequently the administration of new lead modular contractor M-AR in November 2023. All modules are now in place and the joint venture anticipates completing the project by Q2 2025.

Land

The below table summarises the Land on the Estate based on existing and/or proposed consents:

	Residential units	NIA m sq ft
North Quay (excluding One North Quay)	1,264	2.1
One North Quay	–	0.5
Park Place	634	0.5
10 Bank Street	–	0.8
7 Brannan Street	912	0.2
Wood Wharf offices ⁽¹⁾	–	1.8
	2,810	5.9

Note:

1 Comprises 1 Brannan Street, 7 Charter Street, 8 Union Square and 4 Charter Street.

North Quay

Outline planning consent is in place for a c.2.5 m sq ft NIA masterplan (including 0.5m for One North Quay noted below) with flexibility across a range of uses including office, residential, hotel or serviced apartments, co living space and retail. The reserved matters planning consent for the 823,000 sq ft GIA first phase (One North Quay) was granted in July 2023 and enabling works continue to progress.

One North Quay (joint venture with Kadans)

The first phase of the North Quay development comprises a single building extending to 533,122 sq ft NIA across 23 floors. Site enabling works were completed in the year. The Group secured planning permission in July 2023.

Park Place

Detailed planning consent was achieved for a commercial office building. A planning application was made in 2022 for a 634 unit PRS scheme but was subsequently withdrawn due to a lack of Local Planning Authority support. A new planning brief for Park Place and the adjacent 15 Westferry Circus is being progressed.

10 Bank Street

Basement works have been completed for a new 832,000 sq ft office building. There are currently no plans for delivery ahead of securing a significant pre let.

In advance of securing a pre let occupier, the site has been repurposed to a park with padel tennis courts and a basketball half court playground both opened during the year.

7 Brannan Street

A 912 bed PBSA scheme has been designed. A planning application was submitted in February 2024.

Wood Wharf offices

The outline planning consent for Wood Wharf allows for a further 1.8m sq ft of commercial office space across 4 buildings. Site enabling works have been undertaken with pre let opportunities being marketed. There are currently no plans for delivery ahead of securing a significant pre let. Potentials for alternative use are under consideration.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Operating Results

The following review of the Group's operating results relates to the year ended 31 December 2023. The comparatives relate to the year ended 31 December 2022. Unless otherwise stated, references to 2023 and 2022 are for the year ended 31 December 2023 and 31 December 2022 respectively.

	2023	2022
Underlying profit before tax	£27.6m	£39.9m
Loss after tax	£(912.0)m	£(179.4)m
Basic loss per share	(121.8)p	(24.2)p
	2023	2022
Net assets	£3,006.4m	£3,628.3m
Fair value of property portfolio	£6,833.3m	£8,008.3m
Net assets per share [^]	80p	490p
Adjusted NAV per share [^]	84p	502p
Look through LTV ratio	51.9%	50.9%
Weighted average cost of debt	5.3%	4.6%

[^] Based on share issue of 3,740.4m in 2023 versus 740.4m in 2022 following the share issue of 3 billion shares as consideration for the £300.0m equity subscription committed by the Group's ultimate shareholders, Brookfield and QIA. Refer to Note 25 for further detail. On a like for like basis, the adjusted NAV per share for 2023 would have been 423p (2022 – 502p).

	2023			2022		
	Underlying	Capital and other	Total	Underlying	Capital and other	Total
	£m	£m	£m	£m	£m	£m
Revenue	491.9	297.1	789.0	476.7	–	476.7
Cost of sales	(179.1)	(2.6)	(181.7)	(176.2)	–	(176.2)
Gross profit	312.8	294.5	607.3	300.5	–	300.5
Other income	8.9	–	8.9	1.6	–	1.6
Share of (loss)/profit of joint ventures	1.4	(25.7)	(24.3)	2.9	(7.3)	(4.4)
Revaluation of other investments	–	(14.3)	(14.3)	–	(7.6)	(7.6)
Administrative expenses	(61.8)	–	(61.8)	(66.9)	–	(66.9)
Property revaluation movements	–	(1,109.5)	(1,109.5)	–	(566.8)	(566.8)
Operating (loss)/profit	261.3	(855.0)	(593.7)	238.1	(581.7)	(343.6)
Net financing costs:						
– financing income	8.5	–	8.5	4.6	357.2	361.8
– financing charges	(242.2)	(61.9)	(304.1)	(202.8)	(9.8)	(212.6)
	(233.7)	(61.9)	(295.6)	(198.2)	347.4	149.2
(Loss)/profit before tax	27.6	(916.9)	(889.3)	39.9	(234.3)	(194.4)
Tax			(22.7)			15.0
Loss after tax			(912.0)			(179.4)

Revenue is generated primarily by the rents and service charges earned by the Group from its property interests on the Estate, together with turnover recognised on construction contracts and fees earned from construction and development management agreements. In December 2023, a subsidiary of the Group and Barclays Bank Plc agreed changes to lease arrangements at 10 Cabot Square and One Churchill Place, this resulted in £310.0m income and £2.6m cost being recognised for termination of leases, with a £12.9m reduction in revenue attributable to accelerating the amortisation of the lease incentive for the asset. The Group released 10 Cabot Square from the securitisation, recognising a £39.3m debt modification charge, included in finance charges. Due to the quantum and one off nature of the transaction, this has been included within Capital and Other Items. Gross profit for 2023 was £607.3m, an increase of £306.8m compared to 2022.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Underlying revenue for 2023 was £491.9m, compared with £476.7m for 2022. Office rental income increased by £6.8m to £243.8m in 2023, despite occupancy falling by 1.4% from the previous year end and Level39 generated £4.0m income (2022 – £5.0m). Retail rental income increased by £11.7m from £56.8m in 2022 to £68.5m in 2023, attributable to 75 lettings being achieved in 2023, generating £6.9m of rent per annum from new lettings, with occupancy at 95.6% at 31 December 2023. Rental income for both years is stated net of adjustments for concessions granted to tenants. BTR rental income of £28.2m (2022 – £21.3m) was recognised in 2023 from Newfoundland and the intermediate and affordable buildings. This was primarily attributable to rental growth rates seeing a 10.1% increase despite a slight reduction in occupancy to 88.2%.

Service charge income decreased from £111.4m for 2022 to £106.3m for 2023, and other tenant recoveries decreased from £25.5m for 2022 to £23.0m for 2023, partly reflecting the slightly reduced occupancy levels. Other tenant recoveries include energy services and the provision of tenant specific services other than the standard service charge. The Group also recognised £7.9m (2022 – £11.9m) from surrender premiums and dilapidations and recognised £6.9m (2022 – £7.8m) of fees on the provision of development and construction management services. Following the completion of 8 Harbord Square in December 2023, sales completed on 4 units, with a further 7 under exchange. As a result, the Group recognised £3.3m (2022 – £nil) sales proceeds.

Cost of sales includes rents payable, property management costs, including repair costs and movements on provisions for certain lease commitments. Cost of sales also includes operating expenditure on the residential rental buildings, amortisation of negotiation costs, vacant space costs and expected credit loss charges.

Service charge costs increased from £115.6m for 2022 to £119.5m for 2023. Other direct property costs, which includes the cost for providing tenant services across all aspects of the estate including BTR, Level39 and parking as well as energy services, increased to £38.6m from £34.6m comparatively.

Cost of sales for 2023 also included vacant space costs of £6.7m, increasing from £5.4m in the prior year, amortisation of negotiation costs of £2.7m, £1.3m of costs associated with the management fees charged in the year and an expected credit loss charge of £0.6m. The Group incurred £3.5m of costs relating to the 4 unit sales at 8 Harbord Square which completed in the year and took a £3.9m impairment on future profits. The Group also incurred £2.3m costs (2022 – £9.0m) in relation to surrender premiums and dilapidations.

The share of losses from joint ventures after interest was £24.3m in 2023 in comparison to a loss of £4.4m in 2022. The loss in 2023 was primarily attributable to the Group's 50.0% share of the revaluation deficit in the Vertus joint ventures of £19.3m and One Charter Street joint venture of £6.4m. This was partially offset by the share of profits of £1.7m in the Vertus joint ventures, comprising the BTR buildings at 10 George Street and 8 Water Street on Wood Wharf, resulting from successful leasing activity.

The revaluation of investments deficit of £14.3m (2022 – £7.6m) relates to the Group's share of the revaluation deficit on 10 Upper Bank Street.

Underlying administrative expenses for 2023 were £61.8m in comparison with £66.9m for 2022, a reduction of £5.1m.

Other income of £8.9m was recorded in 2023 in comparison with £1.6m in the previous year. Included in 2023 is £6.9m of one off contract settlements and £2.0m of distributions received from investments.

A net property revaluation deficit of £1,109.5m (Note 7) was recognised in the Consolidated Income Statement for the year compared with a deficit of £566.8m in 2022. The changes in the property portfolio valuation are explained in more detail in the Valuations section below.

Underlying net financing costs (Note 8) for 2023 were £233.7m compared to £198.2m for 2022. Underlying net financing costs are stated net of £25.2m of interest which has been capitalised and transferred to certain trading properties, properties under construction and land (2022 – £16.4m). This amount includes the finance charge relating to the Group's borrowings which are deemed to have been utilised in financing those properties with significant development activity.

Excluding capitalised interest, the Group's underlying interest payable was £267.4m for 2023, in comparison with £219.2m for 2022. The increase was primarily attributable to increasing financing costs on the Newfoundland facility refinanced in the year, as well as additional interest comparatively for the Group's unhedged facilities, 12 Bank Street, the HE loan and 8 Harbord Square. In addition, there was £21.2m (2022 – £nil) of hedge reserve recycling relating to the amortisation of cap fees over the life of caps taken out over certain debt facilities.

Net financing costs classified as capital and other items were £61.9m for 2023 (2022 – £347.4m net financing income). The 2023 cost included £17.9m (2022 – £357.2m income) on the movement in the fair value of derivative financial instruments, a £nil (2022 – £1.4m) cost of breaking currency swaps and £4.7m (2022 – £8.4m) hedge reserve recycling. In December 2023, the Group committed to make a repayment of the A1 and A3 notes on the Securitised Debt facility in January 2024, which resulted in a commitment of £40.5m spent payment which was accrued for at the year end. This resulted in a £39.3m debt modification charge being recognised in the year. Further details on this transaction are included in Note 8.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Total losses before tax for 2023 were £889.3m, compared to £194.4m in 2022. The change was primarily driven by the significant property revaluation deficits in the year offset by income earned on the 10 Cabot Square transaction which is further detailed in Note 4.

The tax charge for the year of £22.7m (2022 – £15.0m credit) comprised a corporation tax charge of £3.6m (2022 – £13.5m credit), a deferred tax charge of £9.2m (2022 – £1.5m credit), and a £9.9m charge in relation to the Eurobond enquiry further discussed in Note 9.

Loss per share

The basic and diluted loss per share (Note 3) for 2023 was 121.8p (2022 – 24.2p). There were no adjustments required in respect of dilutive instruments in any of the years under review. In the year the Group issued shares of £300.0m, (further detailed in Note 25), increasing the issued shares from 740.4m to 3,740.4m, giving a weighted average number of shares for the year, used to calculate the basic and diluted loss per share, of 781.5m.

Valuations

The fair value of the Group's properties compared to their carrying value is presented below. The difference between the fair value and carrying value relates to adjustments for the present value of future ground rents payable (see Note 10 for detailed reconciliation):

	31 December 2023				31 December 2022			
	Fair Value £m	Share of total portfolio %	Weighted average initial yield %	Weighted average equivalent yield %	Fair Value £m	Share of total portfolio %	Weighted average initial yield %	Weighted average equivalent yield %
Completed properties								
Office	4,343.0	63.6	4.4	6.2	5,261.4	65.7	4.0	5.3
Retail	1,161.0	17.0	4.5	5.4	1,142.0	14.3	4.2	5.7
Build to Rent	598.9	8.8	4.1	4.1	665.0	8.3	3.7	–
	6,102.9	89.4			7,068.4	88.3		
Properties under construction								
Wood Wharf Phase 2	61.6	0.9			22.4	0.3		
Wood Wharf Phase 3	–	–			215.0	2.7		
	61.6	0.9			237.4	3.0		
Land								
Wood Wharf later phases	260.1	3.8			208.0	2.6		
North Quay	237.5	3.5			285.0	3.6		
Park Place	25.0	0.3			33.0	0.4		
10 Bank Street	87.8	1.3			121.5	1.5		
	610.4	8.9			647.5	8.1		
Trading properties held for sale at cost								
8 Harbord Square	58.4	0.8			55.0	0.6		
	6,833.3	100.0			8,008.3	100.0		

The Group's overall property portfolio valuation was £6,833.3m at 31 December 2023, a reduction of £1,175.0m. Net of capital expenditure and the accounting adjustments required for tenant incentives and deferred negotiations costs, there was a valuation loss of £1,109.5m in the year.

The completed property portfolio decreased by £965.5m during the year to £6,102.9m, primarily relating to a £1,006.2m valuation loss offset by £39.6m of capital improvements. The valuation decline was driven primarily by the outward movement of yields reflecting the current negative economic sentiment, partially offset by strong operating performance and rents achieved by Retail and BTR properties.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**STRATEGIC REPORT (Continued)**

Office properties have decreased £918.4m during the year to £4,343.0m. This is being driven by the outward movement of yields as noted above with the weighted average initial yield increasing by +40bps to 4.4% and those office properties with shortening lease maturities and/or vacancy.

Retail properties have increased £19.0m during the year to £1,161.0m, driven by a +30bps movement on the weighted average initial yield offset by growth in rents and ERV driven by increased footfall on the Estate.

BTR properties have decreased £66.1m during the year to £598.9m, being a +40bps movement in weighted average net initial yield in part driven by the reduced occupancy of the portfolio.

The £175.8m decrease in properties under construction in the year to £61.6m is primarily attributable to the disposal of 4 assets making up the WWP3 portfolio; 13 Brannan Street, 40 Charter Street, 50–60 Charter Street and 70–80 Charter Street, to an affiliated entity in the WWP3 Group for a value of £241.0m. Further details on this transaction are included in Note 10.

Trading properties increased by £3.4m to £58.4m, primarily attributable to capital additions of £12.0m offset by disposals of £3.3m from the sale of 3 units in the year and a £3.9m impairment charge.

Financing

	<u>2023</u>	<u>2022</u>
Securitised debt ⁽¹⁾	£1,484.6m	£1,465.6m
Green Bonds ⁽¹⁾	£904.4m	£902.4m
Other secured loans ⁽¹⁾	£1,841.5m	£1,554.8m
Construction loans ⁽¹⁾	£326.5m	£650.0m
Gross debt ⁽¹⁾	£4,557.0m	£4,572.8m
Net debt (see Note 22) ⁽¹⁾	£3,716.7m	£4,222.1m
Look through LTV	51.9%	50.9%
Secured debt as % of total debt ⁽²⁾	79.4%	79.7%
Weighted average maturity ⁽²⁾	4.4 years	5.5 years
Weighted average cost of debt ⁽²⁾	5.3%	4.6%
Fixed and capped debt ⁽²⁾	94.1%	87.1%

Note:

- 1 Inclusive of derivatives.
- 2 Exclusive of derivatives.

The Group's gross debt at 31 December 2023 of £4,557.0m has reduced by £15.8m compared to 31 December 2022. The position remained broadly unchanged due to the net impact of £309.4m of drawdowns on new secured loans, fair value losses on derivatives of £59.4m and £40.5m spent payment being recognised in the year, offset by £493.9m debt repayments in the year. The movement in gross debt is bridged in further detail in Note 22.

In May 2023, Moody's issued a credit rating of the Group's Senior Secured Green Notes, downgrading from Ba3 to B1. This was confirmed in a November review of the rating. The Fitch rating was downgraded in September 2023 from BB+ to BB.

The Group signed £429.3m of new and refinanced debt during 2023, comprising:

- 15 and 20 Water Street (March 2023) – 12 month extension on the office construction loan that is secured on the property assets. The loan facility was for a total of £186.0m, of which £119.9m was drawn. The undrawn commitment of £66.1m was cancelled.
- Newfoundland (March 2023) – New £309.4m loan facility secured against the Newfoundland property. The loan proceeds were used to repay the previous facility. The new facility is a 5 year term maturing in March 2028.

The Group has access to considerable financial resources at 31 December 2023. The Group had cash totalling £840.3m, of which £329.3m was unrestricted and the Group had access to two revolving credit facilities totalling £130.0m RCF, which was undrawn at the year end. The £30.0m RCF facility expired in April 2024.

The Group completed a number of transactions after the year end, including repayments, new financings and refinancings. These are detailed in Note 31.

Key performance indicators

Net assets in the Group's Consolidated Balance Sheet were £3,006.4m at 31 December 2023 in comparison with £3,628.3m at 31 December 2022. The decrease in net assets over the year of £621.9m was primarily attributable to the loss after tax of £912.0m, which includes valuation losses on the Group's wholly owned property portfolio of £1,109.5m, offset by the £300.0m equity injection received from shareholders.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**STRATEGIC REPORT (Continued)**

The Group's objective is to maximise NAV from managing the Group's property investments and development activities, although the Group is impacted by movements in the wider property market. The Board considers adjusted NAV per share attributable to members of the Company to be an indicator of the Group's performance. This measure serves to capture the Board's judgements concerning, inter alia, letting strategy, redevelopment and capital structure.

Adjusted NAV per share excludes deferred tax and derivatives.

The calculation of adjusted NAV per share is set out in the following table:

	2023 £m	2022 £m
Balance sheet net assets	3,006.4	3,628.3
Derivatives ⁽¹⁾	107.3	84.6
Deferred tax ⁽²⁾	15.1	5.9
Adjusted NAV	3,128.8	3,718.8
	Shares	Shares
Ordinary shares in issue at the year end	3,740,374,616	740,374,616
Adjusted NAV per share	84p	502p

Note:

- 1 Comprises the mark to market of derivatives.
- 2 Refer to Note 9.

On 27 December 2023, the Group's ultimate shareholders committed a £300.0m equity subscription to the Group. The proceeds demonstrate a long term commitment and will be used to complete the strategic repositioning of Canary Wharf and build out additional residential and life sciences projects on the estate. As part of this transaction, the Company issued 3,000,000,000 £0.10 value shares as consideration for the £300.0m equity subscription from the Group's ultimate shareholders, Brookfield and QIA, via SHL and SHLP.

As a result, the number of shares in issue used in the adjusted NAV per share calculation has increased by 3,000,000,000 comparative to the prior year.

Cash flow

The net cash inflow from operating activities for the year ended 31 December 2023 was £411.5m in comparison with an outflow of £16.7m for year to 31 December 2022. The inflow for 2023 was stated after positive adjustments for working capital of £47.6m (2022 – £5.3m negative) and primarily owing to the receipt of £321.1m in relation to the 10 Cabot Square transaction. In 2023, corporation tax amounts of £7.8m were received compared with £46.5m payments in 2022 and the Group paid £227.2m interest, an increase of £27.3m from 2022.

Cash flows from investing activities resulted in a net cash outflow of £90.6m for 2023 compared with £109.7m for 2022. The cash outflow for 2023 included £132.4m of development expenditure on the Group's property portfolio (2022 – £110.9m) and £34.6m invested into joint ventures and other investments (2022 – £3.4m) described in Notes 13 and 14. The Group received £78.9m consideration as part of the disposal of 4 properties under construction to the Wood Wharf Phase 3 Group. This transaction is detailed further in Note 10.

The net cash inflow from financing activities for 2023 was £168.7m, compared with £236.0m net cash inflow for 2022. Chief contributions to this included £300.0m received from the Group's ultimate Shareholders from a 3,000m 10p share capital issue and debt drawings of £417.0m, offset by £493.9m loan repayments, and £36.9m in respect of payments for derivative financial instruments. The Group on lent part of the HE loan to WWP3 in the year, resulting in a £6.1m net cash outflow from the Group and incurred £5.4m fees associated with new financings in the year (2022 – £3.3m).

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Principal risks

The Group recognises that the effective management of risk is key to the business success. As the Group has grown and evolved in recent years, diversifying the profile of the Estate and expanding operations, its risk profile has also evolved. At the same time the Group has needed to navigate the Covid-19 pandemic, changes in how people work, as well as an increasingly challenging global economic, political, and geopolitical environment.

The Group has responded by focusing on the creation and protection of value through its Risk Management programme – for the Group’s shareholders and investors, its tenants, and for visitors to the Canary Wharf Estate.

Our Risk Management Framework

The board has overall responsibility for the Risk Management for the Group. In this role it is underpinned by the Audit Committee and the Executive Risk Committee and supported throughout by the Risk Management team.

The Group’s Risk Management programme was the subject of extensive revision in 2022 and has been the focus of further investment and development through 2023. The programme is embedded across the Group, with department heads and specialist functions acting as risk managers and risk owners to ensure that management of risk is addressed at every level. The Group’s Risk Management Structure is shown below:



The Group’s Risk Management programme is aligned to ISO 31000 (Risk Management) and informed by best practice across all areas of operation, specifically property development, construction, facilities management and property and retail management. The Group is also certified to ISO 45001 (Health & Safety Management), ISO 9001 (Quality Management) and ISO 22301 (Business Continuity), reflecting commitment to best practice.

The Risk Environment

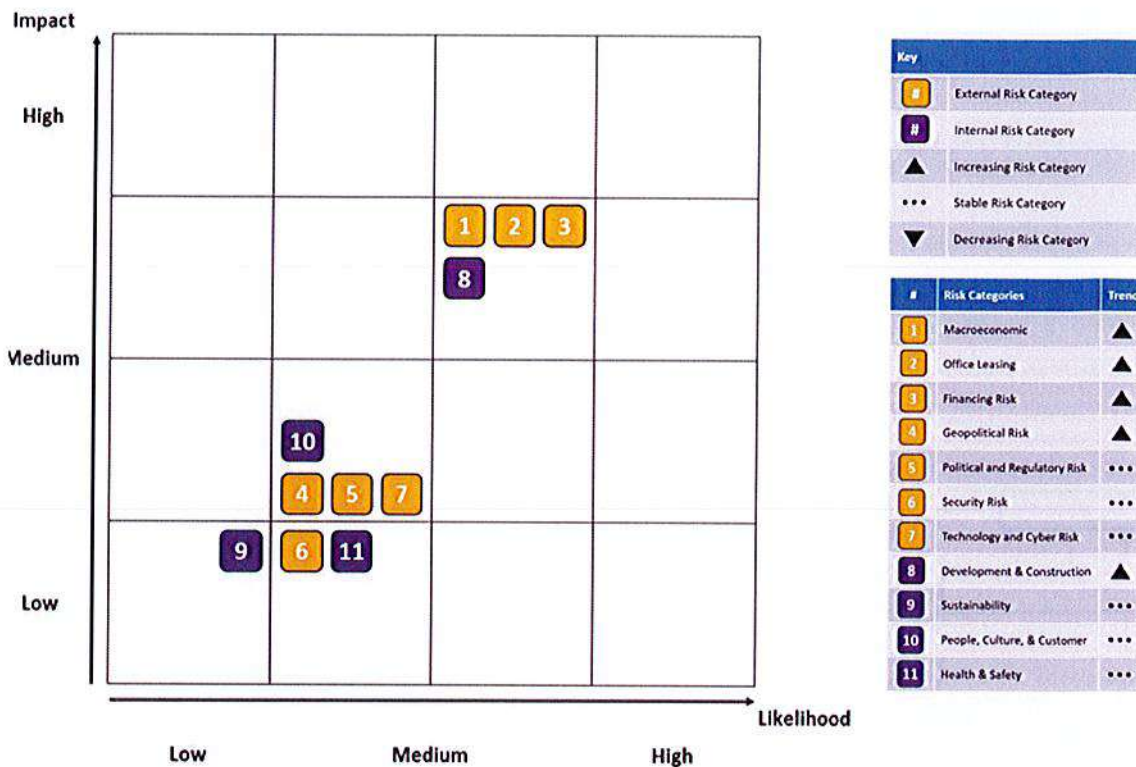
All departments and specialist functions across the Group continually monitor risks in their operating environments and are supported in this by appropriate external expertise and the Risk Management team.

The challenges facing the UK and Global economy, the Commercial Real Estate sector, and Geopolitical developments in the Middle East and Ukraine have been a primary focus for the Group over past 12 months, while developments across the sociological, technological, legal, and environmental sectors have also informed the Group’s risk assessment process.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Principal Risks



Principal Risks – External

1. Macroeconomic

Macroeconomic risks continue to be the most significant category of risks on the Group's risk register, with inflation, the cost of finance, and consumer spending graded at medium to high likelihoods and impacts. While positive signs have been noted in the UK economy, the UK entered a recession in early 2024, and potential geopolitical impacts on energy supply chains and lingering inflation have raised the prospect that its recovery may be protracted.

Management and mitigation: Among the control measures adopted by the Group are the continued engagement and support of our shareholders, continued close monitoring of key economic indicators in the context of our strategy and commitments, and planning for a range of potential economic outcomes. The Group also assesses the financial solvency of any potential tenants, suppliers or partners before moving forward with new projects, and seeks to ensure it is not over reliant on any one tenant or supplier. Regular stress testing of the Group's business plan is undertaken to assess the impact of an economic downturn on the Group's operations and to ensure the Group's financial position is sufficiently resilient.

2. Office Leasing

At 31 December 2023, the Group owned 12 office assets with a NIA of 6.9m sq ft representing 63.6% of the value of the Group's property portfolio. Risks associated with the Office Leasing market have been prominent for the Group over the past 12 months, with changes in how people work reducing demand for office space, and a shift in tenant demand to premium, sustainable solutions. The risk associated with office leasing has been graded with medium to high likelihood and impact. While the future tenant makeup on the Estate is expected to remain dynamic, the Group has secured a lease extension from Barclays and, following the year end, Morgan Stanley, and continues to engage with its tenants and key stakeholders. The Office Leasing market is expected to present further challenges over the coming 12 months and will continue to be a key focus of risk management.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Management and mitigation: Whilst occupancy has reduced slightly to 91.1% at 31 December 2023 (2022 – 92.5%), the Group continues to benefit from a WAULT to expiry of 11.1 years. Over recent years the Group has significantly diversified its property portfolio with a number of residential developments completing and further developments in the pipeline. The Group has a strong history of creating value for office tenants, and controls for these risks will continue to focus on engaging with current tenants to understand their requirements, diversifying product offerings, while engaging with new sectors, including Life Sciences, and continuing the development of premium space on the multi dimensional Estate. As part of the Group controls on office leasing, the Group performs regular assessments of the financial solvency of tenants and seeks to ensure it is not over-reliant on any one tenant.

3. Financing Risk

2023 saw a continuation of increasing interest rates resulting in increasing pressure on finance costs and indirectly on property asset values putting pressure on loan to value metrics. These changes and macroeconomic challenges have influenced the financing risk faced by the Group, which is graded at medium to high likelihood and impact. The Group has demonstrated success in this context, with refinancing successfully secured for 15 and 20 Water Street and the Group's Newfoundland BTR residential building. At 31 December 2023, the Group had certain facilities that were due to expire within the next 12 months on 12 Bank Street, 15 and 20 Water Street and 1/5 Bank Street.

Management and mitigation: The Group's controls in this context are centred on continued engagement with existing partners, exploring other sources of finance and structures, including potential joint venture partnerships. The Group maintains regular forecasting and budgeting processes to allow the ongoing monitoring of the financial performance of the group and appropriate actions, where required, to be taken. Financial covenants are regularly monitored and assessed in conjunction with any new deals or financing and the Group affirms a strict hedging strategy evidenced by 94.1% of total debt at fixed rates or hedged interest. In addition, the Group continues to benefit from the support of its ultimate shareholders (see note 1 to the consolidated financial statements) and during the year received a further commitment in the form of a £300.0m equity injection. Following the year end, a number of facilities were refinanced and repaid. Refer to Note 31 of the Consolidated Financial Statements for further detail.

4. Geopolitical Risk

The past 12 months have marked the most significant escalation in international conflict and Geopolitical tensions in the past 50 years, with conflict in Ukraine and the Middle East. The Group's exposure to these trends is indirect and limited to exposure to increased energy costs and implications for global supply chains. Risks in this context are graded low to medium in terms of both likelihood and impact.

Management and mitigation: The Group's controls include enhanced monitoring of global developments by specialist inhouse teams and external providers, and forward planning and scenario analysis in terms of energy requirements. The Group maintains strong relationships with occupiers, suppliers and agents to ensure it can appropriately react to changing geopolitical climates and how this might impact the business.

5. Political and Regulatory Risk

The Group continues to monitor risks related to the UK's political landscape, in particular in the context of the forthcoming general election.

In regulatory terms, the Group has identified risks from the implementation of the Building Safety Act, and its continued and emerging obligations across the Economic Crime and Corporate Transparency act, anti bribery and corruption, tax evasion, anti money laundering, and modern slavery and human trafficking regulations. These risks are graded as low to medium in terms of likelihood and impact.

Management and mitigation: The Group's controls in this context centre on regulatory monitoring, the development, maintenance, and implementation of appropriate policies, together with staff training and regular reviews of control effectiveness. On a local scale, the Group engages with Tower Hamlets council to ensure the Group's awareness of any local regulatory changes and impact to the business.

6. Security Risk

The Group places heavy emphasis on providing a secure environment, to ensure that its staff, tenants, and visitors to the Estate can work, live and play in safety. Risks from terrorism and disruptive action have remained stable over the past 12 months, despite an increase in global tensions, and while the Group is facing an increased risk from crime on the estate, crime figures remain well below the London average. The Group assesses these risks to be of low to medium impact and likelihood.

Management and mitigation: The Group's controls in this context centre on its continued investment in its Security and Resilience function, and its cooperation with police and appropriate sections of the UK government. The Group's incident response system, Everbridge, is regularly tested ensuring all staff can be contacted and located in an emergency. The Group also operates a zero tolerance policy in relation to bribery, corruption and fraud and has appropriate policies in place to manage and monitor these risks. All staff undertake mandatory training on these issues.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

7. **Technology and Cyber Security Risk**

The Group recognises that risks from cyber threat actors are evolving in scale and complexity, while at the same time noting that the rapid evolution of technology and information systems, particularly around AI, will be a critical component of its continued success. The Group's risks in this context are graded to be of medium likelihood and impact.

Management and mitigation: The Group monitors the evolution of risks and employs multilayered controls to address these, including the establishment, implementation and maintenance of appropriate policies, mandatory staff awareness training, and appropriate and proportionate cyber defences with third party providers.

Principal Risks – Internal

8. **Development & Construction**

The development of the Canary Wharf Estate is continuing, with 3 West Lane and 15 West Lane scheduled for completion in 2024 and One Charter Street in 2025. The Group also has 5.9m sq ft of land on the estate in the development pipeline. Risks associated with Development and Construction programmes include supplier and contractor viability, planning policies and permissions, evolutions in regulatory requirements, and marketplace trends. These risks are predominantly graded at medium likelihood and impact.

Management and mitigation: Controls focus on monitoring developments across the sector, identifying shifts that have potential impacts on the development and construction pipeline, and developing contingencies and resilience pathways to deliver in line with the Group's strategy. An experienced development team monitor and manage projects from the design through to completion and delivery. The Group also fosters competitive tendering of contracts prior to launching a new project and ensures any new suppliers or partners accept the Group's Supplier Code of Conduct, outlining the responsibilities of our suppliers to secure equitable working conditions as well as responsible handling of social, ethical and environmental concerns throughout the supply chain. The Group also completes ongoing screening and monitoring of its development partners based on financial and reputational risk.

9. **Sustainability**

The Group places a strong emphasis on Sustainability, with its ambition to be net zero in terms of emissions, adopting a 'Nature Positive' approach to development, driving circularity in waste management, and delivering a positive social impact.

Key risks across the Sustainability programme include the accurate representation of the Group's sustainability progress to regulators and the public, collaboration with supply chains to ensure the Group's science based targets are met, and increasing legal requirements for building performance targets. Failure to meet these commitments could result in reputational damage for the Group and subsequent damage to our relationship with customers, suppliers and other stakeholders. Similarly, inaccurate claims around sustainable practices could result in the Group being subject to fines under the Green code leading to both financial and reputational harm. These risks are graded as low in terms of likelihood and impact. For a comprehensive overview of the Group's Sustainability programme please consult the annual sustainability report, available on Canary Wharf Group website, www.group.canarywharf.com.

Management and mitigation: The Group's sustainability policies and targets, allied with extensive monitoring and reporting are key controls for this group of risks. These are further enhanced with engagement with key stakeholders across regulatory and industry bodies and through supply chains to ensure that the Group's objectives continue to be appropriate and on target. The Group is actively engaging with many industry groups including the UK Green Building Council ('UKGBC'), the Better Building Partnership ('BBP') and Concrete Zero to ensure it remains up to date with all regulations. The Group also actively monitors the operational performance of its buildings, and retrofits older buildings where possible, to ensure compliance.

The dedicated sustainability team produce an annual sustainability report to drive sustainable initiatives and communicate performance to our stakeholders. External assurance over this report is obtained to provide confidence to stakeholders. The Group actively engages in sustainable practices and is working in partnership with the Eden Project to transform the Canary Wharf Estate into a biodiverse environment. Further details are provided in our corporate responsibility section below. See the UK Mandatory Climate Disclosure for further detail on page 22.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**STRATEGIC REPORT (Continued)****10. People, Culture & Customers**

The Group recognises that its People, Culture and Customers are central to its success. Key risks identified across these sectors include the shortages and losses of staff, and shortfalls in succession planning, which are graded as being low to medium in terms of likelihood and impact.

Management and mitigation: The Group manages the risks in this context through the establishment and implementation of appropriate policies, supported with a wide range of ethical, wellbeing, and equality, diversity and inclusion initiatives. The Group launched bi annual 360 degree appraisals in 2023 to ensure its people are receiving timely constructive feedback. The Group also fosters inclusive career paths for its employees through the Career Development Framework. Public perception of the Estate and the Group is monitored regularly, allowing the Group to respond where appropriate. Regular communication with customers is maintained through use of the Canary Wharf App and the Group maintains a close relationship with local council Tower Hamlets to foster a collaborative environment which benefits both its people and customers.

11. Health & Safety

The scope of the Group's operations across construction, facilities management, maintenance and engineering represent a broad range of risks, with key risks focusing on the failures of equipment, systems or processes, in addition to risks presented by rapidly growing technologies such as electric vehicles. These risks are graded as low to medium in terms of likelihood and impact.

Management and mitigation: The Group's extensive experience across construction and facilities management is leveraged in this context, with management and mitigation of the risks founded on appropriate and proportionate policies, safety regimes and appropriate investment in expertise and capability. The Group employs competent experienced individuals to provide health and safety expertise and support, ensuring ongoing monitoring of controls and regular reviews of policies and procedures. Regular health and safety training is undertaken by all employees applicable to their roles and responsibilities.

Corporate policies***Conflicts of Interest***

A formal process to manage directors' conflicts of interest is observed by the Group. The prescribed process provides a framework within which the directors who are not conflicted can manage potential conflict situations to protect the interests of the Company. An annual review involving self certification by directors is conducted of the conflicts disclosed during the preceding 12 months.

Anti Bribery and Corruption

The Board continues to demonstrate commitment to the prevention of bribery and corruption and understands the importance of maintaining a culture in which it is not acceptable at any level. An updated online bribery and corruption awareness training module was launched in the year. This is undertaken by all new employees and agency workers and has been completed by 86.6% of the Group's existing employees. The Group has a Code of Business Practices and Ethics and a formal Anti Bribery and Corruption policy, which requires all directors and employees to behave with integrity and in a manner that ensures the objectives of the policies are achieved. The Group has a strict approach to maintaining high standards of finance, business principles and ethics and appropriate risk assessments are undertaken periodically.

Criminal Finances Act 2017

The Criminal Finances Act 2017 established the corporate criminal offence of failing to prevent the criminal facilitation of UK and foreign tax evasion. The Group's Ethics Code and Anti Bribery policies referred to above protect the Group from some aspects of these types of activities. To supplement these policies, the Group also has an Anti Facilitation of Tax Evasion policy and rolled out a mandatory training course to all employees which has been completed by 98.0% of staff. A refresher course was issued in 2023.

Anti Slavery and Human Trafficking

To comply with the Modern Slavery Act 2015 the Group has established controls to combat slavery, servitude, forced or compulsory labour and human trafficking. The Group's adopted policy and formal statement sets out the Group's commitment to prohibiting any form of forced labour or slavery. Online anti slavery and human trafficking training launched in July 2023 is mandatory for all employees and agency workers and to date has been completed by 88.0% of employees.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

General Data Protection Regulation (GDPR)

The DPO and management continue to take a risk based approach to address GDPR compliance. A GDPR committee with representation from key senior personnel across the business meets periodically to discuss and communicate data protection issues. Privacy policies are published on the Group's public facing websites. Data protection policies and procedures are in place and appropriate registers are maintained. Online mandatory GDPR refresher training launched in February 2022 has been completed by 92.0% of employees. The Group has also issued Cyber Security training which was completed by 96.0% of employees.

Corporate Responsibility

Sustainability is front and centre for the Group. The Group are aware of the increasing sustainability requirements of current and prospective customers. To deliver sustainability, the Group integrate actions and targets into every phase of project delivery and are improving the environmental performance of existing facilities through effective retrofitting and facilities management. The Group aims to design, build and manage central London's highest quality, best value and most sustainable office, retail and residential buildings and districts. In doing this, the Group works with all its stakeholders to create and nurture vibrant, inclusive communities that meet today's economic, environmental and social needs while anticipating those of tomorrow for the benefit of the environment, tenants, employees, the community and stakeholders.

The Group is an active member of many industry groups including the UKGBC, the BBP and Concrete Zero. The Group has also signed the BBP Climate Change Commitment, as well as The Climate Pledge, joining Amazon and other companies in pledging to achieve net zero carbon at least 10 years ahead of the Paris Agreement. The Group targets the reduction of energy, water and resource use, and the reuse and the recycling of waste where possible during the design, construction, and management of properties. The minimisation of disruption and disturbance to the environment and local community is targeted during the construction and management of buildings. The Group is also committed to preventing and monitoring pollution and to reducing any emissions which may have an adverse impact on the environment and/or local community. The Group has an ISO 140001 certified Environmental Management System, and an ISO 50001 Energy Management System.

The Group endeavours to raise awareness and promote effective management of sustainability, environmental and social issues with staff, designers, suppliers, and contractors and also works closely with suppliers and contractors to establish effective environmental supply chain management and to promote the procurement of sustainable products and materials. In 2023, the Group held the Ambition Into Action summit to foster collaboration with the supply chain, and have since launched a supplier training programme designed to support suppliers in understanding their emissions and setting realistic, challenging science based targets.

The Group has 2 ambitious Science Based Targets ('SBTs') ratified by the Science Based Targets Initiative ('SBTi'), as well as an ambition to be net zero, as outlined in its Net Zero Carbon Pathway. Progress against both the Net Zero Carbon Pathway and SBTs are published in the annual Sustainability Report. In 2023, the Group participated in GRESB and CDP Sustainability Benchmarking schemes, receiving a GRESB 5 star rating, and a CDP score of B.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

In 2023, the Group had the following operational UK energy use and carbon emissions:

UK Local Emissions – figures based on net building

	Total consumption(kWh)		Total emissions (tCO ₂ e)	
	2023	2022	2023	2022
Scope 1 (direct emissions):				
Natural gas	62,474,404	51,390,264	11,428	9,381
Diesel oil	227,875	235,770	54	401
White diesel	1,396,237	1,375,314	334	410
Petrol (on site)	–	–	–	–
HVO (on site)	887,911	234,431	3	9
Diesel (transport)	83,210	156,706	20	43
Petrol (transport)	38,535	–	9	–
Refrigerants	–	–	875	967
Scope 1 total	65,108,172	53,392,485	12,723	11,211
Scope 2 (indirect emissions):				
Electricity	78,307,665	73,051,453	16,215	14,127
PV	163,091	54,986	–	–
District heating and cooling	18,794,050	44,304,489	3,376	7,564
Scope 2 total	97,264,806	117,410,928	19,591	21,691
Total Emissions	162,372,978	170,803,413	32,314	32,902

Notes:

Methodology – emissions have been calculated in line with the GHG Protocol, calculated using a location-based approach and includes district heating

	Total Revenue £m		Energy usage kWh/£100k	
	2023	2022	2023	2022
Intensity Metrics	789.0	476.7	20,580	35,830

	Underlying Revenue £m		Energy usage kWh/£100k	
	2023	2022	2023	2022
Intensity Metrics	491.9	476.7	33,009	35,830

The Group has purchased 100.0% renewable electricity for all operations since 2012, which has reduced Scope 2 emissions from electricity to zero during this reporting year (using a marked based approach). This electricity supply is backed by Renewable Energy Guarantee of Origin (REGO) certificates.

In the last financial year, the Group completed a number of energy reduction measures, including:

- Use of Demand Logic in managed buildings, a software designed to improve energy efficiency by continuously monitoring building equipment and identifying areas for improvement.
- Introduction of a lighting control platform called SmartScan in several areas of the Estate, allowing increased visibility and control over lighting fixtures.
- Live air quality and temperature monitoring introduced throughout the Group's offices.
- Continual upgrades to building equipment to increase efficiency.

The annual Sustainability Report provides details of performance against a range of specified targets and objectives and undergoes limited assurance in line with ISAE 3000. This report, together with additional supporting information and Group publications related to this area can be downloaded from the Canary Wharf Group website, www.group.canarywharf.com.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

UK Mandatory Climate Disclosures

Governance

The Group’s Management Committee has ultimate oversight of climate related risks and opportunities. The Management Committee’s decision making on climate related issues is informed by input from the Sustainability Committee, as well as the Risk Committee. The Sustainability Committee is supported by 3 delivery committees: Net Zero and Climate Transition, Circular Economy & Nature, and Community & Social Impact. This governance structure is also supported by external auditing that takes place for CWG’s ISO 140001 Environmental Management System and ISO 50001 Energy Management System, as well as additional assurance related to sustainability performance.



Risk management & climate risk organisational structure

Risk management

The Group has a dedicated risk management function aligned to the ISO 31000 Risk Management standard. This incorporates the identification, analysis, and treatment of internal and external risks relevant to its operations and overall business strategy. Risks are identified on a 'top down' and 'bottom up' basis and are reviewed on a quarterly cycle by the Risk Committee, Management Committee and Audit Committee. The most significant risks and risk trends are presented to the CWGIH board for strategic review, awareness, and action. Risks are allocated to an owner, who reviews them quarterly to either add new risks or change the risk, likelihood or controls of an existing risk, or can remove a risk entirely.

Risk and opportunities identification

The group identifies climate related risks and opportunities through examining the 4 key drivers of activity: Objectives (the organisation’s projects and targets), Operations (the organisation’s key processes and deliverables), Dependencies (external and internal stakeholders) and the operating Environment and Sustainability (internal and external environment).

Integration of climate risk into overall risk management process

Climate risk and opportunities are integrated into the overall risk management process as part of the Environment & Sustainability risk category. These risks are owned and managed by the Director of ESG.

Climate related risks and opportunities

The Group has identified a number of climate related risks and opportunities, which have been identified by assessing impacts to both the operational requirements of the organisation, as well as the long term strategy and business model of the organisation. The risks and opportunities have been assessed against 3 time frames; short term (between now and 2030), medium term (2030 – 2050), and long term (2050 – 2100). These time frames were chosen to represent the time frames of both the Group’s existing targets, as well as the typical lifespan of a building.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Climate scenarios

Risks identified have been separated into physical and transition risks. In addition to being assessed against 3 time frames, physical risks have also been assessed against 3 climate scenarios, outlined in the table below. Differences in the climate scenarios have a significant impact on the physical risk to the Group's assets and operations.

Climate Scenario	Description
RCP 2.6	Representative Concentration Pathway (RCP) 2.6 represents a warming of 0.9°C – 2.3°C by 2100. This was selected as it represents the level of warming which will be reached if the world hits all current carbon targets.
RCP 4.5	Representative Concentration Pathway (RCP) 4.5 represents a warming scenario of 1.7°C – 3.2°C by 2100. This scenario was selected as it represents the intermediate scenario as outlined by the IPCC.
RCP 8.5	Representative Concentration Pathway (RCP) 8.5 represents a warming scenario of 3.2°C – 5.4°C by 2100. This scenario was selected as it represents a reasonable worst case scenario for global warming.

Risk ratings

When assessing risk, the Group evaluates both the likelihood and the impact to the Group should the risk eventuate. The Group's overall risk ratings are shown within the Principal Risks section of the Strategic report on page 16.

Risk and impacts**Physical risk**

Risk	Description of Actual and Potential Impacts	Scenario	Risk Category		
			Short term (2024 – 2030)	Medium term (2030 – 2050)	Long term (2050 – 2100)
Flooding – fluvial, pluvial and coastal inundation	Losses associated with the cost of repair to assets, business interruption and potential reduced rental income or asset value at sale.	RCP 2.6	Low	Moderate	High
		RCP 4.5	Low	Moderate	High
		RCP 8.5	Moderate	Moderate	High
<i>Management response:</i> The Group undertakes regular engages with the Thames Estuary 2100 plan to support our planning and will continue to review increases in flood risk. The Group will continue to insure against flood risk to manage financial losses.					
High temperature/ heat wave	Risk of physical damage to buildings as a result of prolonged exposure to high temperatures and subsequent financial impact of repair or reduced asset value. Prolonged high temperature may also cause failure to building services equipment required to maintain user comfort internally. Risk of business continuity and replacement of failed equipment.	RCP 2.6	Low	Low	Low
		RCP 4.5	Low	Low	Moderate
		RCP 8.5	Low	Moderate	Moderate
<i>Management response:</i> Regular safety inspection of external elements and buildings services equipment will identify potential risks or early signs of physical damage. Integration of technology within the building management systems will identify early risks of user comfort not being able to be delivered with subsequent impact on user comfort. Active management of cooling equipment during heat waves will reduce demands on equipment and reduce risk of failure.					

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Physical risk (continued)

Risk	Description of Actual and Potential Impacts	Scenario	Risk Category		
			Short term (2024 – 2030)	Medium term (2030 – 2050)	Long term (2050 – 2100)
Wind/Storms	Wind, storms and extreme weather present a risk to damaging buildings such as façade or materials during the construction process. This could result in increased costs associated with building repair and potential delays to construction projects or for sourcing new materials.	RCP 2.6	Low	Low	Low
		RCP 4.5	Low	Moderate	Moderate
		RCP 8.5	Low	Moderate	High
<i>Management response:</i> Impacts on construction due to storm events will be monitored for increased frequency to determine if programme allowances should be made. Regular safety inspection of buildings as part of the Group's maintenance programmes will highlight any elements of buildings at higher risk.					

Transition risk

Risk	Description of Actual and Potential Impacts	Risk Category		
		Short term (2024 – 2030)	Medium term (2030 – 2050)	Long term (2050 – 2100)
Changing consumer demands	Consumer demands continue to require increased energy efficiency and associated building certifications.	Moderate	High	High
	<i>Management response:</i> All new buildings will be designed to deliver the expected sustainability criteria in line with consumer demands.			
Changes in legislative requirements	Current and emerging Minimum Energy Efficiency Standards ('MEES') guidance requires uplift in EPC ratings.	Moderate	High	High
	Emerging London Borough of Tower Hamlets ('LBTH') Local Plan includes challenging energy performance criteria and energy offsetting requirements.			
<i>Management response:</i> Develop asset net zero carbon ('NZC') strategies that ensure assets maintain value in the market and also deliver the required EPC rating. Continued engagement with LBTH will help to shape new policy and ensure CWG are best prepared to deliver compliance with new guidance.				
Increase in cost of carbon offset credits	Requirement to purchase offsetting credits as part of a net zero strategy presents a significant additional cost. Due to the unregulated nature of the market, there is potential for costs to continue to increase significantly.	Moderate	High	High
	<i>Management response:</i> The Group is reviewing its approach to carbon off setting. Delivery of NZC buildings will reduce reliance on the purchase of offsetting credits and minimise cost implications.			

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

STRATEGIC REPORT (Continued)

Opportunities

Opportunity	Description of Impact	Timeline	Business Response
Access to new markets based on provision of highly efficient buildings	Competitive advantage as a result of the Group's industry leading delivery of energy efficient NZC buildings.	Short term	Delivery of NZC buildings across all asset classes will ensure that the Group offers an attractive product to all markets. This includes the office market which is already actively demanding net zero performance but also within retail, residential and life sciences where the demand for sustainable property is increasing.
Increased appetite for R&D	Opportunity for the Group to engage with new technology providers and incorporate solutions into new and refurbished buildings to offer competitive advantage and market differentiation.	Short – medium term	In accordance with the Group's commitment to a net zero carbon future, the business is able to actively engage with the supply chain and potential technology providers that have shared aspirations and values for responsible property development and management.
Improved efficiency of buildings following retrofit to meet legislative requirements	Improved energy efficiency reduces reliance on the energy market and offers reduced operating costs for both landlord and tenant.	Short, medium and long term	The Group is committed to delivering long term sustainable buildings that align with net zero carbon benchmarks. This approach to property development and management will ensure that CWG remains compliant with future legislation such as MEES.
Enhanced reputation in the market	Delivery of resilient and NZC aligned buildings creates a competitive advantage with an enhanced product in the market that is increasing in demand.	Short term	Continue to respond to changing demands of potential occupiers who have increasing expectations of how their buildings should operate and how the Group can support their own reporting requirements.
Rental premium for net zero buildings	The Group's commitment to invest and deliver NZC buildings will deliver either a green premium or avoid impacts of a brown discount for a poorly performing building.	Short term	The Group recognises the increasing asset value in the market relating to low carbon, sustainable buildings. Management is actively reviewing strategic investment in managed assets to ensure that they are able to continue to demand premium rental value and avoid potential risk of assets become stranded.
Increased demand for renewable energy	The Group has secured long term high quality renewable energy supply for which demand will increase. This can help retain tenants or offer an increased income for the Group.	Short – medium term	The Group continues to ensure its procurement strategy exclusively sources renewable energy. This enables us to respond to increasing demands from occupiers in managed buildings who require renewable energy to meet their responsible business commitments.

Resilience of the business model

The Group have assessed the resilience of its business model against the 3 climate scenarios outlined above, identified the actual and potential impacts of climate change and have developed management responses and mitigating actions for each. As a result of this analysis, the business is considered to be resilient in terms of its future property development pipeline. Analysis of these risks have made the Group more resilient to future risks. As a business, being cognisant of the risks and opportunities benefits the business model in terms of the Group's ability to continue to deliver high quality real estate for the UK.

Targets and KPIs

The Group has selected appropriate targets and key performance indicators ('KPIs') relating to each of the key risks and opportunities identified.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**STRATEGIC REPORT (Continued)****Metrics**

In addition to continuing to report annually on Green House Gas emissions and energy consumption, we have selected the following additional metrics which the Group will continue to review to ensure climate related risks and opportunities are appropriately identified and managed:

	Description	Metric
Risks	Flooding	% of portfolio at risk from flooding
	Extreme heat	% of portfolio at risk from extreme heat
	Changing consumer demands	# customer inquiries relating to climate
	Changes in legislative requirements	# new pieces of legislation
Opportunities	Access to new markets based on provision of highly efficient buildings	% space leased
	Improved efficiency of buildings following retrofit to meet legislative requirements	Energy use intensity ('EUI')

Targets

The Group has set key targets to monitor performance with regards to material issues. The Group's 2 key emissions targets were published in 2020 and approved by the SBTi and performance is reported annually (the 2022 report is available here:

<https://group.canarywharf.com/wp-content/uploads/2023/10/canary-wharf-group-annual-sustainability-report-2022.pdf>

- 65.0% reduction in scope 1, scope 2 and scope 3 emissions from downstream leased assets by 2030 from a 2017 baseline, using a market-based approach.
- 60.0% of suppliers by emissions to have set science based targets by 2025.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**STRATEGIC REPORT (Continued)****Companies Act 2006 Section 172 (1) Statement**

The Company is a wholly owned subsidiary of Stork Holdco LP. Stork Holdco LP is a large privately owned joint venture, owned equally by 2 shareholders, which each nominate 4 directors directly to the Company's Board. Accordingly, there is full alignment of the interests between shareholders and the Board. The Chairman and Chief Executive Officer are also members of the Board.

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

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

Key approvals, recommendations and advice given by the Directors on investment and strategic decisions should take into consideration long term consequences and outcomes, including in respect of:

- Expected investment returns and growth in shareholder value
- Impact on the Group's medium to long term liquidity
- Impact on the Group's brand and reputation; and
- Impact on employees, the community, wider society and the environment.

The Board annually agrees a business plan for the Group and reviews performance against that plan throughout the year as measured by a series of in year and longer term strategic objectives and key performance indicators, both financial and non-financial. The plan considers financial measures including liquidity, planned investments, realisations and asset allocation, along with forecast income and expenditure as well as non financial measures such as Group purpose, employee engagement and progress towards net zero carbon emissions. The plan also encompasses a review of investments held by the Group, considers their performance and outlook. This overall planning framework then informs decision making and target setting for the Group.

(b) the interests of the company's employees

The Group recognises that the engagement of employees is fundamental to the success of the business and in achieving its long term strategy and business objectives. Further details can be found in the Statement of Employee Engagement contained in the Directors' Report on page 31.

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

The Group has strong and well established long term relationships with its suppliers, tenants and customers. This is evidenced by the continuation of links across the full value chain, over many years, with the full range of contractors, advisers and suppliers who interact directly with employees of the company without the intervention of sub contractors. Close working relationships are maintained with key suppliers, and the Group works constructively with many of them to share best practices on matters such as environmental and labour standards. Further details can be found in the Statement of Stakeholder Engagement contained in the Directors' Report on page 32.

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

This area is covered under the Corporate Responsibility section on page 20 of this report. However, in addition to the above, the Group is committed to fostering positive links within the local communities in which it works. The Group works collaboratively with the London Boroughs of Tower Hamlets. The Group is also engaged politically and has a team responsible for the Group's long term strategy, planning, community and sports events, links with local educational establishments and promotional arts events.

The Group is an established member of the Tower Hamlets Partnership Executive Group which engages with a range of local business leaders. The Group's People and Development Department has well established links with local schools, colleges, universities and with the local job centre. Further details can be found in the Statement of Stakeholder Engagement contained in the Directors' Report on page 32.

The Group's commitment to sustainable action and progression to key Science Based Targets is set out in the published Annual Sustainability Report available at:

<https://group.canarywharf.com/wp-content/uploads/2023/10/canary-wharf-group-annual-sustainability-report-2022.pdf>

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**STRATEGIC REPORT (Continued)****(e) the desirability of the company maintaining a reputation for high standards of business conduct**

The Group expects the highest standards of conduct from its employees, business partners and suppliers with which it engages. The Group has specific policies on modern slavery, anti bribery and corruption and undertakes due diligence on potential investments, partners, suppliers and other third parties, to ensure high ethical standards are applied. These policies are regularly reviewed, and employees are required to complete interactive training to embed their understanding.

The Group understands that the tax it pays is an important part of its wider economic and social impact and plays a key role in development, both inside and outside the UK. The Group's approach to tax is explained in its Tax Strategy Statement which is available on:

<https://group.canarywharf.com/tax-strategy/>

The Group has an established internal risk control and audit process with a range of official policies. In addition, an Internal Audit process is provided independently by Ernst & Young LLP. The Group is fully compliant with all current GDPR laws and employment legislation. Further details are set out in the Directors' Report.

(f) the need to act fairly as between members of the company

The Company's Articles of Association may be amended by special resolution of the Company's shareholders. The Company is a joint venture vehicle with a Shareholders' Agreement in place and there is equal representation between the 2 shareholders.

Throughout 2024 the Board will continue to review how the Group can improve engagement with its employees and stakeholders.

Going concern

The Directors have adopted the going concern basis in preparing the financial statements and have concluded that there are no material uncertainties in relation to the Group going concern status. The going concern review period covers the period of 12 months from the date of approval of these financial statements.

At 31 December 2023 the Group was in a net current liability position of £399.7m. At 31 December 2023, the Group had cash totalling £840.3m of which £329.3m was unrestricted. In addition, £100.0m is available to be drawn under the Group's revolving credit facilities which expires in September 2027. Included in current liabilities at the year end were borrowings of £1,053.9m comprising £1,013.5m of principal and £40.4m of accrued interest due for payment within 12 months of the balance sheet date. The principal amounts outstanding included £325.3m of securitised debt, £600.8m of secured loans (£563.8m 1 Bank Street, £18.0m amortising amounts on 1 Churchill and £19.1m 12 Bank Street) and £84.8m of construction loans (15 and 20 Water Street). A further £350.0m of Green Bonds are due for repayment in April 2025. Subsequent to the year end the Group repaid the £19.1m 12 Bank Street loan and refinanced the £84.8m construction loan. At the date of this report the £564m 1 Bank Street loan and £350m of Green bonds are due for repayment within 12 months.

In making their assessment on the going concern basis of preparation the Directors have prepared cash flows forecasts for a Base Case and Downside Case. The Base Case is based on the Group's approved business plan and includes the refinancing of certain facilities and asset disposals, including PFS sales, during the going concern period. Under the Base Case the Group is forecast to be cash positive throughout the going concern period. The Downside Case removes the refinancing of the £564m 1 Bank Street loan and £350m of Green bonds, and cash inflows from uncommitted asset disposals. Under the Downside Case the Group would require further cash funding to continue as a going concern.

Given the 1 Bank Street loan and £350m of Green Bonds are due for repayment within 12 months of the signing of the financial statements and the refinancing of these loans is not yet committed, together with the uncertainty over the timing and value to be realised from any potential asset disposals, including PFS sales, the Group's ultimate shareholders, Brockfield and QIA, have confirmed in writing that they intend to provide financial support to enable the Group to meet its liabilities if required for a period of at least 12 months from the date of approving these financial statements.

Having made the requisite enquiries and having considered the financial support from the Group's ultimate shareholders, the directors have a reasonable expectation that the Group have adequate resources to continue their operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

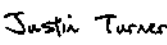
For more information see Note 1.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DIRECTORS' REPORT

for the year ended 31 December 2023

This Strategic Report was approved by the Board and signed on its behalf by:

DocuSigned by:

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Justin Turner
Secretary

Canary Wharf Group Investment Holdings plc
Registered number: 05043352

24 April 2024

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DIRECTORS' REPORT

for the year ended 31 December 2023

The directors present their report with the audited consolidated financial statements for 2023. The Company is incorporated as a public limited company, limited by shares, in England and Wales and registered in England and Wales. The registered address is: One Canada Square, Canary Wharf, London, E14 5AB, United Kingdom.

Results

The results for the year are set out in the Consolidated Income Statement and are analysed in the Strategic Report. An indication of likely future development in the business of the Company is also included in the Strategic Report.

Financial instruments

The Group's use of financial instruments is set out in the Strategic Report. The Green Bonds referred to therein are listed on the Official List of the International Stock Exchange. A subsidiary of the Group, Canary Wharf Finance II plc, has listed debt, referred to herein as the Securitised Debt, on the Official List of the London Stock Exchange.

Related parties

Transactions with related parties are disclosed in Note 30.

Group emissions

The Group's emissions disclosures are set out in the Strategic Report.

Dividends and reserves

The Group made losses in the year of £912.0m (2022 – losses of £179.4m) attributable to the members of the Company. No distributions were recorded during the year ended 31 December 2023 (2022 – £nil).

Substantial shareholdings and share capital

As at the date of this report, Stork Holdings Limited, a company ultimately owned jointly by QIA and Brookfield, owned 3,740,374,616 shares which is the entire issued share capital of the Company. 3,000,000,000 shares were issued on 27 December 2023 in return for an equity injection of £300,000,000 from the Group's ultimate owners, Brookfield and QIA.

The Company has one class of ordinary shares with a nominal value of 10p each (Ordinary Shares), which does not carry the right to receive a fixed income. Each share carries the right to one vote at general meetings of the Company. There are no restrictions or agreements known to the Company that may result in restrictions on share transfers or voting rights in the Company. There are no specific restrictions on the size of a holding, on the transfer of shares, or on voting rights, all of which are governed by the provisions of the Articles of Association and prevailing legislation. The register of shareholders is held in the UK.

Directors

The following directors served on the Board during the year and in the year to date:

Mohamed Abdulrazzaq Al-Hashmi
Sheikh Jassim Abdulla Al-Thani
Sheikh Khalifa Khalid Al-Thani
Theodor Berklayd
Navid Chamdia
James Bradley Hyler (Appointed – 7 June 2023)
Sir George Iacobescu – Non Executive Chairman
Shoaib Z Khan – Chief Executive Officer
Brian Kingston
Thomas Jan Sucharda
Connor Teskey (Resigned – 7 June 2023)

Directors' indemnity and insurance

The Company provides an indemnity to all directors of the Company and its associated companies (as defined in Section 256(b) of the Act), to the extent permitted by law, in respect of liabilities incurred as a result of their office. The Group also has in place liability insurance covering the directors and officers of the Company and its subsidiary undertakings. Both the indemnity and insurance were in force during the year ended 31 December 2023 and at the time of approval of this Directors' Report. Neither the indemnity nor the insurance provide cover in the event that the director is proved to have acted dishonestly or fraudulently.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DIRECTORS' REPORT (Continued) for the year ended 31 December 2023

Directors' interests

No directors have any interests in any of the shares of the Company.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

Although the Board acknowledges its obligations under the Companies (Miscellaneous Reporting) Regulations 2018, in view of the structure outlined in the Strategic Report for the financial year ended 31 December 2023, the Company has not applied any corporate governance code under the Companies (Miscellaneous Reporting) Regulations 2018. The Board is however, committed to maintain the highest standards of corporate governance, where appropriate for a company of its size.

Board Composition

There was at least one executive director and 8 non executive directors throughout 2023. The Board met 5 times during the financial year and there were 2 meetings of committees of the Board to approve the interim and annual financial statements. These meetings were in addition to the meetings set out below. All of the non executive directors bring independent judgement to bear on issues considered by the Board and have the appropriate knowledge, experience and skills to discharge their duties. All directors are able to take independent advice in the furtherance of their duties, if necessary, at the Company's expense.

Board Leadership

The Group has an experienced leadership team which brings together a diverse set of skills and insights to provide an extraordinary experience for our valued customers, communities, partners and employees.

The Board is led by the Chairman and Chief Executive Officer. The role of the Chairman is to provide strategic guidance to the Board and Management team and act as ambassador and representative of the Company to the stakeholders. The Chief Executive Officer is responsible for the operational success of the Group, therein maximising value to the Group's shareholders.

Directors' powers

The Board manages the business of the Company under the powers set out in the Company's Articles of Association. The Company's Articles of Association can only be amended, or new Articles adopted, by a resolution passed by shareholders in a general meeting by at least 3 quarters of the votes cast.

Directors' conflicts of interests

The Company has procedures in place for managing conflicts of interest. Should a Director become aware that they, or any of their connected parties, have an interest in an existing or proposed transaction with the Company, they should notify the Board in writing or at the next Board meeting. Internal controls are in place to ensure that any related party transactions involving Directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to these conflicts.

Committees of the Board

The Board delegates its authority through the appropriate committees, with specified Terms of Reference and appropriate levels of authority to act.

Audit Committee

The members of the Audit Committee comprise 2 non executive directors, each representing a shareholder. The external and internal auditors also attend committee meetings. The Audit Committee considers financial reporting, corporate governance and internal controls. It also reviews the scope and results of the external audit and the independence and objectivity of the auditors. It meets at least 4 times a year and reviews the interim and annual financial statements before they are approved by the Board. The Audit Committee met 6 times during 2023.

Remuneration Committee

The Remuneration Committee reviews and sets the remuneration of the executive directors and senior executives. It also agrees a policy for salaries and bonuses for all staff. The Remuneration Committee met twice during the year.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DIRECTORS' REPORT (Continued) for the year ended 31 December 2023

Investment Committee

The Investment Committee meets on an ad hoc basis during the year to discuss matters of long term strategic importance. The composition is made up of 2 non executive directors each representing the ultimate beneficial owners and the Chairman and Chief Executive Officer. The Investment Committee met 4 times during the year.

Board Meetings

Board members are given appropriate documentation in advance of each Board and Committee meeting. Senior executives below Board level are invited to attend meetings for the purpose of making presentations on their areas of responsibility. Five main board meetings and 2 meetings of a committee of the board, formed in relation to the approval of the 2022 Year End Financial Statements and the approval of the 2023 Interim Financial Statements, were held during the year.

Company Secretary

All directors have access to the advice and services of the Company Secretary, whose appointment and removal is a matter of the Board. The Company Secretary attends all Board and Committee meetings and is responsible for ensuring compliance with the relevant procedures, rules and regulations.

Stakeholder relationships and engagement

The section 172 statement on page 27 sets out how the Board has regard for its broader stakeholders. Shareholder representation is through an equal number of duly appointed non executive directors who meet at regular timetabled meetings throughout the year.

STATEMENT OF EMPLOYEE ENGAGEMENT

The Board is conscious of the needs and is committed to the wellbeing of its employees and continues to review a range of initiatives which are of benefit to staff. As part of the Group's continued ambition to create a clear people engagement strategy, the Group carried out a pulse survey in November 2023 to understand progress from the employee engagement survey conducted in 2022. The survey was open for 4 weeks and received 492 responses from a good mix of employees across the organisation. The final results were shared in December 2023 and outlined what the Group was doing well and areas of focus to further develop the employee engagement strategy. A substantial number of topics improved in score, reflecting the collective time, energy and commitment the Group is investing into its people. Key areas of improvement are highlighted below:

- Employees feel there is effective collaboration across the organisation
- Employees consider the Group to offer excellent career opportunities, as well as ensuring visibility of these
- The Group delivers excellence based on high quality, logical decision making
- Employees consider themselves well supported to being able to achieve their roles

Training and development

The Group is committed to supporting employees in reaching their maximum potential at work and offers comprehensive training and development opportunities. All employees participate in bi annual appraisals which allow a positive 2 way conversation about performance and setting objectives. In 2023, the Group successfully implemented a 360 degree feedback process as part of the annual appraisal. All staff were included in the 2023 appraisals and 100% of appraisals were successfully completed via the online human capital management system. The Group undertakes an annual training needs analysis and incorporates structured staff development into its strategic plans.

To support the 360 degree appraisal and as a result of employee feedback, the Group introduced a Group wide Career Development Framework. This framework identifies the possible progression pathways for employees when considering their career development and serves as a valuable resource during appraisal discussions and throughout their career at the Company.

In 2023, the Group partnered with one of its tenants, UCL School of Management, to launch a Transformational Leadership Programme for all Directors. The programme contained modules on Leadership, Strategy and Culture.

Mentoring

The Group provides a mentoring scheme to improve diversity within management levels, support personal and professional development, promote knowledge sharing across the business as well as assisting in building relationships with colleagues. In 2023, there were 58 mentors and 38 mentees. A Mentoring Workshop took place on 7 March 2023 to train new mentors and provide a refresher for any mentors who have previously been trained.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DIRECTORS' REPORT (Continued) for the year ended 31 December 2023

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that employment with the Group continues and that appropriate training and support is offered. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. The Group offered a 12 month British Sign Language training course to employees as part of a series of Lunch and Learn events. Ten staff attended the training. The Group partnered with Purple Tuesday to improve the customer experience for disabled people and their families, raising disability awareness to create places that are accessible to all.

Employee consultation

The Group has implemented a continuing programme of action with the aim of providing an inclusive working environment where all employees are treated with respect and dignity. The Group continues to keep employees informed of events relevant to their employment via a range of all staff communications. In 2023 the Group launched a new intranet homepage called The Hub allowing all staff to stay in touch with Group initiatives and what is happening around the Estate. The Group newsletter was also updated to include a broader range of Group and community information and is available on The Hub. The Group continues to hold quarterly employee town hall meetings. The Group's employment strategy and policies are regularly reviewed to incorporate changes to legislation and ensure best practice is maintained.

A 24/7 employee voice portal is in place which allows staff to give feedback on any topic on either an anonymised or named basis. The Group also has a whistleblowing policy that has been in place since 2008 and in 2017 introduced an ethics reporting line to enable employees and agency workers/contractors to anonymously report issues to the Group for review and where appropriate resolution.

Diversity and Inclusion

The Group strives to create a working environment which is open, supportive, and inclusive at every level and believes that equality of opportunity and a diverse workforce is fundamental to the future of the Group. The Group has 5 networks which cover Gender Balance, Ethnicity Equality, LGBTQ+, Disability Equality and Social Mobility. Each year, the networks agree a set of 3 clear objectives that align to our wider people strategy in order to work towards continually evolving and building a diverse and inclusive culture. In 2022, the Group launched the 'Prefer to Say' Campaign encouraging employees to share their diverse characteristics with the business for the purpose of identifying areas of under representation and possible bias. In 2023 participation in the 'Prefer to Say' Campaign increased by 8.0% to 56.0% of the workforce. A target of 80.0% has been set to be achieved by 2026. The Group's 'Prefer to Say' Campaign was used by the Greater London Authority as a "best in class" exemplar case study to showcase inclusive practices. The Group published an Ethnicity Pay Gap Report in 2023 alongside the Gender Pay Gap Report. The Group's gender pay gap reduced from 7.0% to 2.5% in 2022 (against a UK average mean gender pay gap of 5.5%). The Group's ethnicity pay gap reduced from 27.0% to 25.0%. Within the reporting period, females made up 28.0% of the workforce and persons of ethnic backgrounds, 30.0% of the workforce. In response to the ethnicity pay gap, the Group has continued to partner with McKinsey & Co, and has enrolled a second cohort of high potential employees identifying as Asian, Black or Hispanic onto a bespoke leadership and management skills programme.

In recognition of the value that the next generation brings to the inclusivity agenda, in 2021 the Group launched a Junior Board. Acting as a sounding board to the Group Executive, they were set projects to support the strategic objectives of the Group as well as undertaking a reverse mentoring programme with the Group's Management Board. Building on the foundations of the original junior board, 14 new members now form the 2023 junior board, and the cohort have identified new standalone projects to positively impact key aspects of the Group's place, culture and environment.

In 2023 the Group continued the group wide ED&I training programme. This included bespoke modules of executive training for the leadership team together with a mandatory programme of sessions for every employee and contractor within the Group. Over 90.0% of employees and contractors have now attended the training, an increase of 13.0% over the previous year.

STATEMENT OF STAKEHOLDER ENGAGEMENT

As a landlord and developer, the Group embodies its commitment to making spaces that work for everyone, bringing new people together within established communities through tangible opportunities such as employment, opportunities for local business in new supply chains and investment in community facilities. The Group values its contribution to and actively engages with its stakeholders including customers, suppliers, local authorities and community partners, sustaining an inclusive culture that embraces the diversity of the Group's workforce and customer base.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DIRECTORS' REPORT (Continued) for the year ended 31 December 2023

Suppliers

The Group prides itself on committing to positively influence its external stakeholders, including suppliers, and takes a commercial risk based approach to all its investment decisions. As such the procurement process reflects the Group's wider business principles. Supplier partners support the Group in delivering for its customers, and the Group want to ensure long term collaborative partnerships that are aligned to the values and objectives that the Group embodies. In testament to this, 100.0% of the supply chain has committed to the Group's core procurement policies and any purchases made by the Group must adhere to the criteria for ethics, environmental responsibility and social sustainability.

To ensure the best value, the Group wide procurement strategy is continuously developing. Each supplier is subject to a detailed onboarding process which involves acceptance of the Group's Supplier Code of Conduct, outlining the responsibilities of suppliers to secure equitable working conditions as well as responsible handling of social, ethical and environmental concerns throughout the supply chain. The Group completes ongoing screening and monitoring of incumbent partners based on financial and reputational risk to ensure the Group can meet commitments to its customers.

Further, ED&I, social sustainability and community investment forms an internal part of the procurement evaluation criteria. Data captured as part of supplier onboarding is published as part of the Group's Equity, Diversity, and Inclusion Report.

In addition to a unanimous acceptance of the CWG Supplier Code of Conduct, all suppliers have accepted the Group's Terms and Conditions for Purchase Orders as part of the Group's commitment to improving supplier payment efficiency, and all have accepted the Groups Anti Facilitation of Tax Evasion Policy to maintain integrity in all transactions.

The Group has had consideration for how the supply chain supports the Group's focus on sustainable operations, with 64.0% of suppliers having their own Corporate Social Responsibility policy. The Group is proud that 85.0% of the supply chain meet the definition of an SME, of which 32.0% are considered micro sized enterprises, and 54.0% of all suppliers are based in London.

The Group commits to empowering young people through knowledge sharing and skills based activities to reach their full potential, ensuring equal opportunities for all in regard to success and development. Within the supply chain, 46.0% of suppliers support this sentiment and operate an apprenticeship scheme and 87.0% have their own ED&I policy.

Ambition into Action

In February 2023, the Group convened peers from across the UK construction supply chain at the Ambition into Action summit, designed to create a new partnership approach for suppliers and subcontractors to decarbonise.

Alongside British Land and Barratt Developments, Canary Wharf Group illustrated the commercial opportunity for companies that decarbonise their operations and connected them to support and resources.

The Group commits that 60.0% of its suppliers by emissions, covering purchased goods and services, will have Science Based Targets by 2025. This is the next step in the Group's drive to support the industry supply chain to decarbonise.

Customers

The Group recognises the diversity of its customer base and consciously engages with the customers that live, work and visit the Estate. A culture of collaboration and community has attracted businesses and top talent to Canary Wharf from around the world; it is designed to enhance social interactions.

In June, the Group, Kadans Science Partner and J.P. Morgan hosted an EMEA Healthcare Innovation Symposium, bringing global industry leaders to the Estate to share insights on dealmaking, life sciences capital market activity and digital healthcare. The event provided the opportunity for leading investors and both established and emerging disruptive companies across the European healthcare landscape to come together to hear from industry leaders.

The Group also saw success in July, being awarded a Green Flag Award for Jubilee Park, a vital green space for the community, bringing people together and providing opportunities to lead healthy lifestyles. The Group understands the importance of green spaces as a key factor in health and wellbeing for all those who visit, work and live on the Estate. In the year construction commenced on the transformation of Middle Dock, through the creation of a green spine through the centre of the Estate with additional green public realm, parks and gardens, waterside access and performance spaces to enhance the way people experience the Estate.

The Group prides itself on ensuring a safe and secure environment for its workers, residents and visitors, regardless of the time of day, being a 24/7 city. This year, WalkSafe announced Canary Wharf as the first location in London to be marked as a dedicated safe space.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**DIRECTORS' REPORT (Continued)**
for the year ended 31 December 2023

Further fostering collaboration across the Estate, the Group launched Wharf Connect, a membership community tailored for early career professionals based in Canary Wharf. Wharf Connect is a dynamic network designed to bring together future leaders, enhance office engagement, and create an environment that fosters the retention of early career professionals, making them an integral part of the wider Canary Wharf ecosystem, with retailer led events to extend participation across the Estate.

Community

Working with local support organisations, the Group promotes new employment opportunities on active developments to local job seekers and where local people to Canary Wharf are seeking to access further education to equip themselves with the required skills for a role, the Group established the Tower Hamlets and Canary Wharf Further Education Trust, which has supported more than 4,500 Tower Hamlets residents to access further and higher education as well as vocational training to make the journey through education and into employment.

The Group has an established volunteering policy which encourages staff to actively participate in the communities in which it operates. Working with the Social Value Portal, the Group assessed all the activities carried out in 2022 using the National TOM (Themes, Outcomes and Measures) System. Through a local needs analysis, the Group has identified 3 priority areas for its strategy: 'Education', 'Sustainability & Wellbeing', and 'Jobs & Skills'. Based on this assessment, the Group delivered £99.2 million of social and local economic value in 2022.

Community Partners

The Group launched the Community Grants Programme at the end of 2022 to focus grant giving to initiatives that would create the most value in Tower Hamlets. The Programme allocates funding quarterly to community groups whose work supports the 3 themes of 'Education', 'Sustainability & Wellbeing', and 'Jobs & Skills'.

In 2023, the Group agreed a long term partnership with the Felix Project, a food redistribution charity, based in nearby Poplar that rescues surplus food and distributes it to vulnerable people through charities, schools and community organisations. The first initiative was the launch of the Canary Wharf Green Scheme, involving collaboration with many of the commercial residents of the Estate to volunteer to deliver surplus food from retailers directly to local charities, schools, and community organisations within Tower Hamlets.

In 2023, the Group announced a partnership with the Circle Collective, the London based social enterprise and charity which opened its streetwear store in Jubilee Place, providing a place for young adults to gain valuable work experience. The retail space was provided free of charge as part of the Group's broader social value approach. Circle Collective's retail space is also used to train participants in customer service, product knowledge, cash handling and time keeping – learning core transferable skills to help them find permanent employment.

Political donations

Political donations (as defined by the Companies Act 2006 and which include donations in kind) made by the Group during 2023 comprised £4,220 to the Labour Party (2022 – £17,489), £nil to the Conservative Party (2022 – £nil), and £nil to the Liberal Democrats (2022 – £nil). No political expenditure was incurred during the year under review (2022 – £540).

At the 2023 AGM, the shareholders approved a resolution authorising the Company to make certain political donations in the UK and incur political expenditure up to an aggregate of £175,000. The consent lasts until the 2024 AGM.

Research and development activities

In the year the Group did not participate in research and development activities (2022 – no activities).

Auditor and disclosure of information to the auditor

A resolution to reappoint Deloitte LLP as the Company's auditor will be proposed at the AGM.

So far as the directors are aware, there is no relevant audit information of which the auditor is unaware. Each director has taken all appropriate steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Act.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DIRECTORS' REPORT (Continued)
for the year ended 31 December 2023

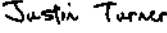
AGM

The AGM will be held on the conclusion of the preceding board meeting on 25 June 2024 at One Canada Square, Canary Wharf, London E14 5AB.

Important events since the financial year-end

Events after the financial year end are detailed in Note 31 of the Financial Statements.

Approved for issue by the Board

DocuSigned by:

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Justin Turner
Secretary

Canary Wharf Group Investment Holdings plc
Registered number: 05043352

24 April 2024

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 are required to prepare the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB and the directors have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 the Company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

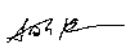
In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records which 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. The directors 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This responsibility statement was approved by the Board of Directors on 24 April 2024 and is signed on its behalf by:

DocuSigned by:

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Shoalb Z Khan
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Canary Wharf Group Investment Holdings plc (the 'company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the company financial statements 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
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Cash Flow Statement;
- the related notes 1 to 31 to the consolidated financial statements;
- the Company Balance Sheet;
- the Company Statement of Changes in Equity; and
- the related notes (a) to (f) to the company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2. 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 group and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF GROUP INVESTMENT HOLDINGS PLC (Continued)

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> • Valuation of the investment and development property portfolio; and • the appropriateness of the going concern assumption.
Materiality	The materiality that we used for the group financial statements was £61.3 million which was determined on the basis of 2% of net assets.
Scoping	A full scope audit was performed by the group engagement team.
Significant changes in our approach	There were no significant changes in our approach from the prior year.

4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.2.

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 group's and company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF GROUP INVESTMENT HOLDINGS PLC (Continued)

5.1. Valuation of the investment and development property portfolio

Key audit matter description	<p>The valuation of the investment and development property portfolio is the most significant estimate in the financial statements. The portfolio has a carrying value of £6,837.1m (2022: £8,015.4m), with the decrease in the period being principally due to a revaluation deficit and disposal of four residential buildings at Wood Wharf to the Wood Wharf Phase 3 Group, partly offset by capital additions.</p> <p>The valuation of the portfolio is inherently subjective due to the key unobservable inputs in the valuation requiring a significant level of estimation. These include property yields and estimated rental values for investment properties and estimated construction costs for development properties. In addition, we identified a fraud risk in the data provided to the valuers by management, such as lease schedules, construction costs, and developer's profit estimates as any changes in this input data will affect the valuation of property portfolio.</p> <p>The property valuation was carried out by independent external valuers and reviewed by the directors. The external valuers were engaged by the directors and were instructed to perform their work in accordance with RICS Valuation - Global standards (incorporating the International Valuation Standards). Management identified a key source of estimation uncertainty in respect of the valuation of the investment and development properties as explained in Note 2 and Note 10 to the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • obtaining an understanding of the relevant controls over the investment and development properties' valuation; • assessing the competence, capability, and objectivity of the external valuers; • meeting with the external valuers, together with our valuation specialists, to discuss and challenge their valuation methodology, key estimates, and assumptions, including the rationale for significant movements with reference to current external market trends; • working with our real estate specialists to challenge the reasonableness of the external valuers' assumptions, particularly assessing yields, estimated rental values on investment properties, and construction cost estimates and developers' profit for development properties. This involved benchmarking the key assumptions to external industry data and comparable market transaction evidence, and assessing the rationale for key movements in these estimates against that transactional market evidence, as well as assessing the accuracy of the valuations; • in respect of investment properties: <ul style="list-style-type: none"> - validating the tenancy data sent to the external valuers for completeness and accuracy by agreeing a sample of data through to underlying lease agreements; • in relation to development properties: <ul style="list-style-type: none"> - testing the underlying actual and forecast cost data provided to the external valuers for completeness and accuracy, agreeing committed costs to signed contracts and total development expenditures to appraisals; and • assessing the accuracy of forecasting by comparing actual costs to budgets and performed a retrospective review of actual versus budgeted costs for the most recently completed development.
Key observations	<p>On the basis of our testing, we are satisfied that the valuation of the investment and development property portfolio is appropriate.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF GROUP INVESTMENT HOLDINGS PLC (Continued)

5.2. The appropriateness of the going concern assumption

Key audit matter description	<p>The directors are responsible for assessing the group's and the company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern, considering a period of at least 12 months from the balance sheet date. The directors' assessment includes consideration of the group's and company's position, and forecast earnings, including income from property rentals and sales.</p> <p>At 31 December 2023, the group was in a net current liability position of £399.7m (2022 - £394.6m). Included in current liabilities at the year-end were borrowings of £1,053.9m (2022 - £453.9m) due for payment within 12 months of the Balance sheet date. The principal amounts outstanding included £325.3m of securitised debt, £600.8m of secured loans and £84.8m of construction loans. A further £350m of Green bonds are due for repayment in April 2025. Subsequent to the year end, the Group repaid and refinanced a number of these facilities as set out in Note 1 and 31.</p> <p>We therefore identified going concern as a key audit matter due to uncertainty over the outcome of the refinancing of the debt facilities that expire within that period. Further detail is set out in Note 1 to the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included:</p> <ul style="list-style-type: none"> • obtaining an understanding of the relevant controls over the going concern assessment; • obtaining management's business plan and going concern assessment, which had been approved by the Board, and assessing financial and other indicators, and potential sources of funding available to the group to identify if there are any other events or conditions which may cast doubt over the group's ability to continue as a going concern; • assessing management's historical forecasting accuracy by comparing the prior year forecasts to the current year's actual results; • assessing the forecast cash flows and appropriateness of management's reasonable worst case downside sensitivities over the going concern period with reference to supporting documentation and external market factors; • in conjunction with our debt advisory specialists, assessing the reasonableness of the directors' assumptions regarding refinancing over the going concern period; • reviewing evidence of the post balance sheet events of refinancing as disclosed in Notes 1 & 31; • reviewing the confirmation from the group's ultimate shareholders that they intend to provide financial support to enable the group to meet its liabilities if required for a period of at least 12 months from the date of approving the financial statements, and assessing the ability and commercial rationale of the shareholders to provide that support; and • reviewing the appropriateness of the disclosures in relation to going concern within the financial statements.
Key observations	<p>Based on the work we have performed, including assessment of post year end financing and the intention of financial support from the group's ultimate shareholders, we concur with the directors' assessment that the group is a going concern and consider that the disclosures in note 1 are appropriate.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF GROUP INVESTMENT HOLDINGS PLC (Continued)

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£61.3 million (2022: £72.8million)	£45.2 million (2022: £39.2 million)
Basis for determining materiality	2% of net assets	2% of net assets
Rationale for the benchmark applied	Net assets represent the key driver of business value, and this metric is the primary focus for users of the financial statements.	

A lower materiality threshold of £6.3 million (2022: £4.3 million) has been applied to certain balances which affect underlying earnings (including rental income, cost of sales, administrative expenses, and interest income, but excluding interest payable). This lower level of materiality was determined on the basis of 5% of underlying operating profit, which excludes certain items as disclosed in Note 1(x), capped at 10% of group financial statement materiality. We consider that this metric better reflects the expectations of users of the financial statements and, whilst the primary focus is net assets, the secondary focus is underlying earnings which is significantly smaller.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	70% (2022: 70%) of group materiality	70% (2022: 70%) of company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the quality of the control environment, and the nature, volume and size of misstatements identified in the previous audit.	

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £3.0 million (2022: £3.6 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Identification and scoping of components

A full scope audit of Canary Wharf Group Investments Holdings plc and its consolidated subsidiaries was performed by the group engagement team. We audited the group as a single component because it is managed by one central executive and finance team. All individual subsidiaries which require separate audit opinions are audited by the group engagement team subsequent to the completion of the consolidated audit.

7.2 Our consideration of climate-related risks

As set out in the Corporate Responsibility section of the Strategic Report, the group has undertaken a number of sustainability initiatives in order to mitigate climate-related risks.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF GROUP INVESTMENT HOLDINGS PLC (Continued)

As part of our audit, we have obtained an understanding of management's processes and controls in considering the impact of climate risks and assessed whether the risks identified by management are consistent with our understanding of the group.

8 Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated.

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

We have nothing to report in this regard.

9 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

10 Auditor's responsibilities for the audit of the financial statements

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

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

11 Extent to which the audit was considered capable of detecting irregularities, including fraud

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

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF GROUP INVESTMENT HOLDINGS PLC (Continued)

- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, IT, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of the investment and development property portfolio. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

11.2 Audit response to risks identified

As a result of performing the above, we identified the valuation of the investment and development property portfolio as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements**12 Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF GROUP INVESTMENT HOLDINGS PLC (Continued)

13 Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

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

- we have not received 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
- the company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

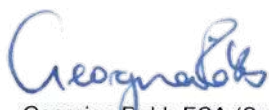
13.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14 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.



Georgina Hobbs FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
24 April 2024

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

CONSOLIDATED INCOME STATEMENT
 for the year ended 31 December 2023

	Note	2023 Underlying* £m	2023 Capital and other £m	Total £m	2022 Underlying* £m	2022 Capital and other £m	Total £m
Revenue	4	491.9	297.1	789.0	476.7	–	476.7
Cost of sales	4	(179.1)	(2.6)	(181.7)	(176.2)	–	(176.2)
Gross profit	4	312.8	294.5	607.3	300.5	–	300.5
Other income		8.9	–	8.9	1.6	–	1.6
Share of (loss)/profit of joint ventures	13	1.4	(25.7)	(24.3)	2.9	(7.3)	(4.4)
Revaluation of other investments	14	–	(14.3)	(14.3)	–	(7.6)	(7.6)
Administrative expenses		(61.8)	–	(61.8)	(66.9)	–	(66.9)
Property revaluation movements	7	–	(1,109.5)	(1,109.5)	–	(566.8)	(566.8)
Operating (loss)/profit		261.3	(855.0)	(593.7)	238.1	(581.7)	(343.6)
Net financing costs:							
– financing income	8	8.5	–	8.5	4.6	357.2	361.8
– financing charges	8	(242.2)	(61.9)	(304.1)	(202.8)	(9.8)	(212.6)
		(233.7)	(61.9)	(295.6)	(198.2)	347.4	149.2
(Loss)/profit before tax		27.6	(916.9)	(889.3)	39.9	(234.3)	(194.4)
Tax	9			(22.7)			15.0
Loss after tax				(912.0)			(179.4)
Loss per share	3			(121.8)p			(24.2)p

*As defined in Notes 1(x).

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 for the year ended 31 December 2023

	Note	2023 £m	2022 £m
Loss after tax		(912.0)	(179.4)
Items that may be reclassified subsequently to the income statement:			
Cash flow hedges:			
(Losses)/gains arising on effective hedges	21	(41.5)	20.4
Foreign exchange gains/(losses) on hedged instruments	22	5.7	(13.7)
Hedge reserve recycling	8	25.9	8.4
Other comprehensive (expense)/income		(9.9)	15.1
Total comprehensive expense		(921.9)	(164.3)

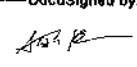
CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

CONSOLIDATED BALANCE SHEET

at 31 December 2023

	Note	2023 £m	2022 £m
Assets			
Non current assets			
Investment properties	10	6,837.1	8,015.4
Right of use asset	11	1.4	–
Plant and equipment	12	8.1	7.1
Investments in joint ventures	13	101.3	95.7
Other investments	14	17.8	27.6
Derivative financial instruments	21	8.9	13.9
Non current receivables	15	42.9	–
		7,017.5	8,159.7
Current assets			
Trading properties held for sale	10	58.4	53.6
Derivative financial instruments	21	19.1	19.2
Current tax assets	9	–	13.4
Trade and other receivables	16	146.2	135.3
Cash and cash equivalents	17	840.3	350.7
		1,064.0	572.2
Total assets		8,081.5	8,731.9
Liabilities			
Current liabilities			
Current portion of long term borrowings	19	(1,053.9)	(539.0)
Current tax liabilities	9	(10.5)	–
Trade and other payables	18	(399.3)	(427.8)
		(1,463.7)	(966.8)
Non current liabilities			
Borrowings	20	(3,395.8)	(3,949.2)
Derivative financial instruments	21	(135.3)	(117.7)
Lease liabilities	23	(63.6)	(62.2)
Deferred tax liabilities	9	(15.1)	(5.9)
Provisions	24	(1.6)	(1.8)
		(3,611.4)	(4,136.8)
Total liabilities		(5,075.1)	(5,103.6)
Net assets		3,006.4	3,628.3
Equity			
Share capital	25	374.0	74.0
Hedging reserve	25	(36.4)	(26.5)
Other reserves	25	1,257.1	1,257.1
Retained earnings	25	1,411.7	2,323.7
Total equity attributable to members of the Company		3,006.4	3,628.3

Approved by the Board and authorised for issue on 24 April 2024 and signed on its behalf by:

DocuSigned by:

 12ACAABA13844F7...

Shoalb Z Khan
 Chief Executive Officer

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 for the year ended 31 December 2023

	Share capital £m	Hedging reserve £m	Share premium £m	Capital redemption reserve £m	Cancelled share reserve £m	Total other reserves £m	Retained earnings £m	Total £m
1 January 2022	74.0	(41.6)	1,195.1	2.5	59.5	1,257.1	2,503.1	3,792.6
Loss after tax	-	-	-	-	-	-	(179.4)	(179.4)
Net expense recognised	-	-	-	-	-	-	(179.4)	(179.4)
Cash flow hedges:								
Gains arising on effective hedges	-	20.4	-	-	-	-	-	20.4
Foreign exchange losses on hedged instruments	-	(13.7)	-	-	-	-	-	(13.7)
Hedge reserve recycling	-	8.4	-	-	-	-	-	8.4
Total comprehensive (expense)/income for the year	-	15.1	-	-	-	-	(179.4)	(164.3)
1 January 2023	74.0	(26.5)	1,195.1	2.5	59.5	1,257.1	2,323.7	3,628.3
Loss after tax	-	-	-	-	-	-	(912.0)	(912.0)
Net expense recognised	-	-	-	-	-	-	(912.0)	(912.0)
Cash flow hedges:								
Losses arising on effective hedges	-	(41.5)	-	-	-	-	-	(41.5)
Foreign exchange gains on hedged instruments	-	5.7	-	-	-	-	-	5.7
Hedge reserve recycling	-	25.9	-	-	-	-	-	25.9
Total comprehensive expense for the year	-	(9.9)	-	-	-	-	(912.0)	(921.9)
Issue of share capital	300.0	-	-	-	-	-	-	300.0
31 December 2023	374.0	(36.4)	1,195.1	2.5	59.5	1,257.1	1,411.7	3,006.4

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

CONSOLIDATED CASH FLOW STATEMENT
 for the year ended 31 December 2023

	Note	2023 £m	2022 £m
Cash from operations	26	623.5	225.1
Interest paid		(227.2)	(199.9)
Interest received	8	7.4	4.6
Income taxes received/(paid)	9	7.8	(46.5)
Net cash inflow/(outflow) from operating activities		411.5	(16.7)
Cash flows from investing activities			
Development expenditure	10	(132.4)	(110.9)
Disposal of property	10	78.9	5.0
Receipts from investments	14	2.0	0.8
Purchase of plant and equipment	12	(4.5)	(3.5)
Investment in joint ventures and other investments	13, 14	(34.6)	(3.4)
Release of monetary deposit		-	2.3
Net cash outflow from investing activities		(90.6)	(109.7)
Cash flows from financing activities			
Issue of share capital	25	300.0	-
Redemption of securitised debt	22	(29.3)	(29.3)
Draw down of secured loans	22	309.4	59.3
Repayment of secured loans	22	(32.4)	(21.3)
Draw down of construction loans	22	27.6	74.8
Repayment of construction loans	22	(352.2)	(2.4)
Draw down of revolving credit facility	22	80.0	-
Repayment of revolving credit facility	22	(80.0)	-
Payment of lease liabilities	23	(6.0)	(6.0)
Payments for derivative financial instruments	22	(36.9)	(17.6)
Swap break costs	8	-	(1.4)
New loan fees	8	(5.4)	(3.3)
Loans received from related parties	30	-	134.3
Loan repayments received from related parties	30	-	48.9
Loans advanced to related parties	30	(6.1)	-
Net cash inflow from financing activities		168.7	236.0
Net movement in cash and cash equivalents		489.6	109.6
Cash and cash equivalents at start of year		350.7	241.1
Cash and cash equivalents at end of year	17	840.3	350.7

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 December 2023

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB') in conformity with the requirements of the Companies Act 2006.

The following new and revised accounting standards and interpretations have been adopted by the Group in 2023. Their adoption has not had any significant impact on the amounts reported in these financial statements, but may impact the accounting for future transactions and arrangements:

- IFRS 17: Insurance Contracts
- Amendment to IFRS 3: Business Combinations
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

At 31 December 2023, a number of standards, amendments to standards and interpretations have been issued by the IASB but are not effective for these financial statements, comprising:

- Amendments to IAS 1: Classification of liabilities as Current or Non-Current
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Non-current Liabilities with Covenants

The directors anticipate that the adoption of these standards in future periods will not have a material impact on the financial statements of the Group.

Within the Group there are qualifying partners who are required to prepare financial statements and a members' or general partners' report in accordance with the requirements of the Companies Act 2006. Such financial statements should be audited and made public. The qualifying partners have taken exemptions from these requirements as these have been dealt with on a consolidated basis in the financial statements.

In preparing the financial statements for the year 31 December 2023, the Directors have reconsidered the classification of certain items on the balance sheet and are now showing derivative balances at 'clean' valuations excluding accrued interest which is currently shown separately in current borrowings. The prior year balances were represented as well to allow comparability which has resulted in £3.4m of accrued swap interest now being shown in current borrowings instead of in derivatives. This had no impact on the prior year income statement.

The Directors have also reconsidered the classification of certain items on the income statement, and are now showing certain items previously classified as other income within revenue. The prior year balances were represented as well to allow comparability which has resulted in £3.1m of external asset management fees and administrative services income has been represented to the management fee line, and £3.4m of estate related income has been represented to the other tenant recoveries line. This had no impact on the prior year operating (loss)/profit and balance sheet.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
for the year ended 31 December 2023 (Continued)**Going concern**

The Directors have adopted the going concern basis in preparing the financial statements and have concluded that there are no material uncertainties in relation to the Group going concern status. The going concern review period covers the period of 12 months from the date of approval of these financial statements.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report including detail relating to the finances of the Group, its liquidity position and borrowing facilities. Further details in relation to the Group's borrowing facilities are set out in Note 22. The Strategic Report also sets out the Group's principal risks and uncertainties and the Directors have reached their conclusion on going concern after considering these principal risks.

The Group has an annual business plan process which entails production of a 5 year business plan which was approved in the December 2023 Board meeting with an update on the progress against this plan presented at the March 2024 Board meeting. Progress against the plan is monitored on a quarterly basis as the year progresses and the plan is subject to review and updating should circumstances change.

The Group enjoys the benefit of office leases with a weighted average unexpired lease term of 11.1 years, or 8.9 years assuming the exercise of all break options and at 31 December 2023, the occupancy level in the Group's office portfolio was 91.1% and retail portfolio was 95.6%.

At 31 December 2023, the Group had cash totalling £840.3m of which £329.3m was unrestricted. In addition, £100.0m is available to be drawn under the Group's revolving credit facilities which expires in September 2027. At 31 December 2023, the average maturity of the Group's loans was 4.4 years.

In making their assessment on the going concern basis of preparation the Directors have prepared cash flows forecasts for a Base Case and Downside Case. The Base Case is based on the Group's approved business plan and includes the refinancing of certain facilities and asset disposals, including PFS sales, during the going concern period. Under the Base Case the Group is forecast to be cash positive throughout the going concern period. The Downside Case removes the refinancing of the £564m 1 Bank Street loan and £350m of Green bonds, and cash inflows from uncommitted asset disposals. Under the Downside Case the Group would require further cash funding to continue as a going concern. Amounts due within the going concern period are detailed below.

At 31 December 2023, the Group was in a net current liability position of £399.7m. Included in current liabilities at the year end were borrowings of £1,053.9m comprising £1,013.5m of principal and £40.4m of accrued interest due for payment within 12 months of the balance sheet date. The principal amounts outstanding included £325.3m of securitised debt, £600.8m of secured loans (£563.8m 1 Bank Street, £18.0m amortising amounts on 1 Churchill and £19.1m 12 Bank Street) and £84.8m of construction loans (15 and 20 Water Street). A further £350.0m of Green Bonds are due for repayment in April 2025.

Subsequent to the year end certain of these loans were repaid or refinanced, details of which are:

- On 22 January 2024, the Group repaid £304.0m of the securitised debt comprising £71.5m of the A1 notes and £192.0m of the A3 notes, together with a spens payment of £40.5m. The repayment released security over 10 Cabot Square. The remaining £21.3m being amortising amounts to be repaid during 2024.
- On 8 January 2024, the covenant waiver extension expired on the Group's £19.1m 12 Bank Street facility and the facility was fully repaid.
- The construction loan of £84.8m secured on the 15 Water Street and 20 Water Street assets was repaid on 7 March 2024 and on 15 March 2024 the Group secured 2 new 5 year Green Loan facilities secured on these assets for a combined value of £132.2m. On 20 March 2024 £118.5m was drawn on the facilities.

In addition to the above, the Group also secured the below other refinancings and new financings:

- On 23 April 2024 the Group secured a new two year £80.0m construction finance facility secured on the serviced apartment buildings at 3 and 15 West Lane. At the date of signing £51.2m was drawn on the facility.
- On 24 April 2024 the Group agreed an amendment and restatement to the senior and mezzanine facilities on 25 Churchill Place for a 5 year term, maturing in July 2030. At the date of signing, £nil was drawn on the facility.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
for the year ended 31 December 2023 (Continued)

The Board is of the view that the 1 Bank Street loan and the £350m of Green Bonds loans which expire within the going concern period, will either be refinanced or be able to be repaid within the going concern period. In addition, the 1 Bank Street loan is secured on the relevant property asset and has no recourse to the Group.

At the date of this report the Group is continuing to consider the disposal of certain assets although market conditions remain challenging, and the Directors will only approve disposals where appropriate value can be realised.

Given the 1 Bank Street loan and £350m of Green Bonds are due for repayment within 12 months of the signing of the financial statements and the refinancing of these loans is not yet committed, together with the uncertainty over the timing and value to be realised from any potential asset disposals, including PFS sales, the Group's ultimate shareholders, Brookfield and QIA, have confirmed in writing that they intend to provide financial support to enable the Group to meet its liabilities if required for a period of at least 12 months from the date of approving these financial statements.

Having made the requisite enquiries and having considered the financial support from the Group's ultimate shareholders, the directors have a reasonable expectation that the Group have adequate resources to continue their operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Accounting policies

These financial statements have been prepared under the historical cost convention as modified by the revaluation of investment, development and construction properties and certain financial instruments. A summary of the principal Group accounting policies, which have been applied consistently in all material respects throughout the year and for the comparative year, is set out below:

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the periods reported. For the purposes of preparing these consolidated accounts, subsidiaries are those entities where the Company has control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

Where there is a change in the Company's direct or indirect interest in a subsidiary, which does not alter the classification of the entity as a subsidiary, this is accounted for as an equity transaction. When such a change occurs, the carrying amounts of the controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

Associated undertakings and joint ventures are accounted for under the equity method, whereby the Consolidated Balance Sheet incorporates the Group's share of the net assets of the relevant entities. The Consolidated Income Statement incorporates the Group's share of associated and joint venture undertakings, profits or losses after tax. Where the Group's share of the losses of an associated and joint venture undertaking exceeds the historic cost of the Group's investment in that entity, the investment is written down to nil and a provision is recognised for the Group's legal or constructive obligations at the Consolidated Balance Sheet date in respect of that entity. An entity is classified as an associated undertaking when the Group has significant influence over the economic activity of an undertaking but does not have control. An entity is classified as a joint venture where the contractual arrangement by which the Group undertook to join an economic activity provides joint control.

Intra group balances and any unrealised gains and losses arising from intra group transactions are eliminated in preparing the consolidated financial statements.

(b) Acquisitions and business combinations

Where properties are acquired through corporate acquisitions the Group considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on the relative fair values on the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. If it is considered to be a business combination in accordance with IFRS 3, the assets and liabilities of a subsidiary, joint venture or associated undertaking are measured at their estimated fair value at the date of acquisition. The results of such business combinations are included from the effective date of acquisition to the effective date of disposal. The excess of acquisition costs over the Group's interest in the fair value of the identifiable assets and liabilities of the new entity at the date of acquisition is recognised as goodwill.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 December 2023 (Continued)

(c) Investment properties and properties occupied by the Group

Investment properties are those properties that are held either to earn rental income or for capital appreciation or both.

Property occupied by the Group is carried, on a separate line, at fair value based on a professional valuation made as of each reporting date. Where the value of such property is not material it is included in investment properties. Additions consist of costs of a capital nature.

Acquired investment properties are measured initially at cost, including related transaction costs. After initial recognition at cost, investment properties are carried at their fair values based on a professional valuation made as of each reporting date. Properties are treated as acquired at the point when the Group assumes the significant risks and returns of ownership and as disposed when these are transferred to the buyer. Additions to investment properties consist of costs of a capital nature.

The difference between the fair value of an investment property at the reporting date and its carrying amount prior to remeasurement is included in the Consolidated Income Statement as a valuation gain or loss. When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property remains an investment property and is accounted for as such.

(d) Land, properties under construction and properties held for sale at cost

The development pipeline comprises sites held with the intention to develop for future use as investment properties. When construction commences on such properties, they are reclassified at fair value as an active development. On completion, the property is transferred to investment properties. Such properties are recognised at fair value at each reporting date. Any gain or loss on remeasurement is taken direct to the Consolidated Income Statement.

Finance costs associated with direct expenditure on active developments to be held as an investment property or undergoing major refurbishment are capitalised. The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Properties held for sale at cost are being constructed with a view to sale and are held within current assets at the lower of cost and net realisable value. Deemed cost comprises the fair value at the date the properties are designated as being for sale plus subsequent development costs.

(e) Plant and equipment

Plant and equipment comprises leasehold improvements, fixtures, fittings and equipment and computer hardware. These assets are stated at cost less accumulated depreciation and any recognised impairment and are depreciated on a straight line basis over their estimated useful lives of between 3 and 10 years.

(f) Construction contracts

Construction contracts consist of properties that are being constructed in accordance with long term development contracts and for which the detailed design specification of each building is agreed with the purchaser. Where applicable the contracts are split into 3 component parts: sale of land; completed construction works at the date of entering into the contracts; and ongoing construction contracts.

Revenue on the sale of land and completed construction works is recognised at the point that control passes to the purchaser.

Revenue on construction contracts is recognised over time according to the stage reached in the contract by reference to the value of work completed using the percentage of completion method. The percentage of completion is calculated by reference to costs incurred on the building compared with the estimated total costs. The gross amount due comprises costs incurred plus recognised profits less the sum of recognised losses and progress billings. Where the sum of recognised losses and progress billings exceeds costs incurred plus recognised profits, the amount is shown as payments on account.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 December 2023 (Continued)

(g) Investments

Investments in associates and joint ventures are included in the financial statements using the equity method. In the Consolidated Balance Sheet, investments in associates and joint ventures are stated at the Group's share of net assets or liabilities. The Group's share of the profits or losses after tax of associates and joint ventures is included in the Consolidated Income Statement.

Investments in entities which hold properties but where the Group's influence is not classified as significant are held as investments. The Group recognises any distribution received in the Income Statement and its share of revaluation gains and any other changes in net assets.

(h) Trade receivables

Trade receivables are recognised initially at fair value. The expected credit losses on these assets are estimated based on the Group's historical credit loss experience, adjusted for general economic conditions. Additional adjustments are made to allow for factors which are specific to each trade debtor.

(i) 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.

(j) Monetary deposits

Amounts held on deposit, which do not meet the criteria to be classified as cash and cash equivalents are classified as monetary deposits and accounted for at amortised cost.

(k) Trade and other payables

Trade and other payables are stated at amortised cost.

(l) Provisions

A provision is recognised in the Consolidated Balance Sheet when the Group has a present obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(m) Borrowings

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

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

(n) Pension benefits

Contributions to defined contribution schemes are expensed as they fall due.

(o) Long term incentive plan

The Group and its employees participate in the SHLP Group's long term incentive plan ('LTIP') with awards made at the discretion of the Remuneration Committee. The LTIP awards are subject to performance conditions and vest in 2 tranches over a 3 year award period giving participants the right to receive a cash payment at the end of each tranche's vesting period. The LTIP is a cash settled share based payment, therefore, IFRS 2 Share Based Payments ('IFRS 2') has been applied in determining the accounting treatment of the awards. The LTIP charge is recognised alongside other employment costs in the employing company, using straight line attribution over the vesting period as this best represents services rendered by participants over the life of the award. Until the liability is settled, the fair value is remeasured at each reporting date. Remeasurements during the vesting period are recognised immediately to the extent that they relate to past services, and recognised over the remaining vesting period to the extent that they relate to future services. Remeasurements at vesting are recognised immediately to ensure the ultimate liability equals the cash payment on settlement date. If a participant ceases to be employed by the Group, the award will lapse, unless the participant is deemed to be a 'good leaver', in which case the award will be reduced pro rata on length of employment in relation to the award date, however, this is at the discretion of the Remuneration Committee.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (Continued)

(p) Share capital

The Ordinary Shares are classed as equity. External costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(q) Revenue recognition

Revenue is measured at the transaction price of the consideration received or receivable and is stated net of discounts and VAT.

Revenue comprises rental income, service charges and other recoveries from tenants of the Group's properties, and income arising on long term contracts. Service charges and other recoveries include directly recoverable expenditure together with any chargeable management fees and are recognised as they fall due.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts.

Rental income from investment property leased out under an operating lease is recognised in the Consolidated Income Statement on a straight line basis over the term of the lease. Lease incentives granted, including lease modifications and comprising capital incentives and rent free periods, are recognised as an integral part of the net consideration for the use of the property and are therefore also recognised on the same straight line basis. An assessment of the credit risk of each tenant is also undertaken before rental income is recognised. An adjustment is made to ensure that the carrying value of the related property, including the accrued rent, amortised lease incentives and negotiation costs, does not exceed the external valuation.

Short term concessions granted to retail tenants as a result of the pandemic are accounted for as lease modifications and the cost spread over the remaining term of the lease.

Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example turnover rents, are recorded as income in the periods in which they are earned.

Where revenue is obtained by the sale of assets, it is recognised when significant risks and returns have been transferred to the buyer. In the case of the sale of properties, this is on completion.

Where lease amendments give rise to the return of an asset to the Group, the termination income is recognised as revenue when contractually due, net of associated costs and amendments to any lease incentives associated with the arrangement.

(r) Expenses

Property and contract expenditure incurred prior to the exchange of a contract is expensed as incurred.

Direct costs incurred in negotiating and arranging a new lease are amortised on a straight line basis over the period from the date of lease commencement to the earliest termination date.

(s) Impairment of tangible assets

The carrying amounts of the Group's non financial assets, other than investment, development and construction property (see (d) above), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the Consolidated Income Statement whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its net selling price and its value in use. The value in use is determined as the Net Present Value of the future cash flows expected to be derived from the asset, discounted using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount of an asset. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the amount which would have been determined, net of applicable depreciation, if no impairment loss had been recognised.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
for the year ended 31 December 2023 (Continued)**(t) Derivatives**

The Group uses interest rate derivatives to help manage its risk of changes in interest rates. In accordance with its treasury policy, the Group does not hold or issue derivatives for trading purposes.

In order for a derivative to qualify for hedge accounting, the Group is required to document the relationship between the item being hedged and the hedging instrument. The Group is also required to demonstrate an assessment of the relationship between the hedged item and the hedging instrument which shows that the hedge will be effective on an ongoing basis. The effectiveness testing is performed at each Balance Sheet date to ensure that the hedge remains highly effective.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in the Statement of Comprehensive Income with any ineffective portion recognised immediately in the Consolidated Income Statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non financial asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non financial asset or a liability, amounts deferred in equity are recognised in the Consolidated Income Statement in the same period in which the hedged item affects net profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Consolidated Income Statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs at which time the gain or loss is recycled to the income statement. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

(u) Tax

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 provided in full using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

A deferred tax asset is regarded as recoverable and therefore recognised only when, 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 temporary differences can be deducted. The deferred tax effect of fair value adjustments arising from business combinations is incorporated in the Consolidated Balance Sheet.

The deferred tax provision carried in respect of the investment property portfolio has been calculated on the basis that the carrying amount of such properties is recoverable through sale.

No provision is made for temporary differences (i) arising on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and (ii) relating to investments in subsidiaries to the extent that the Group is able to control the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the Consolidated Income Statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Where uncertainty exists over the tax treatment of transactions and HMRC have challenged the proposed treatment, a provision is recognised as either the single most likely amount payable or a probability weighted expected value for a range of possible outcomes. A finance charge is also recognised for the potential late payment charges where the uncertain tax relates to filings in prior periods.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)**(v) Leases***The Group as lessee*

Properties held under long term leases are capitalised at the lease's commencement at the lower of the fair value of the asset and the present value of the minimum lease payments having regard to residual value guarantees where applicable. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of costs incurred in establishing the finance lease obligation, are included in borrowings. The finance charges are charged to the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The asset is depreciated over its anticipated useful life subject to impairment testing for right of use assets.

The Group as lessor

All leases operated by the Group are tested to determine whether they qualify as operating leases or finance leases. Wherever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. No finance leases have been identified as a result of these tests.

Operating leases – rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Any incentives given to lessees, including variations to the original terms of the lease, are included in Other Non Current Assets and recognised on a straight line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are deferred and recognised on a straight line basis over the lease term.

Where material, service charge income is reported separately for leases where the tenant pays an inclusive rent.

Service charge income is recognised as income in the year in which the services are provided. The actual services provided in a year is determined by reference to the costs incurred.

Turnover rent is recognised by reference to the reported sales performances of certain retail tenants and the provisions of the individual leases.

(w) Dividends

Dividend distributions to the Company's shareholders are recognised in the Group's financial statements in the period in which the dividends are paid or approved by the Company's shareholders.

(x) Underlying earnings

The directors are of the opinion that analysing profit before tax between underlying earnings and capital and other items provides additional useful information for members of the Company. The term underlying earnings is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. The adjustments made to reported results, included under Capital and other items, are as follows:

- (i) *Net revaluation movements on properties*
The revaluation movements on properties are included in the Consolidated Income Statement but have been reclassified separately from the underlying results to enable members to better appreciate the operating performance.
- (ii) *Fair value movements on financial instruments*
The commercial effect of the Group's hedging arrangements is that the majority of the Group's financial liabilities are at fixed rates. However, where the hedges are deemed ineffective the Consolidated Income Statement reflects the effects of movements in the fair values of these hedging instruments. As this introduces volatility in the Consolidated Income Statement which will not be reflected in the cash flows of the Group, fair value adjustments have been reclassified separately from the underlying results.
- (iii) *Refinancing costs and gains*
These items have been classified as capital and other due to their size and infrequent occurrence.
- (iv) *One time transactions which are significant in value or nature*
These items have been reclassified from underlying earnings due to their size and infrequent occurrence.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 December 2023 (Continued)

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to use estimates and judgements 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. These key estimates and judgements are deemed to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The following is intended to provide an understanding of the estimates that management consider critical because of the level of complexity, judgement or estimation involved in their application and their material impact on the financial statements.

Judgements**(i) REIT**

CWGIH is part of a Real Estate Investment Trust ('REIT'), headed by SHL, the immediate parent company. As a result, the Group does not pay UK corporation tax on its REIT qualifying business. Non qualifying operations are subject to corporation tax as normal. REIT status requires the ongoing achievement of the below criteria:

- at the start of each accounting period, the assets of the tax exempt business must be at least 75.0% of the total value of the SHL Group's assets;
- at least 75.0% of the SHL Group's total profits must arise from the REIT business; and
- at least 90.0% of the notional taxable profit of the property rental business must be distributed to shareholders.

It is the Directors intention that the Group will continue as a REIT and does not foresee that it will not be able to meet the above criteria.

(ii) Items not considered underlying in nature

Capital and other items, as defined in Note 1(x), are items the directors are of the opinion that provide additional useful information for members of the Company. These include net revaluation movements on properties, fair value movements on financial instruments, refinancing costs and gains and one time transactions which are significant in value or nature. Management has determined the 10 Cabot Square transaction to meet this criteria due to the size and infrequent nature of the transaction. Determining whether an item is part of underlying items or non underlying items is subjective and requires judgement.

(iii) Uncertain tax provision

HMRC has an ongoing enquiry into the deductibility of interest paid by the immediate parent undertaking SHL, that generated tax deductions of £105.0m, which was subsequently utilised against the Group's tax charge sheltering £21.2m of tax in prior periods.

Management have assessed an appropriate tax provision of £9.9m and £2.6m associated interest, which has been recognised in the year, using the expected value methodology permitted under IFRIC 23. The £9.9m charge has been recognised in the tax charge line of the income statement and the £2.6m interest expense has been recognised in finance costs. A corresponding tax liability of £12.5m has been recognised within current tax payable.

There is a significant amount of judgement in applying probability scenarios as outlined above. The amount provided for of £12.5m compares to a potential worst case exposure at 31 December 2023 of c£23.0m including interest versus a potential best case exposure of £nil.

Key estimates and other sources of estimation uncertainty**(i) Valuation of Investment properties**

Property valuations are assessed on the basis of valuation reports prepared by the external valuers. Retail properties are valued as part of a portfolio whilst all other properties are valued individually. In accordance with market practice, the valuations reflect deductions in respect of purchaser's costs and in particular, liability for Stamp Duty Land Tax as applicable at the valuation date.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

The key property valuations are driven principally by the terms of the leases in place at the valuation date. These determine the majority of the cash flow profile of the property for a number of years and therefore form the base of the valuation. The valuation assumes adjustments from these rental values to reflect market rent at the time of the next rent review or as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. This is based on evidence available to the valuers at the date of valuation.

The information provided to the valuers, and the assumptions and the valuation models used by the valuers, are reviewed by the Group's senior management and certain executive directors. When the valuation reports are considered appropriate, they are recommended for adoption by the Audit Committee which considers the valuation reports as part of its overall responsibilities.

(ii) **Fair value of financial instruments**

The fair values of financial instruments are determined by reference to the prices available on the markets on which they are traded or by reference to valuations provided by a third party valuation specialist. The sensitivity of changes in interest rates to the fair value of financial instruments is summarised in Note 21. The fair value of derivative financial instruments is classified as level 2 in the fair value hierarchy.

3. **PERFORMANCE MEASURES, INCLUDING ADJUSTED PERFORMANCE MEASURES**

Basic earnings and losses per share:

	2023		2022	
	Earnings £m	Per share p	Earnings £m	Per share p
Underlying profit before tax	27.6	3.7	39.9	5.4
Capital and other items	(916.9)	(122.5)	(234.3)	(31.6)
Tax	(22.7)	(3.0)	15.0	2.0
Loss after tax attributable to members of the Company	(912.0)	(121.8)	(179.4)	(24.2)

Underlying earnings is defined and its purpose explained in Note 1(x).

Earnings per share for 2023 has been calculated by reference to the loss attributable to equity shareholders of £912.0m for 2023 (2022 – loss of £179.4m) and the weighted average of 781,470,506 Ordinary Shares for the year (2022 – 740,374,616). The Group held shares of 740,374,616 valued at 10p until the share issue on 27 December 2023, when 3,000,000,000 additional £0.10 shares were issued.

As at 31 December 2023 a total of 3,740,374,616 Ordinary Shares (2022 – 740,374,616) were in issue of 10p each which were fully paid.

Adjusted net assets per share:

	2023 £m	2022 £m
Balance sheet net assets	3,006.4	3,628.3
Adjustment for: deferred tax liabilities	15.1	5.9
Mark to market of derivatives	107.3	84.6
Adjusted NAV	3,128.8	3,718.8
	Shares	Shares
Ordinary shares in issue at the year end	3,740,374,616	740,374,616
Net assets per share	80p	490p
Adjusted NAV per share	84p	502p

Adjusted NAV per share excludes fair value adjustments on derivatives and deferred tax in both years. The underlying reduction in adjusted NAV per share for the year was 418p (2022 – 78p), primarily due to the issue of new shares.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

4. REVENUE

	Underlying £m	2023 Capital and other £m	Total £m	Underlying £m	2022 Capital and other £m	Total £m
Rent receivable	343.2	–	343.2	309.0	–	309.0
Spreading of tenant incentives and contracted rent increases	1.3	–	1.3	11.1	–	11.1
	344.5	–	344.5	320.1	–	320.1
Service charge income	106.3	–	106.3	111.4	–	111.4
Other recoveries from tenants	23.0	–	23.0	25.5	–	25.5
Termination of leases	7.9	310.0	317.9	11.9	–	11.9
Acceleration of incentives on terminated leases	–	(12.9)	(12.9)	–	–	–
Management fees*	6.9	–	6.9	7.8	–	7.8
Trading property sales proceeds	3.3	–	3.3	–	–	–
Revenue	491.9	297.1	789.0	476.7	–	476.7
Service charge expenses	(119.5)	–	(119.5)	(115.6)	–	(115.6)
Other direct property expenses	(38.6)	–	(38.6)	(34.6)	–	(34.6)
Costs associated with termination of leases	(2.3)	(2.6)	(4.9)	(9.0)	–	(9.0)
Costs associated with management fees	(1.3)	–	(1.3)	(2.1)	–	(2.1)
Amortisation of negotiation costs	(2.7)	–	(2.7)	(4.8)	–	(4.8)
Vacant space costs	(6.7)	–	(6.7)	(5.4)	–	(5.4)
Expected credit loss charge	(0.6)	–	(0.6)	(4.7)	–	(4.7)
Trading property cost of sales	(7.4)	–	(7.4)	–	–	–
Cost of sales	(179.1)	(2.6)	(181.7)	(176.2)	–	(176.2)
Gross profit	312.8	294.5	607.3	300.5	–	300.5

*Management fees include construction, development and other asset management fees.

Rent receivable included contingent rents of £4.6m (2022 – £4.4m).

On 21 December 2023, Barclays returned 10 Cabot Square to the Group by prepaying all remaining lease amounts, occupational costs and sub contracted services owed under the current contract with a term to June 2032, totalling £310.0m less £2.6m associated lease termination costs. The income is shown net of the release of the remaining incentive balance for the lease of £12.9m. £55.5m of this income will be taxable in future periods, creating a deferred tax liability. Owing to the quantum and one-off nature of the transaction, this has been included in the Capital and Other column of the Consolidated Income Statement.

In 2023, the Group had one major customer which contributed £392.2m of total revenue, of which £77.4m was classified as underlying (2022 – one major customer contributing £75.9m all of which was underlying revenue).

Trading property sales relate to 8 Harbord Square located at Wood Wharf. At 31 December 2023 sales of 4 (2022 – Nil) out of 82 apartments had completed.

Trading property cost of sales includes £0.2m of agent's fees (2022 – £nil).

BTR income of £21.3m has been represented to the rent receivable line together with £5.0m income from Level39 which has been reclassified from other recoveries from tenants. BTR cost of sales of £9.5m has been represented in other direct property expenses.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

5. AUDITORS REMUNERATION

	2023 £m	2022 £m
Audit of Company	0.2	0.1
Audit of subsidiaries in the current year	1.8	1.2
Total audit	<u>2.0</u>	<u>1.3</u>
Audit related assurance services (interim review)	0.1	0.1
Other assurance services (service charge assurance and pension work)	0.1	0.1
Audit and related assurance services	<u>0.2</u>	<u>0.2</u>
Total fees	<u>2.2</u>	<u>1.5</u>

6. DIRECTORS AND EMPLOYEES

Staff costs – all employees of the Group, including executive and non-executive directors:

	2023 £m	2022 £m
Wages and salaries	92.4	87.9
Social security costs	11.5	10.3
Other pension costs	7.8	7.1
Long term incentive	4.7	10.5
	<u>116.4</u>	<u>115.8</u>

Included in the staff costs shown above is £31.4m (2022 – £32.2m) of costs that were capitalised during the year including £0.7m (2022 – £1.5m) relating to long term incentives.

The Group made £5.9m of payments in respect of LTIP schemes during the year (2022 – £nil).

The average monthly number of employees during 2023 was 1,217 (2022 – 1,232) as set out below:

	2023	2022
Construction	235	216
Property management	725	769
Corporate and administration	257	247
	<u>1,217</u>	<u>1,232</u>

Directors' remuneration

	2023 £'000	2022 £'000
Emoluments paid or payable (including pension contributions)	<u>3,276</u>	<u>3,219</u>
Long term incentive scheme plan payments	<u>3,282</u>	<u>–</u>

Highest paid director

	2023 £'000	2022 £'000
Highest paid director (including pension contributions)	<u>2,176</u>	<u>2,145</u>
Long term incentive scheme plan payments	<u>1,791</u>	<u>–</u>

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 December 2023 (Continued)

One of the directors participates in Canary Wharf Group's pension scheme and the Group made contributions to the scheme on behalf of that director of £2,732 (2022 – £2,779).

Other directors

No travel and other subsistence expenses were reimbursed to non executive Directors in either 2023 or 2022.

Key management

The business of the Company is the management of its investment in Canary Wharf Group. The overall business decisions of the Company are managed by the Board and its committees. Remuneration of the directors is as disclosed above.

Pension schemes

The Group currently operates a defined contribution pension scheme. The assets of this scheme are held in an independently administered fund. The pension cost, which amounted to £7.8m (2022 – £7.1m), represents contributions payable by the Group during the year. At the year end, £nil liability (2022 – £nil) was outstanding in respect of pension contributions.

Directors' long term incentive awards

	2020 Scheme £m	2021 Scheme £m	2022 Scheme £m	2023 Scheme £m
1 January 2022	6.0	3.3	–	–
Granted	–	–	3.3	–
1 January 2023	6.0	3.3	3.3	–
Granted	–	–	–	3.3
Payments	(3.3)	–	–	–
Lapsed	(0.7)	–	–	–
31 December 2023	2.0	3.3	3.3	3.3

Each award comprises 2 tranches, the first vesting 2 years after grant and second vesting 3 years after grant. The 2020 award tranches are weighted 67.0%/33.0%, with subsequent awards weighted 50.0%/50.0%. Performance is assessed against 3 financial targets with the Remuneration Committee approving final awards.

7. PROPERTY VALUATION MOVEMENTS

	2023 £m	2022 £m
Revaluation of:		
– completed properties	(1,006.2)	(428.1)
– properties under construction	(25.9)	26.3
– land	(77.4)	(165.0)
	(1,109.5)	(566.8)

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

8. NET FINANCING COSTS

	Underlying £m	2023 Capital and other £m	Total £m	Underlying £m	2022 Capital and other £m	Total £m
Financing income						
Deposits, other loans and securities	4.7	–	4.7	0.9	–	0.9
Interest receivable from related parties	3.8	–	3.8	3.7	–	3.7
Valuation movements on fair value of derivatives	–	–	–	–	357.2	357.2
Total financing income	8.5	–	8.5	4.6	357.2	361.8
Financing charges						
Securitised debt	(78.4)	(39.3)	(117.7)	(80.9)	–	(80.9)
Green Bonds	(30.5)	–	(30.5)	(30.5)	–	(30.5)
Other secured loan interest	(88.4)	–	(88.4)	(63.9)	–	(63.9)
Construction loan interest	(31.0)	–	(31.0)	(28.5)	–	(28.5)
Other bank loans, overdrafts and other interest payable	(11.9)	–	(11.9)	(9.4)	–	(9.4)
Obligations under long term property lease	(6.0)	–	(6.0)	(6.0)	–	(6.0)
Valuation movements on fair value of derivatives	–	(17.9)	(17.9)	–	–	–
Swap break costs	–	–	–	–	(1.4)	(1.4)
Hedging reserve recycling	(21.2)	(4.7)	(25.9)	–	(8.4)	(8.4)
	(267.4)	(61.9)	(329.3)	(219.2)	(9.8)	(229.0)
Interest capitalised to active developments						
– General interest	11.2	–	11.2	10.9	–	10.9
– Construction loan finance costs	14.0	–	14.0	5.5	–	5.5
	25.2	–	25.2	16.4	–	16.4
Total financing charges	(242.2)	(61.9)	(304.1)	(202.8)	(9.8)	(212.6)
Net financing (charges)/ income	(233.7)	(61.9)	(295.6)	(198.2)	347.4	149.2

Financing fees included in interest payable totalled £53.9m in 2023 (2022 – £16.9m). Financing fees include amortisation of deferred loan fees and other ongoing loan fees. Included in 2023 is the £39.3m debt modification charge detailed below.

Underlying hedge reserve recycling relates to the amortisation of cap fees over the life of caps taken out over certain debt facilities. Capital and other hedge reserve recycling relates to the amortisation of the discontinued hedge reserve in relation to the securitised debt.

Capitalised general interest has been calculated by reference to the costs incurred by the Group on developing the properties where construction is taking place and is being funded by the Group's general cash resources and the weighted average cost of related debt for the year of 5.3% (2022 – 4.0%).

On 22 December 2023, the Group gave notice of a partial repayment of £71.5m A1 notes and £192.0m A3 notes of its securitisation debt. The notice crystallised spens payment of £40.5m to bring the total repaid on 22 January 2024 to £304.0m. This debt modification resulted in a charge to the income statement of £39.3m which has been recognised in the year within capital and other financing charges above. The repayment released security over 10 Cabot Square following the execution of the amendment of lease arrangements with Barclays Bank Plc.

In reference to the current tax liability disclosed in Note 9, £2.6m of associated tax interest has been included in other bank loans, overdrafts and other interest payable.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

9. TAX

	2023 £m	2022 £m
Tax (charge)/credit		
Current tax		
Current tax charge	(2.9)	(2.4)
Tax (charge)/credit in respect of prior years	(0.7)	15.9
Uncertain tax provision	(9.9)	–
Total current tax	<u>(13.5)</u>	<u>13.5</u>
Deferred tax credit	(9.2)	1.5
Total deferred tax	<u>(9.2)</u>	<u>1.5</u>
Total tax (charge)/credit	<u>(22.7)</u>	<u>15.0</u>
Tax reconciliation		
Group loss on ordinary activities before tax	(889.3)	(194.4)
Tax on loss on ordinary activities at UK corporation tax rate of 23.5% (2022 – 19.0%)	209.0	36.9
Effects of:		
Change in tax rate	(0.6)	0.3
Adjustments in respect of prior years	(1.1)	16.3
Profits and losses non taxable under the REIT regime	(210.7)	(34.0)
Movement in tax losses not recognised as deferred tax assets	–	(1.9)
Disallowance of effective interest rate adjustment	(9.5)	–
Expenses not deductible for tax purposes	(0.3)	(2.3)
Recognition of uncertain tax provision	(9.9)	–
Other differences	0.4	(0.3)
Total tax (charge)/credit	<u>(22.7)</u>	<u>15.0</u>

The Finance Act 2021 increased the corporation tax rate from 19.0% to 25.0% in April 2023. The standard rate of corporation tax payable by the Group for the year ended 31 December 2023 is 23.5% (2022 – 19.0%). Deferred tax is provided at a tax rate of 25.0%.

Uncertain tax provision

HMRC has an ongoing enquiry into the deductibility of interest paid by the immediate parent undertaking SHL, that generated tax deductions of £105.0m, which was subsequently utilised against the Group's tax charge sheltering £21.2m of tax in prior periods. As various members of the CWGIH Group claimed group relief in respect of this, the uncertain tax provision is being recorded in CWGIH.

The Directors have assessed an appropriate tax provision of £9.9m and £2.6m of associated interest, which has been recognised in the year, using the expected value methodology permitted under IFRIC 23. The £9.9m charge has been recognised in the tax charge line of the income statement and £2.6m interest of expense has been recognised in finance costs. A corresponding tax liability of £12.5m has been recognised within current tax liabilities.

There is a significant amount of judgement in applying probability scenarios as outlined above. The range of outcomes is between £nil and £23.0m including interest.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

	Current tax (liability)/asset total £m
At 1 January 2022	(46.6)
Current tax credit	13.5
Paid in period	46.5
At 1 January 2023	13.4
Current tax charged to income	(3.6)
Recognition of provision for uncertain tax	(9.9)
Finance charge on uncertain tax provision	(2.6)
Received in period	(7.8)
At 31 December 2023	(10.5)

	Capital allowance £m	Revaluation deficit £m	Other £m	Deferred tax (liability)/asset total £m
Deferred tax				
At 1 January 2022	–	(7.4)	–	(7.4)
Credit to income	1.4	0.1	–	1.5
At 1 January 2023	1.4	(7.3)	–	(5.9)
(Charge)/credit to income	(0.5)	5.1	(13.8)	(9.2)
At 31 December 2023	0.9	(2.2)	(13.8)	(15.1)

On 20 December 2023, Barclays returned 10 Cabot Square to the Group by prepaying all remaining lease amounts, occupational costs and sub contracted services owed under the current contract with a term to June 2032, totalling £310.0m less £2.6m associated lease termination costs. £251.9m relates to the property rental business of the REIT and is taxed at 0%, £55.5m will be taxable in future periods creating a deferred tax liability at 31 December 2023 of £13.8m at the future tax rate of 25.0%.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

10. INVESTMENT AND TRADING PROPERTIES

Investment and trading property assets at 31 December 2023 comprised:

	Completed properties £m	Properties under construction £m	Land £m	Total investment properties £m	Trading property held for sale at cost £m	Property portfolio total £m
Carrying value at 1 January 2023	7,077.7	238.3	699.4	8,015.4	53.6	8,069.0
Additions	39.6	87.2	23.5	150.3	7.6	157.9
Capitalised interest	–	4.0	16.8	20.8	4.4	25.2
Disposals	–	(241.0)	–	(241.0)	(3.3)	(244.3)
Impairment	–	–	–	–	(3.9)	(3.9)
Revaluation movement	(1,006.2)	(25.9)	(77.4)	(1,109.5)	–	(1,109.5)
Movements in tenant incentives and negotiation costs	1.1	–	–	1.1	–	1.1
Carrying value at 31 December 2023	6,112.2	62.6	662.3	6,837.1	58.4	6,895.5
Adjust for:						
– obligations under long term property lease	(9.3)	(1.0)	(51.9)	(62.2)	–	(62.2)
– unrealised fair value movement	–	–	–	–	–	–
Fair value at 31 December 2023	6,102.9	61.6	610.4	6,774.9	58.4	6,833.3

The carrying value of the entire portfolio at 31 December 2023 comprises:

	Completed properties £m	Properties under construction £m	Land £m	Total investment properties £m	Trading property held for sale at cost £m	Property portfolio total £m
Wholly owned	6,112.2	62.6	662.3	6,837.1	58.4	6,895.5
Joint ventures (Group share):						
– Vertus	173.1	–	–	173.1	–	173.1
– One Charter Street	–	28.8	–	28.8	–	28.8
Total property portfolio	6,285.3	91.4	662.3	7,039.0	58.4	7,097.4

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Investment and trading property assets at 31 December 2022 comprised:

	Completed properties £m	Properties under construction £m	Land £m	Total investment properties £m	Trading property held for sale at cost £m	Property portfolio total £m
Carrying value at 1 January 2022	7,123.6	264.2	981.6	8,369.4	31.3	8,400.7
Additions	19.7	10.6	123.0	153.3	20.0	173.3
Capitalised interest	–	2.5	11.6	14.1	2.3	16.4
Transfers	307.3	(59.6)	(247.7)	–	–	–
Disposals	–	–	(4.1)	(4.1)	–	(4.1)
Revaluation movement	(428.1)	26.3	(165.0)	(566.8)	–	(566.8)
Movements in tenant incentives and negotiation costs	55.2	(5.7)	–	49.5	–	49.5
Carrying value at 31 December 2022	7,077.7	238.3	699.4	8,015.4	53.6	8,069.0
Adjust for:						
– obligations under long term property lease	(9.3)	(0.9)	(51.9)	(62.1)	–	(62.1)
– unrealised fair value movement	–	–	–	–	1.4	1.4
Fair value at 31 December 2022	7,068.4	237.4	647.5	7,953.3	55.0	8,008.3

The carrying value of the entire portfolio at 31 December 2022 comprises:

	Completed properties £m	Properties under construction £m	Land £m	Total investment properties £m	Trading property held for sale at cost £m	Property portfolio total £m
Wholly owned	7,077.7	238.3	699.4	8,015.4	53.6	8,069.0
Joint ventures (Group share):						
– Vertus	193.2	–	–	193.2	–	193.2
– One Charter Street	–	19.8	–	19.8	–	19.8
Total property portfolio	7,270.9	258.1	699.4	8,228.4	53.6	8,282.0

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
for the year ended 31 December 2023 (Continued)**Disposal of Wood Wharf Phase 3**

In July 2023, the Group disposed of 4 residential properties under construction at 13 Brannan Street, 40 Charter Street, 50–60 Charter Street and 70–80 Charter Street at Wood Wharf to the WWP3 Group, subsidiaries of the Group's immediate parent entity SHL. The transaction was structured as a disposal of 13 subsidiaries and the grant of 3 new plot leases. The transfers were at fair value and no profit or loss was recognised within the consolidated income statement. The net impact of the transaction for the group was the disposal of the properties, valued at £241.0m for consideration comprising:

- net receipts of £78.9m of cash;
- the derecognition of £9.3m of creditors and £0.6m of debtors, which were transferred with the subsidiaries;
- the derecognition of £117.7m of a £160.1m loan from SHL. The loan originally from CWGRL was assigned via SHLP to SHL immediately before the disposal of WWP3; and
- the recognised new loans to the WWP3 Group totalling £35.7m.

Other property transactions and transfers

Properties held for sale currently comprises the building developed at 8 Harbord Square which has been developed for the purpose of sale and consequently is disclosed as a current asset in the Consolidated Balance Sheet. Construction completed in December 2023 and 4 apartment sales completed, resulting in the £3.3m disposal. The Directors made an assessment on the net realisable value of the trading properties at the year end, and £3.9m impairment has been recognised in the year ended 31 December 2023.

There have been no transfers in the period between non current asset categories.

Included in investment properties is an amount of £34.2m (2022 – £37.7m) in respect of property occupied by the Group, which in the opinion of the directors is not material for separate classification.

The historical cost of properties held as non current assets at 31 December 2023 was £5,701.5m (2022 – £5,658.5m).

Direct operating expenses arising from investment properties that did not generate rental income as were fully vacant in the year totalled £0.3m (2022 – £7.6m).

Property valuation

The fair value of the Group's property portfolio, excluding joint ventures at 31 December 2023 was £6,833.3m (2022 – £8,008.3m).

IFRS 13 establishes a fair value hierarchy that classifies valuation inputs into 3 levels:

- Level 1: Unadjusted quoted prices in active markets;
- Level 2: Observable inputs other than quoted prices included within level 1;
- Level 3: Unobservable inputs.

Substantially all of the Group's properties are valued externally by qualified valuers, with office properties and future development sites valued by either CBRE Limited or Savills Commercial Limited and retail properties and residential properties valued by CBRE. The fair values of all of the Group's properties are classified as Level 3 inputs.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
for the year ended 31 December 2023 (Continued)

Fair value of the Group's properties at 31 December 2023 analysed by valuer:

	Group £m	2023 Joint ventures £m	Total £m	Group £m	2022 Joint ventures £m	Total £m
CBRE	4,214.8	201.9	4,416.7	4,761.3	213.0	4,974.3
Savills	2,614.5	–	2,614.5	3,243.0	–	3,243.0
Internal valuation	4.0	–	4.0	4.0	–	4.0
Total property	6,833.3	201.9	7,035.2	8,008.3	213.0	8,221.3

Valuation process

Property valuations are assessed on the basis of valuation reports prepared by the external valuers. Retail properties are valued as part of a portfolio whilst all other properties are valued individually. In accordance with market practice, the valuations reflect deductions in respect of purchaser's costs and, in particular, liability for Stamp Duty Land Tax as applicable at the valuation date.

These valuations conform to RICS Valuation – Global Standards (incorporating the International Valuation Standards) and are arrived at by reference to market transactions for similar properties based on:

- Information provided by the Company, such as current rents, terms and conditions of lease agreements, service charges and capital expenditure. This information is derived from the Company's financial and property management systems and is subject to the Company's overall control environment; and
- Assumptions and valuation models adopted by the valuers. These assumptions (referred to by IFRS 13 as unobservable inputs) are typically market related, such as rental values, yields and discount rates. They are based on the valuers' professional judgement and market observation.

The key property valuations are driven principally by the terms of the leases in place at the valuation date. These determine the majority of the cash flow profile of the property for a number of years and therefore form the base of the valuation. The valuation assumes adjustments from these rental values to reflect market rent at the time of the next rent review or as leases expire and are replaced by new leases. The current market level of rent is assessed based on evidence provided by the most recent relevant leasing transactions and negotiations. This is based on evidence available to the valuers at the date of valuation.

The information provided to the valuers, and the assumptions and the valuation models used by the valuers, are reviewed by the Group's senior management and certain executive directors. When the valuation reports are considered appropriate, they are recommended for adoption by the Audit Committee which considers the valuation reports as part of its overall responsibilities.

Valuation techniques used for Level 3

The following valuation techniques can be used for any given category of property:

- Discounted cash flow using the following inputs: net current rent, estimated rental value (annual rent), terminal value, discount rate.
- Yield methodology using net current rent or estimated market rental value, capitalised with a market capitalisation rate.
- Residual method – for active developments, the fair value is usually calculated by estimating the fair value of the completed property (using either of the above mentioned methodologies) less estimated costs to completion and an allowance for developers profit.

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

There were no transfers of properties between Levels 1, 2 and 3 during the period and all properties were classified as Level 3 at both the beginning and end of the period. There have been no changes in valuation technique since the previous year.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (Continued)

Information about fair value measurements using unobservable inputs (Level 3) for the year ended 31 December 2023:

Investment	Fair value at 31 December 2023 £m	Valuation Method	ERV psf			Discount Rate (DR)			Terminal Cap Rate (TCR)		
			Min £	Max £	Wgt Avg £	Min %	Max %	Wgt Avg %	Min %	Max %	Wgt Avg %
Offices	4,343.0	DCF	39.6	58.2	50.3	4.6	10.5	6.7	5.1	6.5	5.8
Retail	1,161.0	DCF	3.7	149.6	73.7	6.5	7.3	6.5	5.5	6.4	5.6
BTR	598.9	YM/DCF	28.2	28.2	28.2*	7.5	8.7	8.2*	4.2	4.5	4.2
			Cost to GDV Complete								
Developments	672.0	RM	5,608	2,911							

Note:

DCF Discounted cash flow

RM Residual method

YM Yield methodology

BTR Includes Newfoundland and affordable properties. Newfoundland valued using yield methodology and affordable properties valued using discounted cash flow over 45 years.

* BTR ERV psf relates only to Newfoundland. BTR discount rate relates only to the affordable properties. Terminal cap rate relates to all BTR properties.

Information about the impact of changes in unobservable inputs (Level 3) on the fair value of the Group's property portfolio for the year ended 31 December 2023:

Investment	Fair value at 31 December 2023 £m	Valuation Method	Impact on valuations		Impact on valuations	
			-5.0% ERV £m	+5.0% ERV £m	-25 bps NEY £m	+25 bps NEY £m
Offices	4,343.0	DCF	(173)	155	224	(214)
Retail	1,161.0	DCF	(41)	42	51	(46)
BTR	598.9	YM/DCF	(25)	25	37	(33)
			Impact on valuations		Impact on valuations	
			-5.0% GDV £m	+5.0% GDV £m	+5.0% costs £m	-5.0% costs £m
Developments	672.0	RM	(126)	186	(71)	123

All other factors being equal:

- An increase in the current or estimated future rental streams would have the effect of increasing the fair value.
- An increase in the discount rates and the capitalisation rates (used for both the direct capitalisation method or terminal value of discounted cash flow method) will reduce the fair value.
- For active developments or held for development, an increase in the estimated cost to completion and/or in the forecast time to complete will reduce the fair value.

There are interrelationships between these inputs as they are partially determined by market conditions.

A movement in more than one unobservable input could magnify the impact on the valuation. Alternatively, the impact on the valuation could be mitigated by the interrelationships of 2 unobservable inputs moving in opposite directions, for example an increase in ERV may be offset by an increase in yield, resulting in no net impact on the valuation.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (Continued)

Leases with the Group as lessor

The Group leases out its investment properties under operating leases as defined by IFRS 16.

At 31 December 2023, the weighted average unexpired lease term under non cancellable operating leases to contractual break for the entire investment property portfolio, including retail, was 8.7 years (2022 – 8.3 years).

The future aggregate minimum rentals receivable under non cancellable leases, excluding contingent rental income and residential rent under short term lettings, at the balance sheet dates are as follows:

	2023 £m	2022 £m
Within one year	310.5	295.5
Between 2 and 5 years	992.2	1,091.7
After 5 years	1,501.6	1,569.5
	2,804.3	2,956.7

Tenant incentives and deferred negotiation costs

	Rent free periods £m	Other tenant incentives £m	Total tenant incentives £m	Deferred negotiation costs £m	Total £m
At 1 January 2022	134.6	105.8	240.4	18.0	258.4
Incentives granted	–	41.1	41.1	–	41.1
Recognition of rent during rent free periods	37.8	–	37.8	–	37.8
Amortisation	(17.8)	(8.9)	(26.7)	(4.8)	(31.5)
Deferred lease negotiation costs	–	–	–	2.1	2.1
At 1 January 2023	154.6	138.0	292.6	15.3	307.9
Incentives granted	–	14.0	14.0	–	14.0
Recognition of rent during rent free periods	32.1	–	32.1	–	32.1
Amortisation	(19.0)	(24.7)	(43.7)	(2.7)	(46.4)
Deferred lease negotiation costs	–	–	–	1.4	1.4
At 31 December 2023	167.7	127.3	295.0	14.0	309.0

Lease incentives include rent free periods and other incentives given to lessees on entering into lease arrangements. Negotiation costs comprises letting agent and other professional fees incurred in securing lettings.

Included within the amortisation value in the year is £12.9m relating to the 10 Cabot Square transaction with Barclays. Further details of this transaction are included in Note 4.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
for the year ended 31 December 2023 (Continued)**11. RIGHT OF USE ASSET**

On 19 December 2023, the Group took a 50 year lease from CRT over part of Middle Dock, Canary Wharf to enable the creation of new green space. A liability of £1.4m has been recognised (Note 23) together with a right of use asset, which is being depreciated over the life of the lease.

	2023	2022
	£m	£m
Opening balance	-	-
Initial recognition	1.4	-
Depreciation	-	-
Closing balance	1.4	-

12. PLANT AND EQUIPMENT

Plant and equipment comprises computers, furniture, fixtures and fittings and improvements to the Group's offices. These assets are stated at cost less accumulated depreciation and are depreciated to their anticipated residual value at the rates set out in Note 1(e).

	2023	2022
	£m	£m
Opening balance	7.1	8.9
Additions	4.5	3.5
Depreciation	(3.5)	(5.3)
Closing balance	8.1	7.1

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

13. JOINT VENTURES

Summary movement for the year of the investments in joint ventures and associates:

	Vertus JVs £m	One Charter Street £m	20 Fenchurch Street £m	North Quay £m	Total £m
At 1 January 2023	86.7	8.9	0.2	(0.1)	95.7
Investment	–	18.0	–	12.1	30.1
Share of profits/(losses)	1.7	(0.3)	–	–	1.4
Revaluation deficit	(19.3)	(6.4)	–	–	(25.7)
Liquidation of asset	–	–	(0.2)	–	(0.2)
At 31 December 2023	69.1	20.2	–	12.0	101.3

	Vertus JVs	One Charter Street	20 Fenchurch Street	North Quay
Partners	QIA 25.0% Brookfield 25.0%	Edyn	Land Sec	Kadans
Property sector	Build to rent	Hospitality	Office – sold	Office
Group share	50.0%	50.0%	30.0%	50.0%

Summarised profit and loss accounts for 2023	Vertus JVs £m	One Charter Street £m	20 Fenchurch Street £m	North Quay £m	Total £m	Group Share
Gross profit/(loss)	11.2	(1.8)	–	(0.4)	9.0	4.5
Revaluation deficit	(38.6)	(12.8)	–	–	(51.4)	(25.7)
Net financing (costs)/income	(9.0)	–	–	0.4	(8.6)	(4.3)
Tax credit	1.2	1.2	–	–	2.4	1.2
Loss after tax	(35.2)	(13.4)	–	–	(48.6)	(24.3)
Summarised balance sheets at 31 December 2023						
Total assets	428.2	67.6	–	26.2	522.0	261.0
Total liabilities	(290.0)	(27.2)	–	(2.2)	(319.4)	(159.7)
Net assets	138.2	40.4	–	24.0	202.6	101.3

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (Continued)

Summarised profit and loss accounts for 2022	Vertus JVs £m	One Charter Street £m	20 Fenchurch Street £m	North Quay £m	Total £m	Group Share £m
Gross profit/(loss)	7.0	(0.2)	–	(0.2)	6.6	3.3
Revaluation movement	19.2	(33.8)	–	–	(14.6)	(7.3)
Net financing costs	(9.2)	–	–	–	(9.2)	(4.6)
Tax credit	7.8	0.6	–	–	8.4	4.2
(Loss)/profit after tax	24.8	(33.4)	–	(0.2)	(8.8)	(4.4)
Summarised balance sheets at 31 December 2022						
Total assets	520.6	47.6	0.4	6.4	575.0	287.5
Total liabilities	(347.2)	(29.9)	–	(6.6)	(383.7)	(191.8)
Net assets/(liabilities)	173.4	17.7	0.4	(0.2)	191.3	95.7

Vertus JVs – 8 Water Street and 10 George Street

On 30 March 2017, the Group transferred 2 properties with a combined carrying value of £79.8m into 2 joint ventures in which the Group has a 50.0% interest with the remaining 50.0% being owned by the Group's ultimate shareholders. During 2023, the Group settled £72.7m owed to the Vertus entities under the contribution agreement (covering the site wide infrastructure and the affordable and intermediate offering at Wood Wharf), bringing the total loan balance to £nil at 31 December 2023 (2022 – £72.7m). The loan provided by the Group to the Vertus entities to partly fund infrastructure costs of £48.0m was also settled, bringing the balance to £nil (2022 – £48.0m). These amounts were offset with no cash movement.

One Charter Street

On 17 December 2020, the Group entered into a joint venture with Edyn for the development of One Charter Street, Wood Wharf, as an aparthotel. Under the terms of the agreements entered into on that date, a Group company will fund the development on a 50:50 basis. A Group subsidiary acts as construction manager and Edyn will be appointed as operator of the aparthotel on completion. Edyn is a subsidiary of the Group's ultimate 50.0% shareholder Brookfield. In 2023, the construction loan facility utilised to fund the construction of the property at One Charter Street was extended to September 2025. Construction works during the year have continued with modular units installation ongoing. The development was delayed following the administration of Caledonian Modular Limited in March 2022 and subsequently the administration of new lead modular contractor M-AR in November 2023. All modules are now in place and the joint venture anticipates completing the project by Q2 2025.

20 Fenchurch Street

In October 2010, the Group entered into a joint venture with Land Securities to develop 20 Fenchurch Street. After syndication, the Group retained a 15.0% equity interest in the joint venture and acted as sole construction manager and joint development manager. In August 2017, the Group disposed of its interest in 20 Fenchurch Street by selling its share of the units in the Canary Wharf FS Unit Trust and its equity interest in 20 Fenchurch Street (GP) Limited. The Group had retained an investment of £0.2m in the syndicate entities in which it held a 30.0% interest. These have been wound up in the year due to the remaining obligations being satisfied.

North Quay

On 25 March 2022, the Group entered into a joint venture with Kadans Science Partner for the development and operation of a proposed life science building at Plot NQ6, North Quay. Under the terms of this agreement the Group company has a 50.0% interest in the development and a Group subsidiary will act as construction manager. During the year site enabling works were completed and the Group secured planning permission in July 2023.

Financial Information

All joint venture entities have 31 December financial year ends. The results of the joint venture entities attributable to the Group have been derived from their latest available management accounts after making any necessary adjustments for the Group's accounting policies.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

14. OTHER INVESTMENTS

	HighSpeed Office Limited £m	10 Upper Bank Street £m	Total £m
At 1 January 2023	0.2	27.4	27.6
Investment	–	4.5	4.5
Revaluation deficit	–	(14.3)	(14.3)
At 31 December 2023	0.2	17.6	17.8

In December 2015, the Group acquired a 10.0% interest in an SLP established to acquire 10 Upper Bank Street. At 31 December 2023, the carrying value of the investment was £17.6m (2022 – £27.4m) comprising capital of £40.6m (2022 – £36.1m) less the Group's share of the movement in the net assets of the SLP, which comprise the revaluation deficit recognised on the building of £29.3m (2022 – £14.9m), undistributed profits since acquisition of £5.9m (2022 – £4.9m) and the recognition of an in the money interest rate swap valuation of £0.4m (2022 – £1.3m). The revaluation of the carrying value of the investment of £14.3m (2022 – (£7.6m)) has been taken to the Capital and Other column of the income statement.

The Group continues to own an interest in HighSpeed Office Limited, an unlisted company, equivalent to approximately 13.0% of its nominal share capital. The carrying value of the investment at 31 December 2023 was £0.2m (2022 – £0.2m).

15. NON CURRENT RECEIVABLES

	2023 £m	2022 £m
Amounts owed by WWP3	42.9	–
	42.9	–

On 9 August 2023 the Group disposed of 4 residential buildings at 13 Brannan Street, 40 Charter Street, 50–60 Charter Street and 70-80 Charter Street at Wood Wharf to the WWP3 Group, subsidiaries of the Group's immediate parent entity SHL. As part of this transaction, the group lent £35.7m of the £194.6m HE infrastructure loan to WWP3 to part fund infrastructure costs on Wood Wharf. A further £6.1m was lent by 31 December 2023 together with £1.1m of accumulated interest. The external loan bears interest at 2.2% over the EC reference rate and is on lent to WWP3 at 0.1% margin. It is repayable on the earlier of the refinancing of the HE infrastructure loan or disposal of the buildings being developed by subsidiaries of WWP3.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

16. TRADE AND OTHER RECEIVABLES

	2023 £m	2022 £m
Trade receivables	41.7	51.7
VAT	27.6	14.9
Other receivables	3.2	2.7
Prepayments and accrued income	38.9	41.9
Deferred financing expenses	–	0.3
Amounts owed by JVs and other investments:	4.1	13.7
Amounts owed by other members of the Stork Group	30.7	10.1
Total trade and other receivables	146.2	135.3
Amounts owed by JVs and other investments:		
Vertus undertakings	0.4	6.2
One Charter Street	3.7	1.6
North Quay	–	5.0
10 Upper Bank Street	–	0.9
	4.1	13.7
Amounts owed by other members of the Stork Group:		
Parent companies	2.6	2.1
WWP3	24.5	–
Braeburn	3.6	8.0
	30.7	10.1

Trade receivables and other receivables more than 61 days past due at 31 December 2023 totalled £21.7m (2022 – £10.4m). An expected credit loss provision of £6.3m was recognised at the year end (2022 – £6.6m). The expected credit loss charge for the year was £0.6m (2022 – £4.7m) and £0.9m was utilised in the period. In calculating the provision, the Group has considered the expected credit loss using the simplified approach as specified in IFRS 9. The credit risk of each tenant is assessed on a case by case basis and income is recognised accordingly. The credit risk is mitigated by rent and service charge income being billed quarterly in advance.

The composition of amounts owed by joint ventures and other members of the Stork Group are detailed in Note 30.

Financial assets and liabilities

The Group has considered the expected credit risk associated with the other classes of its financial assets and concluded that no impairment provision is required. One of the Group's largest financial assets are its cash balances which are monitored on a daily basis, together with the credit risk of our relationship banks to ensure appropriate counterparty risk management.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	2023 £m	2022 £m
Unrestricted cash	329.3	90.3
Collateral for borrowings	492.0	252.6
Third party cash ⁽¹⁾	19.0	7.8
	840.3	350.7

Notes

- 1 Third party cash relates to retail tenant deposits.

Cash and cash equivalents comprise cash held by the Group and cash equivalents with an original maturity of 3 months or less. The carrying amount of these assets approximates their fair value. Included in unrestricted cash above is £100m relating to fixed term deposits which matured on 28 February 2024.

The effective interest rate on cash and cash equivalents at 31 December 2023 ranged between 0.0% and 5.4% (2022 – 0.1%) and deposits had an average maturity of one day excluding the above £100m fixed term deposit (2022 – one day).

The Group's collateral for borrowings can be analysed by the borrowings to which it relates as follows:

	2023 £m	2022 £m
Securitised debt	371.5	61.2
Secured loans	120.5	161.6
Other	–	29.8
	492.0	252.6

The £371.5m cash balance held in respect of securitised debt includes the receipts from the advance payment of 10 Cabot Place (Note 4), which was utilised in the repayment of A1 and A3 notes in January 2024 (Note 31).

Of the cash collateral disclosed above, £28.4m of the secured loan balance (2022 - £63.0m) and £33.3m of the securitised debt balance (2022 – £31.8m) represents rental payments received from tenants.

The balance of cash collateral for borrowings disclosed above is held to reduce the exposure of the lenders to certain risks such as cash collateralising the Group's exposure on vacant property. These amounts are released from charge as and when such risks are eliminated in accordance with the terms of the loans.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

18. TRADE AND OTHER PAYABLES

	2023 £m	2022 £m
Trade payables	17.3	14.9
Payroll taxes and social security costs	10.7	10.7
VAT	38.3	17.8
Other payables	33.1	14.8
Accruals	110.9	138.9
Deferred income	126.2	116.6
Amounts owed to JVs and other investments	13.5	–
Amounts owed to other members of the Stork Group	49.3	114.1
Total trade and other payables	399.3	427.8
Amounts owed to JVs and other investments:		
10 Upper Bank Street	0.7	–
North Quay	12.8	–
	13.5	–
Amounts owed to other members of the Stork Group:		
SHL	42.3	–
CWGRL	7.0	114.1
	49.3	114.1

Trade and other payables includes £161.3m of financial liabilities at 31 December 2023 (2022 – £168.6m). These amounts are all payable on demand.

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and construction costs. The average credit period taken for trade purchases is 14 days (2022 – 13 days). For those suppliers that do charge interest, no interest is charged on the trade payables for the first 28 days from the date of the invoice. Thereafter interest is charged on the outstanding balances at various interest rates which are determined by reference to the terms of each such agreement. The Group has financial risk management policies in place which seek to ensure that all payables are paid within the credit time frame. The directors consider that the carrying amount of trade payables approximates their fair value.

The composition of amounts owed to joint ventures and other members of the Stork Group are detailed in Note 30.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

19. CURRENT PORTION OF LONG TERM BORROWINGS

The current portion of long term borrowings comprises:

	2023 £m	2022 £m
Accrued interest payable	40.4	34.2
Repayable within one year:		
– securitised debt	325.3	29.3
– secured loans	600.8	37.3
– construction loans	87.4	438.2
	1,053.9	539.0

The terms of the Group's loan facilities are summarised in Note 22. Refer to Note 22 for details of refinancings of loans post year end.

The Construction loans balance includes accrued interest of £5.3m (2022 – £6.5m).

As stated in Note 1, the Group has reclassified £3.4m of accrued swap interest from derivative financial instruments into accrued interest included in current borrowings for the year ended 31 December 2022. Accrued swap interest for 2023 is presented within accrued interest payable above.

20. BORROWINGS

Non current liability borrowings comprise:

	2023 £m	2022 £m
Securitised debt	1,060.4	1,350.0
Green Bonds	902.5	905.1
Secured loans	1,195.0	1,481.9
Construction loans	237.9	212.2
	3,395.8	3,949.2

The terms of the Group's loan facilities are summarised in Note 22.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

21. DERIVATIVE FINANCIAL INSTRUMENTS

Hedge accounting

The Group uses interest rate swaps and caps to hedge exposure to the variability in cash flows on floating rate debt, including its bank facilities and floating rate bonds, caused by movements in market rates of interest. At 31 December 2023, the fair value of these derivatives resulted in the recognition of a liability of £135.3m (2022 – £117.7m) and an asset of £28.0m (2022 – £33.1m) of which £28.1m net asset (2022 – £33.9m net asset) was recognised in respect of cash flow hedges which qualify for hedge accounting.

	2023		2022	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Securitisation	–	83.5	–	70.6
Green Bonds	(3.6)	–	(8.2)	–
Secured loans	(24.3)	51.8	(24.5)	47.1
Construction loans	(0.1)	–	(0.4)	–
	(28.0)	135.3	(33.1)	117.7
Due within one year	(19.1)	–	(19.2)	–
Due after more than one year	(8.9)	135.3	(13.9)	117.7
	(28.0)	135.3	(33.1)	117.7

The fair value of the derivatives are stated net of a credit value/debit value and funding valuation adjustment reflecting the credit worthiness of the parties to the derivatives. This served to reduce the net liability of the derivatives by £15.6m from £122.9m (2022 – £5.5m from £90.1m).

As stated in Note 1, the Group has reclassified £3.4m of accrued swap interest from derivatives into accrued interest included in current borrowings for the year ended 31 December 2022.

In 2023, £41.5m of fair value losses (2022 – £20.4m of gains) on effective interest rate hedges were taken to the hedging reserve. At 31 December 2023, these hedging instruments were entered into in connection with the Green Bonds, secured loans against 25 Churchill Place, 1 Bank Street, Newfoundland and the Wood Wharf Affordable buildings, and certain of the Group's construction facilities. At 31 December 2022, the hedging instruments related to the secured loans against 25 Churchill Place and 1 Bank Street, the Green Bonds and certain of the Group's construction facilities.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (Continued)

Maturity of the Group's financial derivatives

The following tables show undiscounted cash flows in relation to the Group's derivative financial instruments based on the Group's prediction of future movements in interest rates.

At 31 December 2023	Securitised Debt £m	Green Bonds £m	Other Secured Loans £m	Construction loans £m	Total derivative liabilities/ (assets) £m
Within one year	1.4	3.5	(12.1)	–	(7.2)
In one to 2 years	10.4	3.4	8.7	–	22.5
In 2 to 5 years	38.3	(10.2)	29.1	–	57.2
In 5 to 10 years	60.2	–	30.5	–	90.7
In 10 to 20 years	11.6	–	2.6	–	14.2
	121.9	(3.3)	58.8	–	177.4

At 31 December 2022	Securitised Debt £m	Green Bonds £m	Other Secured Loans £m	Construction loans £m	Total derivative liabilities/ (assets) £m
Within one year	4.2	3.6	(15.2)	0.3	(7.1)
In one to 2 years	2.7	3.4	3.1	–	9.2
In 2 to 5 years	20.6	(7.5)	15.9	–	29.0
In 5 to 10 years	49.9	–	29.9	–	79.8
In 10 to 20 years	21.2	–	6.6	–	27.8
	98.6	(0.5)	40.3	0.3	138.7

The impact of changes in interest rates would be primarily on interest payable on certain of the Group's construction facilities since the other borrowings are subject to interest rate swaps or caps. All cash deposits are at floating rates.

The impact of a 1.0% increase/(decrease) in interest rates would result in an additional (charge)/credit of (£0.5m)/£0.5m (2022 – (£3.7m)/£3.7m) to the Consolidated Income Statement. This excludes the impact of cash on deposits.

The Consolidated Income Statement is also impacted by changes in the fair value of derivatives that are not considered effective for hedge accounting purposes. A 1.0% (lower)/higher parallel shift in the interest rate curve used to value the derivatives, with all other variables held constant, would have (decreased)/increased the Group's net assets for 2023 by (£104.5m)/£113.4m (2022 – (£111.2m)/£100.6m). The movement on ineffective hedges of (£88.2m)/£97.7m would be charged to the profit or loss for the year and the movement on effective hedges of (£16.3m)/£15.6m would be taken to the hedging reserve. The 1.0% sensitivity has been selected based on the directors' view of a reasonable interest rate curve movement assumption.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

22. NET DEBT

31 December 2023	Accrued interest £m	Borrowings £m	Derivatives £m	Gross £m
Securitised debt	15.4	1,385.7	83.5	1,484.6
Green Bonds	5.5	902.5	(3.6)	904.4
Secured loans	18.2	1,795.8	27.5	1,841.5
Construction loans	1.3	325.3	(0.1)	326.5
Gross debt	40.4	4,409.3	107.3	4,557.0
Current	40.4	1,013.5	(19.1)	1,034.8
Non current	–	3,395.8	126.4	3,522.2
Gross debt	40.4	4,409.3	107.3	4,557.0
Cash and cash equivalents				(840.3)
Net debt				3,716.7
31 December 2022	Accrued interest £m	Borrowings £m	Derivatives £m	Gross £m
Securitised debt	15.7	1,379.3	70.6	1,465.6
Green Bonds	5.5	905.1	(8.2)	902.4
Secured loans	13.0	1,519.2	22.6	1,554.8
Construction loans	–	650.4	(0.4)	650.0
Gross debt	34.2	4,454.0	84.6	4,572.8
Current	34.2	504.8	(19.2)	519.8
Non current	–	3,949.2	103.8	4,053.0
Gross debt	34.2	4,454.0	84.6	4,572.8
Cash and cash equivalents				(350.7)
Net debt				4,222.1

As stated in Note 1, the Group has reclassified £3.4m of accrued swap interest from derivatives into accrued interest included in current borrowings for the year ended 31 December 2022.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

The movements in borrowings comprise:

	Securitised debt £m	Green Bonds £m	Other secured loans £m	Construction loan £m	Revolving credit facility £m	Total £m
At 1 January 2023	1,465.6	902.4	1,554.8	650.0	–	4,572.8
Drawn down	–	–	309.4	27.6	80.0	417.0
Debt modification fees	39.3	–	–	–	–	39.3
Effective interest rate adjustment	(1.9)	3.2	(1.0)	0.6	–	0.9
Accrued finance charges	(2.0)	(0.1)	5.9	0.3	–	4.1
Foreign exchange gain	–	(5.7)	–	–	–	(5.7)
Repaid in year	(29.3)	–	(32.4)	(352.2)	(80.0)	(493.9)
Payments for derivatives	–	–	(36.9)	–	–	(36.9)
Movements in fair value of derivatives	12.9	4.6	41.7	0.2	–	59.4
At 31 December 2023	1,484.6	904.4	1,841.5	326.5	–	4,557.0
Payable within one year or on demand	340.7	5.5	619.0	88.7	–	1,053.9
Payable in more than one year	1,060.4	902.5	1,195.0	237.9	–	3,395.8
Derivative assets	–	(3.6)	(24.3)	(0.1)	–	(28.0)
Derivative liabilities	83.5	–	51.8	–	–	135.3
	1,484.6	904.4	1,841.5	326.5	–	4,557.0

On 22 December 2023, the Group gave notice of a partial repayment of £71.5m A1 notes and £192.0m A3 notes of its securitisation. The notice crystallised spens of £40.5m to bring the total repaid on 22 January 2024 to £304.0m. This debt modification resulted in a charge to the income statement of £39.3m which has been recognised in the year within capital and other financing charges.

Loan to Value (LTV)

Look through LTV is the ratio of principal value of gross debt less cash and cash equivalents and fair value of derivatives to the aggregate of properties:

	2023 £m	2022 £m
Group look through LTV	51.9%	50.9%
Gross debt	4,557.0	4,572.8
Less cash and cash equivalents	(840.3)	(350.7)
Less fair value of derivatives	(107.3)	(84.6)
Net debt for LTV calculation	3,609.4	4,137.5
Group property portfolio (note 10)	6,833.3	8,008.3
Fair value of joint ventures and other investments	119.1	123.3
Total valuation for look through LTV	6,952.4	8,131.6

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (Continued)

The principal terms of the Groups borrowings are:

Instrument	Commitment £m	Drawn £m	Interest rate	Hedged rate	Repayment
Securitised debt:					
Securitised debt – A1	154.5	154.5	6.455%	–	By instalment to 2030
Securitised debt – A3	400.0	400.0	5.952%	–	By instalment from 2032 to 2035
Securitised debt – A7	222.0	222.0	SONIA plus 0.5943%	5.3985%	In 2035
Securitised debt – B	107.1	107.1	6.800%	–	By instalment to 2030
Securitised debt – B3	77.9	77.9	SONIA plus 0.8193%	5.5825%	In 2035
Securitised debt – C2	239.7	239.7	SONIA plus 1.4943%	6.2666%	In 2035
Securitised debt – D2	125.0	125.0	SONIA plus 2.2193%	7.0605%	In 2035
Green Bonds:					
Green Bonds	350.0	350.0	2.625%	–	April 2025
Green Bonds	€300.0	€300.0	1.75%	–	April 2026
Green Bonds	300.0	300.0	3.375%	–	April 2028
Other secured loans:					
1 Bank Street	485.8	485.8	SONIA plus 1.7%	Capped at 1.5%	November 2024
1 Bank Street	78.0	78.0	SONIA plus 5.25%	Capped at 1.5%	November 2024
25 Churchill Place	384.0	384.0	SONIA plus 1.7%	Capped at 2.0%	July 2025
25 Churchill Place	60.0	60.0	SONIA plus 4.9%	–	July 2025
Wood Wharf Affordable	59.3	59.3	SONIA plus 1.95%	2.0%	June 2029
One Churchill Place	408.3	408.3	SONIA plus 0.3193%	5.605%	By instalment to July 2034
12 Bank Street	20.3	19.1	Base rate plus 2.25%	–	January 2024
Newfoundland	309.4	309.4	SONIA plus 2.35%	50.0% capped at 4.0% & 50.0% swapped at 3.8%	March 2028
Construction loans:					
15 & 20 Water Street	119.9	84.8	SONIA plus 2.8693%	£46.6m swapped at 4.1190% and £38.2m swapped at 4.2130%	March 2024
8 Harbord Square	49.2	29.8	SONIA plus 4.25%	–	July 2025
HE infrastructure	194.6	182.1	EC reference rate plus 2.2%	–	March 2028
Revolving credit facility:					
Revolving credit facility	30.0	0.0	SONIA plus 2.495%	–	April 2024
Revolving credit facility	100.0	0.0	SONIA plus 1.6%	–	September 2027

The Green Bonds and the revolving credit facilities are secured against the shares of the Company. The other borrowings of the Group are secured against designated property interests. Taking into account the loan waivers and extensions agreed during the year, the Group was in compliance with its lending covenants at 31 December 2023 and throughout the year then ended.

Transactions in the year**15 and 20 Water Street**

On 3 March 2023 the Group secured a 12 month extension on its construction loan that is secured on the 15 and 20 Water Street property assets. The loan facility was for a total of £186.0m of which £119.9m was drawn and was repayable by 7 March 2024. In accordance with the terms of the extension the undrawn commitment was cancelled. The Group provided certain guarantees in respect of the loan facility. On 23 October 2023 the Group repaid £35.1m in respect of this loan.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
for the year ended 31 December 2023 (Continued)***Newfoundland***

On 17 March 2023, the Group entered into a new £309.4m loan facility secured against the Newfoundland property. The loan proceeds were used to repay the previous facilities secured against the building. The loan is subject to soft covenants based on LTV, interest cover and debt yield. As part of the transaction the Group executed a cap purchase for the value of £6.4m. The Group has provided certain guarantees in respect of the loan facility.

12 Bank Street

The waiver received from the lender in respect of the 12 Bank Street loan expired on 31 March 2023 and therefore the loan would have become due for repayment on that date. On 30 March 2023, the covenant waiver was extended to 8 January 2024 with the quarterly interest rate payable increasing to UK Base Rate +3.5% (previously UK Base Rate +2.5%). The loan is subject to covenants based on LTV. On 8 January 2024 the loan was repaid in full.

25 Churchill Place

On 5 July 2023, the Group executed a 12 month extension option on the senior and mezzanine loan facilities secured against 25 Churchill Place to a termination date of 22 July 2024. As part of the transaction the Group purchased a cap for the value of £14.5m. The Group retains a further extension option, executable in July 2024 to extend the facilities for a further 12 months subject to placement of a cap.

1 Bank Street

On 2 November 2023 the Group executed a 12 month extension option of the 1 Bank Street senior and mezzanine facilities; as part of the transaction the Group purchased a cap for the value of £16.0m. This was the final extension option under the facility agreement; the commitment drawn will become fully repayable in November 2024 when the term ends.

Revolving credit facility

On 17 November 2023 the Group drew £35.0m from the Group's £100.0m Revolving Credit Facility. On 18 December a further £45.0m was also drawn. The total £80.0m drawn was repaid in full on 28 December 2023.

Securitisation

On 20 December 2023, the Group gave notice of a partial repayment of £71.5m A1 notes and £192.0m A3 notes of its securitisation. The notice crystallised spens of £40.5m to bring the total repaid on 22 January 2024 to £304.0m. This loan modification resulted in a charge to the income statement of £39.3m which has been recognised in the year within capital and other financing charges above. The repayment released security over 10 Cabot Square following the execution of the amendment of lease arrangements with Barclays Bank Plc.

Events after the reporting date

Following the year end, a number of facilities were refinanced or repaid. Refer to Note 31 for further detail.

Securitised debt

The securitisation has the benefit of an arrangement with AIG which covers the rent in the event of a default by the tenant of 33 Canada Square, over the entire term of the lease. AIG has posted £52.1m (2022 – £70.8m) as cash collateral in respect of this obligation. The annual fee payable during the year ended 31 December 2023 in respect of the arrangement was £0.6m and is included in underlying financing charges.

CWF II also has the benefit of a £300.0m liquidity facility provided by Lloyds Banking Group, under which drawings may be made in the event of a cash flow shortage under the securitisation. This facility is renewable annually at the company's discretion. The commitment fee payable for the provision of this facility is 0.8927% p.a. (2022 – 0.888% p.a.). On 17 November 2023, the facility was renewed for a further 12 months to 1 January 2025.

The weighted average maturity of the debentures at 31 December 2023 was 7.7 years (2022 – 10.1 years). This was impacted by the early repayment of the A1 and A3 Notes, excluding these repayments the average life was 9.3 years. The debentures may be redeemed at the option of the issuer in an aggregate amount of not less than £1.0m on any interest payment date subject to the current rating of the debentures not being adversely affected and certain other conditions affecting the amount to be redeemed.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (Continued)

HE Infrastructure loan

In March 2015, a £200.0m infrastructure loan facility (now £194.6m) was agreed with HE to part fund infrastructure spending on the Wood Wharf site. Of the amount borrowed, £35.7m has been on lent to WWP3 to fund infrastructure costs on Wood Wharf. This component of the loan is repayable on the earlier of refinancing or disposal of the buildings being developed by subsidiaries of WWP3. Previously the Group has lent to subsidiaries of CWGRL to part fund infrastructure costs on Wood Wharf. This component of the loan was repayable from the proceeds of sale of the apartments being developed by subsidiaries of CWGRL and was fully settled in 2023 (2022 – £46.4m). The Group also previously lent to the Vertus joint venture entities to fund infrastructure costs on Wood Wharf. This was fully settled in 2023 (2022 – £48.0m).

Maturity profile of borrowings

	Securitized debt £m	Green Bonds £m	Other secured loans £m	Construction loans £m	Total £m
Contractual undiscounted cash flows at 31 December 2023:					
Within one year	351.8	23.9	717.3	89.8	1,182.8
In one to 2 years	71.5	369.4	515.5	–	956.4
In 2 to 5 years	189.3	584.0	454.3	268.3	1,495.9
In 5 to 10 years	440.5	–	237.5	–	678.0
In 10 to 20 years	786.6	–	176.1	–	962.7
	1,839.7	977.3	2,100.7	358.1	5,275.8
Comprising:					
Principal repayments	1,326.2	906.4	1,803.9	321.0	4,357.5
Interest payments	513.5	70.9	296.8	37.1	918.3
	1,839.7	977.3	2,100.7	358.1	5,275.8
Contractual undiscounted cash flows at 31 December 2022:					
Within one year	107.5	24.6	123.2	318.3	573.6
In one to 2 years	107.0	24.6	690.5	–	822.1
In 2 to 5 years	283.0	649.2	580.6	–	1,512.8
In 5 to 10 years	572.2	305.1	241.4	279.8	1,398.5
In 10 to 20 years	1,031.4	–	213.4	–	1,244.8
	2,101.1	1,003.5	1,849.1	598.1	5,551.8
Comprising:					
Principal repayments	1,355.5	906.4	1,526.9	598.1	4,386.9
Interest payments	745.6	97.1	322.2	–	1,164.9
	2,101.1	1,003.5	1,849.1	598.1	5,551.8

The above tables contain undiscounted cash flows (including interest) and therefore result in higher balances than the carrying values or fair values of the borrowings.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Debt service

The weighted average interest rates paid on borrowings at the balance sheet dates were as follows:

	2023 %	2022 %
Securitisation	6.1	6.1
Green Bonds	2.6	2.6
Other secured loans	5.7	4.5
Construction loan	6.5	4.6
Weighted average cost of debt	5.3	4.6

Comparison of fair values and carrying amount

	Fair value £m	2023 Carrying amount £m	Difference £m	Fair value £m	2022 Carrying amount £m	Difference £m
Securitisation	1,146.8	1,401.1	(254.3)	1,255.0	1,392.5	(137.5)
Green Bonds	727.7	908.0	(180.3)	711.9	909.8	(197.9)
Secured loans	1,814.0	1,814.0	–	1,532.1	1,532.1	–
Construction	326.6	326.6	–	650.4	650.4	–
	4,015.1	4,449.7	(434.6)	4,149.4	4,484.8	(335.4)
Other financial liabilities:						
Interest rate derivatives	107.3	107.3	–	88.0	88.0	–
Cash and monetary deposits	(840.3)	(840.3)	–	(350.7)	(350.7)	–
Total	3,282.1	3,716.7	(434.6)	3,886.7	4,222.1	(335.4)

The differences above are shown before any tax relief. Short term receivables and payables have been excluded from these disclosures as their carrying amount approximates fair value. The fair value of the sterling denominated bonds has been determined by reference to the prices available on the markets on which they are traded. The fair values of other debt instruments have been calculated by discounting cash flows at the relevant zero coupon SONIA interest rates prevailing at the balance sheet date. The fair values of interest rate derivative instruments have been determined by reference to market values provided by the relevant counter parties.

Interest rate profile

After taking into account interest rate hedging entered into by the Group, the interest rate profile of the Group's borrowings at the balance sheet dates including accrued interest payable but excluding any adjustments for derivatives was:

	Floating £m	2023 Fixed £m	Total £m	Floating £m	2022 Fixed £m	Total £m
Securitisation	–	(1,401.1)	(1,401.1)	–	(1,392.5)	(1,392.5)
Green Bonds	–	(908.0)	(908.0)	–	(909.8)	(909.8)
Secured loans	(19.4)	(1,794.6)	(1,814.0)	(20.3)	(1,511.8)	(1,532.1)
Construction loans	(262.0)	(64.6)	(326.6)	(559.6)	(90.8)	(650.4)
	(281.4)	(4,168.3)	(4,449.7)	(579.9)	(3,904.9)	(4,484.8)
Less: Cash collateral for borrowings	59.8	432.2	492.0	98.5	154.1	252.6
Total	(221.6)	(3,736.1)	(3,957.7)	(481.4)	(3,750.8)	(4,232.2)

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Carrying value of categories of financial instruments

	2023 £m	2022 £m
Financial assets		
Amortised cost		
– Cash and cash equivalents (Note 17)	840.3	350.7
– Trade and other receivables (Note 16)	104.1	90.7
– Non current receivables (Note 15)	42.9	–
FVTPL		
– Other investments (Note 14)	17.8	27.6
– Derivatives not in designated hedge accounting relationships	–	32.7
FVTOCI		
– Derivatives in designated fair value hedge relationships	28.0	0.4
	<u>1,033.1</u>	<u>502.1</u>
Assets not classified as financial assets	7,048.4	8,229.8
Total assets	<u>8,081.5</u>	<u>8,731.9</u>
Financial liabilities		
Amortised cost		
– Borrowings	(4,449.7)	(4,488.2)
– Lease liabilities (Note 23)	(63.6)	(62.2)
– Trade and other payables (Note 18)	(224.1)	(282.7)
FVTPL		
– Derivatives not in designated hedge accounting relationships	(135.3)	(117.7)
	<u>(4,872.7)</u>	<u>(4,950.8)</u>
Liabilities not classified as financial liabilities	(202.4)	(152.8)
Total liabilities	<u>(5,075.1)</u>	<u>(5,103.6)</u>
Net assets	<u>3,006.4</u>	<u>3,628.3</u>

All the derivative instruments held by the Group (categorised as FVTPL or FVTOCI) are classified as Level 2 as defined in accordance with IFRS 13.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
for the year ended 31 December 2023 (Continued)**Financial risks*****Interest rate risk management***

The Group finances its operations through a mixture of surplus cash, bank borrowings and debentures. The Group borrows principally in sterling at both fixed and floating rates of interest and then uses interest rate swaps, caps or collars to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. The Group's policy is to keep at least 50.0% of its borrowings at fixed or capped rates subject to the requirements of specific facilities which may have defined requirements for hedging and which will take precedence. After taking into account interest rate hedging and cash deposits, the borrowings which remain as floating debt comprise the £20.3m loan secured against 12 Bank Street, the HE infrastructure loan and certain construction loans (see above). The RCFs are floating rate loans although no amounts were drawn under these facilities at 31 December 2023.

Liquidity risk management

The Group's policy is to ensure continuity of funding and at 31 December 2023 the average maturity of the Group's debt was 4.4 years (2022 – 5.4 years). Shorter term flexibility is achieved by holding cash on deposit and through construction facilities typically with a term of 3 to 6 years arranged to fund the development of new properties.

Loan covenants

The Group's loan facilities are subject to financial covenants which include maximum LTV and LTC ratios, debt yields and minimum ICRs. The key covenants for each of the Group's main facilities are as follows:

Securitised debt

Maximum LMCTV ratio of 100.0% and cash trap covenant of 50.0%. The securitisation has no minimum ICR covenant. The Group has the ability to remedy a breach of covenant by depositing eligible investments (including cash). The final maturity date of the securitisation is 2035, subject to earlier amortisation on certain classes of Notes.

Other secured loans**1 Bank Street loans:**

- Cash trap covenants of maximum LTV of 70% for the senior loan and 80.75% for the mezzanine loan.
- Cash trap covenants of minimum ICR of 2.0x on the senior loan and 1.51x on the mezzanine loan.
- Both covenants are calculated on the special assumption that the building is fully let and income producing.

25 Churchill Place loans:

- Cash trap covenants of maximum LTV ratio of 75.0% for the senior loan and 86.5% for the mezzanine loan.
- Cash trap covenants of minimum ICR of 175.0% on the senior loan and 135.0% on the mezzanine loan.

Wood Wharf Affordable loan:

- Cash trap covenants of maximum LTV of 65.0% and minimum ICR of 120.0%.

12 Bank Street loan:

- Maximum LTC of 70.0% and maximum LTV of 65.0%.

Newfoundland loan:

- Cash trap covenants of a maximum LTV of 65.0% and minimum ICR of 125.0%.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 December 2023 (Continued)

Construction loans

15 & 20 Water Street loan:

- Maximum LTC of 65.0% and maximum LTV of 65.0% (on a cross collateralised basis).

8 Harbord Square loan:

- Maximum LTC of 65.0% and maximum LTV of 65.0%.

HE infrastructure loan:

- Maximum LTV ratio of 60.0%. This facility is not subject to any ICR covenant.

All of these requirements were satisfied throughout the year.

Exchange rate risk management

The Group's policy is to maximise all financing in Sterling and hedge any foreign currency transactions appropriately. The Group currently has a €300.0m Green Bond which is fully hedged in line with the above. The gain or loss on this hedge relationship is recognised directly in equity.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern. The capital structure of the Group consists of debt, cash and cash equivalents and monetary assets, as disclosed elsewhere in this Note, and equity, including reserves, as disclosed in Note 25 and the Consolidated Statement of Changes in Equity.

Credit risk management

Credit risk associated with trade receivables is disclosed in Note 16.

The Group's policies restrict the counterparties with which derivative transactions can be contracted and cash balances deposited. This ensures that exposure is spread across a number of approved financial institutions with higher credit ratings.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

Externally imposed capital requirements

The Group is not subject to externally imposed capital requirements.

23. LEASE LIABILITIES

	Wood Wharf £m	Middle Dock £m	Total £m
At 1 January 2022	62.2	–	62.2
Accrued finance charges	6.0	–	6.0
Paid in period	(6.0)	–	(6.0)
At 1 January 2023	62.2	–	62.2
Accrued finance charges	6.0	–	6.0
Paid in period	(6.0)	–	(6.0)
Initial recognition	–	1.4	1.4
31 December 2023	62.2	1.4	63.6

In January 2012, the Group acquired the remaining 50.0% effective interest in Wood Wharf from CRT for a total consideration of £52.4m. In conjunction with the acquisition, CRT granted a new 250 year lease of the site subject to a ground rent payment to CRT which was scheduled to increase to £6.0m per annum by 2016, followed by upwards only reviews linked to the passing rent achieved on the office buildings and the ground rents receivable from the completed residential apartments. The Net Present Value of the minimum contracted ground rents payable under the terms of the 250 year lease, discounted at the rate inherent in the lease, was estimated at £55.0m at the date of inception of the lease. In 2015, the terms of the ground rent arrangements were amended. As a result, an additional payment of £3.0m was made in 2015 followed by 3 annual payments of £1.7m each. The changes to the ground rent arrangements increased the carrying value of the obligation by £7.2m.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (Continued)

On 19 December 2023, the Group took a 50 year lease from CRT over part of Middle Dock, Canary Wharf. Rent commences on 19 December 2025 at £25,000 per annum, with fixed increases every 2 years until rent is £100,000 from 19 December 2031 and then increasing with CPI every five years thereafter. The liability has been recognised at £1.4m being the present value of the minimum rents payable over the life of the lease.

Minimum contracted payments under the ground rent arrangement were as follows:

	Wood Wharf £m	Middle Dock £m	Total £m
Within one year	6.1	–	6.1
Between 2 and 5 years	24.2	–	24.2
After 5 years	1,415.7	–	1,415.7
At 31 December 2022	1,446.0	–	1,446.0
Within one year	6.0	0.1	6.1
Between 2 and 5 years	24.3	0.2	24.5
After 5 years	1,409.7	1.7	1,411.4
At 31 December 2023	1,440.0	2.0	1,442.0

24. PROVISIONS

Provisions have been made in respect of the following liabilities:

	Lease commitments £m
At 1 January 2022	1.9
Utilisation of provision	(0.1)
At 1 January 2023	1.8
Utilisation of provision	(0.2)
At 31 December 2023	1.6

Lease commitments

In connection with the sale of certain properties during 2005, the Group agreed to provide rental support in respect of certain car parking rights to 2028 and recognised a provision in respect of these commitments at the date of disposal.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

25. SHARE CAPITAL AND RESERVES

	Share capital £m
At 1 January 2022	74.0
Issue of share capital	–
At 1 January 2023	74.0
Issue of share capital	300.0
At 31 December 2023	374.0

On 27 December 2023, the Group received a £300.0m equity injection by way of share subscription from the ultimate shareholders Brookfield and QIA to the Group's ultimate parent SHLP. In December 2023, CWGIH issued 3,000,000,000 shares of £0.10 to its sole shareholder SHL and received £300.0m of cash which has been on lent within the Group.

As at 31 December 2023 a total of 3,740,374,616 Ordinary Shares (2022 – 740,374,616) were in issue of 10p each which were fully paid.

The rights attached to each Ordinary Share can be summarised as follows:

- One vote per share.
- There is no right of redemption attaching to the Ordinary Shares.
- There are no restrictions on the distribution of dividends or the repayment of capital attaching to the Ordinary Shares, subject to the requirement of the Act.
- In the event of a liquidation, the Ordinary Shares rank behind any other liability of the Group.

Capital redemption reserve

The £2.5m (2022 – £2.5m) capital redemption reserve comprises the nominal value of 24,539,346 Ordinary Shares cancelled as a result of share buybacks.

Cancelled share reserve

The £59.5m (2022 – £59.5m) cancelled share reserve comprises the nominal value of 601,068,076 deferred shares cancelled in 2009.

Hedging reserve

The (£36.4m) (2022 – (£26.5m)) hedging reserve comprises the fair value of effective hedges of (£5.7m) (2022 – £8.9m) and the amounts deferred in equity under previously effective hedges which are recognised in the Consolidated Income Statement in the same period in which the hedged item affects net profit or loss of (£30.7m) (2022 – (£35.4m)).

Retained earnings

On 17 April 2015, the Company received capital contributions from its shareholders of £196.8m of which £153.0m was contributed in cash and £43.8m related to dividends paid by Canary Wharf Group plc to entities not directly or indirectly owned by the Company at the time and subsequently reinvested in the Group. Capital contributions are considered to be distributable and have therefore been treated as a component of retained earnings.

Retained earnings include, inter alia, revaluation surpluses in respect of the Group's properties that are recognised in the Consolidated Income Statement.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

26. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of profit on ordinary activities before tax to cash generated from operations.

	2023 £m	2022 £m
(Loss)/profit on ordinary activities before tax	(889.3)	(194.4)
Non cash movements		
Net valuation movements on properties	1,109.5	566.8
Share of loss of joint ventures	24.3	4.4
Profit on sale of car park	–	(0.9)
Revaluation of investments	14.3	7.6
Spreading of tenant incentives, committed rent increases and letting fees	12.9	(8.4)
Depreciation	3.5	5.3
Cost of sales relating to sale of apartments	7.2	–
Net financing (income)/costs	295.6	(149.2)
	1,467.3	425.6
Changes to working capital and other cash movements		
Decrease/(increase) in receivables	(11.2)	45.8
Increase/(decrease) in payables	66.5	(51.0)
Expenditure on trading properties	(7.6)	–
Income from investments	(2.0)	(0.8)
Utilisation of and other movements in provisions	(0.2)	(0.1)
Cash generated from operations	623.5	225.1

Details of the non-cash transaction in respect of the WWP3 disposal are included in Note 10.

27. CONTINGENT LIABILITIES

At 31 December 2023, certain members of the Group had given fixed and floating charges over substantially all of their assets as security for certain of the Group's borrowings as referred to in Note 22. In particular, various members of the Group had at 31 December 2023, given fixed first ranking charges over cash deposits totalling £492.0m (2022 – £252.6m).

As security for the issue of up to £1,326.2m of securitised debt (Note 22), Group has granted a first fixed charge over the shares of CWF II and a first floating charge over all assets of CWF II. The notes are secured on 6 properties at Canary Wharf and the rental income stream therefrom. The 6 properties are 1 Canada Square, 33 Canada Square, 20 Bank Street, 40 Bank Street, 10 Cabot Square/5 North Colonnade and 20 Cabot Square/10 South Colonnade.

In connection with the Group's construction facilities, CWG or its subsidiaries have provided certain guarantees, including in relation to cost overruns, completion of infrastructure works, satisfaction of s106 planning obligations and payment of interest. These guarantees are market practice for construction facilities and will expire on completion of the relevant property and repayment of the facilities.

In relation to a loan of £81.0m to be utilised by an associated undertaking in the construction of an aparthotel at One Charter Street, Wood Wharf, CWG has guaranteed its 50.0% joint venture share of any interest shortfall under the facility between practical completion and maturity of the loan, together with a limited cost overrun guarantee.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

28. FINANCIAL COMMITMENTS

Commitments of the Group for future expenditure relating to committed developments (gross of presale proceeds and funding from construction facilities):

	2023 £m	2022 £m
Joint ventures	22.9	7.4
Other construction projects	83.9	373.9
	106.8	381.3

Of this commitment for future expenditure, £13.4m related to completed properties (2022 – £41.3m).

The commitments for future expenditure relate to the completion of construction works where construction was committed at 31 December 2023, including funding commitments to associates and joint venture undertakings. Any costs accrued or provided for in the Balance Sheet at 31 December 2023 have been excluded.

The Group has, in the normal course of its business, granted limited warranties or indemnities to its tenants in respect of building defects (and defects on the Estate or in the car parks) caused through breach of its obligations as developer contained in any pre let or other agreement. Offsetting this potential liability the Group benefits from warranties from the trade contractors and suppliers who worked on such buildings.

29. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Stork Holdings Limited. At 31 December 2023, the smallest group into which the financial statements of the Company are consolidated are the Company's consolidated financial statements embodied herein. The largest group of which the group is a member, and for which consolidated financial statements are drawn up is Stork Holdco LP, an entity registered at 73 Front Street, Hamilton, HM12, Bermuda. Stork Holdco LP is controlled as to 50.0% by Brookfield and as to 50.0% by QIA.

30. RELATED PARTY TRANSACTIONS

*Transactions with joint ventures and associates***Vertus**

The Group owns 50.0% of Vertus A2 limited and 50.0% of Vertus E1/2 Limited. The remainder of the equity interest is held by entities related to the ultimate owners of the Groups ultimate parent undertaking.

During 2023, the Group settled £72.7m owed to the Vertus entities under the contribution agreement (covering the site wide infrastructure and the affordable and intermediate offering at Wood Wharf), bringing the total loan balance to £nil at 31 December 2023 (2022 – £72.7m). The loan provided by the Group to the Vertus entities to partly fund infrastructure costs of £48.0m was also settled, bringing the balance to £nil (2022 – £48.0m). These amounts were offset with no cash movement.

During 2023 the Group recharged £0.1m in respect of payroll related costs, £0.3m in respect of energy costs, £0.3m in respect of estate service charge and ground rent, and charged management fees of £0.2m to Vertus A2 Limited. During 2023 the Group recharged £0.1m in respect of payroll related costs, £0.7m in respect of infrastructure costs, £0.6m in respect of energy costs, and £0.6m in respect of estate service charge and ground rent, and charged management fees of £0.5m to Vertus E1/2 Limited. Total net amount owed by the Vertus entities to the Group at 31 December 2023 was £0.4m (2022 – £6.2m).

Edyn

In November 2020, the Group entered into a joint venture with Edyn for the development of One Charter Street (Note 12). Edyn is a subsidiary of the Group's ultimate 50.0% shareholder, Brookfield. The joint venture was established by transferring Group entities into the joint venture and outstanding amounts were settled at that time. During the year, the Group recharged £0.2m of infrastructure costs, injected £2.0m cash, charged £2.4m relating to managements fees, and recharged £0.2m relating to insurance. At 31 December 2022, £6.0m had been loaned by the Edyn joint venture to the Group to fund future enabling works, this was settled during the year. At 31 December 2023, the Edyn joint venture owed to the group £3.7m (2022 – £1.6m).

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 December 2023 (Continued)

North Quay

On 25 March 2022, the Group entered into a joint venture with Kadans Science Partner for the development and operation of a proposed life science building at Plot NQ6, North Quay. On 26 January 2023 the Group entered into an infrastructure loan from the North Quay joint venture in order to fund infrastructure works until the grant of the lease. At 31 December 2023 the Group owed £14.9m in relation to this loan (2022 – £nil). During 2023, the Group charged £5.1m to the North Quay joint venture relating to infrastructure costs. At 31 December 2023, the joint venture owed the Group £1.6m relating to other initial costs of development (2022 – £5.0m).

Transactions with Investments

During 2023, the Group charged HsO, a company in which it holds an equity investment equivalent to approximately 13.0% of the issued share capital, £35,254 (2022 – £32,033) plus VAT for access to the Estate's telecommunications infrastructure all of which was received before the year end.

In June 2014, the Group acquired a 10.0% interest in an SLP established to acquire 10 Upper Bank Street. During 2023, the Group charged £1.5m (2022 – £1.8m) plus VAT in respect of asset management services. At 31 December 2023, £0.5m (2022 – £1.6m) was outstanding. During 2023, the Group received £2.0m worth of dividends from the company (2022 – £0.8m).

Transactions with other members of Stork Group**CWGRL**

During 2023 the Group has undertaken transactions with the Group's ultimate parent Stork Holdco LP's subsidiary group, CWGRL.

The Group settled short term interest free advances from CWGRL of £160.1m (2022 – £134.3m) by novating the loan to the Group's immediate parent SHLas part of the WWP3 transaction (refer to detail of this transaction below), bringing this balance with CWGRL to £nil. The Group also fully settled the infrastructure loan that was receivable from CWGRL of £46.4m at 31 December 2022. No cash was transferred in respect of these loans.

During 2022, the Group granted a lease over 85,000 sq ft of 15 Water Street to a subsidiary of CWGRL, for use as a hotel. A £34.2m lease incentive comprising the fit out for the hotel was incurred at inception. Included within revenue for the year was £4.7m of rental income, offset by £1.1m of lease incentive amortisation, with £32.5m incentive remaining at 31 December 2023.

During 2023 the Group charged £0.3m to CW One Park Drive Limited relating to management fees and £0.1m relating to payroll costs. During 2023, the Group charged £0.2m to CW 10 Park Drive Limited relating to management fees.

Total net amount owed to the CWGRL entities by the Group, at 31 December 2023 was £7.0m (2022 – £114.1m).

WWP3

In July 2023, the Group disposed of 4 residential buildings at 13 Brannan Street, 40 Charter Street, 50–60 Charter Street and 70–80 Charter Street at Wood Wharf to the WWP3 Group, subsidiaries of the Group's immediate parent entity SHL. The net impact of the transaction for the group was the disposal of the properties, valued at £241.0m for consideration comprising:

- net receipts of £78.9m of cash;
- the derecognition of £9.3m of creditors and £0.6m of debtors, which were transferred with the subsidiaries;
- the derecognition of £117.7m of a £160.1m loan from SHL. The loan originally from CWGRL was assigned via SHLP to SHL immediately before the disposal of WWP3 as outlined above; and

The Group also recognised new infrastructure loans to the WWP3 Group totalling £20.5m as part of the transaction. During the remainder of the year, the Group has lent a further £6.1m to the WWP3 Group, which together with accumulated interest of £1.1m, brings the balance owed by WWP3 at 31 December 2023 to £42.9m.

Other transactions between the Group and WWP3 during the year comprise £31m relating to infrastructure works, £4.5m relating to management fees, £0.3m relating to ground rent and £1.1m relating to insurance recharges. The balance outstanding at 31 December 2023 (excluding the above infrastructure loan included in other non current receivables) was £24.5m (2022 – £nil).

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the year ended 31 December 2023 (Continued)

Transactions with Stork Group joint ventures

In July 2011, the Group entered into a 50:50 joint venture, Braeburn, with Qatari Diar to develop Southbank Place. The Group's interest in this development was transferred to CWGRL in March 2018 in connection with the corporate reconstruction. The investment remains in the consolidated accounts of Stork, the Company's ultimate parent undertaking. During 2023, the Group charged £5.2m (2022 – £6.1m) plus VAT primarily for development management, administrative services, reimbursable costs and construction management services. At 31 December 2023, the amount outstanding was £0.2m (2022 – £5.3m) including amounts billed in previous years.

Transactions with other related parties

Brookfield Global Asset Management Limited has leased the 25th floor in One Canada Square on a 15 year lease. Rent, service charges and other occupational costs totalling £2.5m (2022 – £2.2m) plus VAT where applicable were charged in the year. Brookfield Properties (UK RE) has leased part 26th floor north in One Canada Square for a term of 143 months expiring 31 December 2032 with the remaining part of 26th floor being leased to Brookfield Global Asset Management Limited. Rent is due to commence in August 2024 and service charges and other occupational costs charged for the year totalling £0.9m (2022 – £0.4m) plus VAT. Construction management fees totalling £0.6m (2022 – £0.6m) plus VAT were charged to Brookfield Developments Europe Limited. During the year, non-executive director fees of £0.3m (2022 – £0.3m) were recharged. At 31 December 2023, there was £0.4m (2022 – £0.3m) outstanding.

During 2023, the Group charged £160,632 (2022 – £249,554) plus VAT to Open Network Systems Limited, a Brookfield subsidiary of which £4,671 (2022 – £104,355) was outstanding at 31 December 2023. Open Network Systems Limited charged the Group £33,696 (2022 – £41,275) plus VAT.

In August 2020, CWG entered into asset management agreements with QIA relating to the management of the QIA buildings at One Cabot Place and 8 Canada Square, Canary Wharf, with fees totalling £225,000 p.a.. During the year, non executive director fees of £0.3m (2022 – £0.2m) were recharged. No amounts were outstanding at 31 December 2023 or 31 December 2022.

Transactions with the directors, if any, are disclosed in Note 6.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not presented in this note.

31. EVENTS AFTER THE BALANCE SHEET DATE

On 8 January 2024, the covenant waiver extension expired on the Group's 12 Bank Street facility and the commitment drawn and accrued interest, amounting to £19.5m, were repaid.

On 22 January 2024, the Group repaid £71.5m of the A1 notes and £192.0m of the A3 notes of the securitisation, together with a spens payment of £40.5m. The repayment released security over 10 Cabot Square.

On 7 March 2024, the 15/20 Water Street facility reached expiry and the Group fully repaid £84.8m of principal amount drawn and £0.8m of associated interest.

On 15 March 2024 the Group secured 2 new Green Loan facilities in respect of 15/20 Water Street for a combined value of £132.2m. The facilities are a £118.5m investment term loan facility and a £13.7m fit out facility, both 5 year term with interest payable at 3.0% over SONIA. There is a requirement to hedge 100.0% of the term loan with no requirement to hedge the fit out facility. The Group has entered into 4 five year swaps in respect of this to fix the interest rate at 6.8%. The loans are subject to covenants on debt yield, interest cover and LTV. On 20 March 2023, £118.5m was drawn on the facilities.

On 27 March 2024, the Group agreed revised terms with Morgan Stanley on 15 Westferry Circus and recognised £27.5m lease termination income upon the property being returned to the Group on 31 March 2024. A corresponding dilapidations accrual was recorded for £2.9m.

On 27 March 2024, a deal was agreed with Morgan Stanley UK Group for a deed variation in regard to their lease of 20 Bank Street. Under the deed of variation, Morgan Stanley has extended its tenancy to 2038 by removing the break clause in 2028.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023 (Continued)

On 23 April 2024, the Group secured a new two year £80.0m construction finance facility, with two 12 months extension options, secured on the serviced apartment buildings at 3 and 15 West Lane. Interest is payable on the facility at 2.95% over SONIA, with a margin step down at PC to 2.15%, with a requirement to hedge 50.0% of the facility. At the date of signing, £51.2m was drawn on the facility.

On 24 April 2024, the Group agreed an amendment and restatement to the senior and mezzanine facilities on 25 Churchill Place, extending the maturity of both facilities for 5 years to July 2030. The senior £282.6m loan has a margin of 1.7%-2.25% over SONIA and the mezzanine £58.1m loan has a margin of 4.90%-5.90%. The caps on the original facilities remain in place until expiry in July 2024. Both facilities have no default covenants but are subject to cash trap covenants on debt yield, interest cover and LTV.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

COMPANY BALANCE SHEET
at 31 December 2023

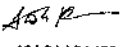
	Note	2023 £m	2022 £m
FIXED ASSETS			
Investments	(c)	2,361.2	2,361.2
CURRENT ASSETS			
Debtors due after more than one year	(d)	901.3	903.2
Debtors due in less than one year	(d)	306.6	8.5
Cash at bank and in hand		0.2	–
		<u>1,208.1</u>	<u>911.7</u>
CREDITORS: Amounts falling due within one year	(e)	(403.6)	(402.9)
NET CURRENT ASSETS		<u>804.5</u>	<u>508.8</u>
TOTAL ASSETS LESS CURRENT ASSETS/(LIABILITIES)		<u>3,165.7</u>	<u>2,870.0</u>
CREDITORS: Amounts falling due after more than one year	(f)	(902.5)	(905.1)
NET ASSETS		<u>2,263.2</u>	<u>1,964.9</u>
CAPITAL AND RESERVES			
Called up share capital		374.0	74.0
Share premium account		1,195.1	1,195.1
Profit and loss account		267.8	269.9
Other reserves:			
– hedging reserve		(0.8)	(1.2)
– other reserves		427.1	427.1
SHAREHOLDERS' FUNDS		<u>2,263.2</u>	<u>1,964.9</u>

Notes (a) to (f) on the following pages form an integral part of these financial statements.

The loss for 2023 was £2.1m (2022 – £2.9m loss).

These financial statements are separate financial statements to those of the Group.

Approved by the Board on 24 April 2024 and signed on its behalf by:

DocuSigned by:

 12ACAABA13844F7...
Shoaib Z Khan
 Chief Executive Officer

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Share capital £m	Share premium account £m	Cancelled share reserve £m	Capital redemption reserve £m	Other reserve £m	Hedging reserve £m	Profit and loss account £m	Total £m
At 1 January 2022	74.0	1,195.1	59.5	2.5	365.1	(0.7)	272.8	1,968.3
Movement in fair value of derivative financial instrument	-	-	-	-	-	13.2	-	13.2
Foreign exchange movements	-	-	-	-	-	(13.7)	-	(13.7)
Profit for the year	-	-	-	-	-	-	(2.9)	(2.9)
Total comprehensive expense for the year	-	-	-	-	-	(0.5)	(2.9)	(3.4)
At 1 January 2023	74.0	1,195.1	59.5	2.5	365.1	(1.2)	269.9	1,964.9
Movement in fair value of derivative financial instrument	-	-	-	-	-	(4.6)	-	(4.6)
Foreign exchange movements	-	-	-	-	-	5.0	-	5.0
Loss for the year	-	-	-	-	-	-	(2.1)	(2.1)
Total comprehensive expense for the year	-	-	-	-	-	0.4	(2.1)	(1.7)
Issue of share capital	300.0	-	-	-	-	-	-	300.0
31 December 2023	374.0	1,195.1	59.5	2.5	365.1	(0.8)	267.8	2,263.2

At 31 December 2023, a total of 3,740,374,616 Ordinary Shares (2022 – 740,374,616) were in issue which were fully paid. On 27 December 2023, the Company issued 3,000m shares at 10p as part of the £300.0m capital injection from the ultimate shareholders.

The other reserve arose from an intra group reorganisation undertaken during 2007 and is considered by the directors to be non distributable.

Movements in retained earnings are set out in Note (b).

At 31 December 2023, the smallest group of which the Company is a member and for which financial statements are drawn up is the consolidated financial statements of the Company. The largest group of which the group is a member and for which consolidated financial statements are drawn up is Stork Holdco LP, an entity registered at 73 Front Street, Hamilton, HM12, Bermuda. Stork Holdco LP is controlled as to 50.0% by Brookfield and as to 50.0% by QIA.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC**NOTES TO THE COMPANY'S FINANCIAL STATEMENTS**

for the year ended 31 December

(a) STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies are set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with the 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. These estimates and judgements are set out in Note 2 of the Group financial statements.

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

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated in the Company's Balance Sheet at cost less any provision for impairment.

Interest receivable and interest payable

Interest receivable and payable are recognised in the period in which they fall due.

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.

Borrowings

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

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

Derivative instruments

The company uses interest rate derivatives to help manage its risks of changes in interest rates. The company does not hold or issue derivatives for trading purposes.

In order for a derivative to qualify for hedge accounting, the company is required to document the relationship between the item being hedged and the hedging instrument. The company is also required to demonstrate an assessment of the relationship between the hedged item and the hedging instrument for its economic relationship, effects of credit risk and hedge ratio. This shows that the hedge will be effective on an on going basis. The effectiveness testing is reperformed at each balance sheet date to ensure that the hedge remains effective.

The changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income. The changes in the fair value of any ineffective portions of hedges or undesignated financial instruments are recognised in the profit and loss account.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained until the forecast transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

(b) PROFIT FOR THE FINANCIAL YEAR

The loss recorded by the Company in 2023 was £2.1m (2022 – £2.9m loss). As permitted by Section 408 of the Act, no profit and loss account is presented for the Company in respect of either year.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

(c) INVESTMENTS

Investments comprise shares held directly and indirectly in the following wholly owned subsidiaries:

<u>Name</u>	<u>Principal Activity</u>	<u>Registered Office</u>
DIRECT SUBSIDIARIES		
Songbird Acquisition Limited	Dormant	England & Wales
Songbird Finance (Two) Limited	Dormant	England & Wales
Songbird Finance Limited	Dormant	England & Wales
INDIRECT SUBSIDIARIES		
10 Cabot Square I Unit Trust GP Limited	General partner	Scotland
10 Cabot Square I Unit Trust LP Limited	Investment holding	Scotland
10 Cabot Square I Unit Trust SLP	Investment holding	Scotland
10 Cabot Square II Unit Trust GP Limited	General partner	Scotland
10 Cabot Square II Unit Trust LP Limited	Investment holding	Scotland
10 Cabot Square II Unit Trust SLP	Investment holding	Scotland
20 Cabot Square I Unit Trust GP Limited	General partner	Scotland
20 Cabot Square I Unit Trust LP Limited	Investment holding	Scotland
20 Cabot Square I Unit Trust SLP	Investment holding	Scotland
20 Cabot Square II Unit Trust GP Limited	General partner	Scotland
20 Cabot Square II Unit Trust LP Limited	Investment holding	Scotland
20 Cabot Square II Unit Trust SLP	Investment holding	Scotland
Admirals Way Investments Limited	Dormant	
Armoric Holdings Limited	Investment holding	England & Wales
Armoric Limited	Property investment	Jersey
Cabot Place (Retail) Unit Trust GP Limited	General partner	Scotland
Cabot Place (Retail) Unit Trust LP Limited	Investment holding	Scotland
Cabot Place (Retail) Unit Trust SLP	Investment holding	Scotland
Cabot Place (RT2) Limited	Property investment	England & Wales
Cabot Place Holdings Limited	Property investment	England & Wales
Cabot Place Limited	Property investment	England & Wales
Canada Place (Retail) Unit Trust GP Limited	General partner	Scotland
Canada Place (Retail) Unit Trust LP Limited	Investment holding	Scotland
Canada Place (Retail) Unit Trust SLP	Investment holding	Scotland
Canada Place Limited	Property investment	England & Wales
Canada Place Mall (Retail) Unit Trust GP Limited	General partner	Scotland
Canada Place Mall (Retail) Unit Trust LP Limited	Investment holding	Scotland
Canada Place Mall (Retail) Unit Trust SLP	Investment holding	Scotland
Canada Square (Pavilion) Limited	Property investment	England & Wales
Canary Wharf (B4) Limited	Dormant	England & Wales
Canary Wharf (B5) Limited	Dormant	England & Wales
Canary Wharf (B5) T1 Limited	Dormant	England & Wales
Canary Wharf (B5) T2 Limited	Dormant	England & Wales
Canary Wharf (BP1) Limited	Dormant	England & Wales
Canary Wharf (BP1) T1 Limited	Dormant	England & Wales
Canary Wharf (BP1) T2 Limited	Dormant	England & Wales
Canary Wharf (BP2) Limited	Investment holding	England & Wales
Canary Wharf (BP3) Limited	Investment holding	England & Wales

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Name	Principal Activity	Registered Office
Canary Wharf (BP4) Limited	Investment holding	England & Wales
Canary Wharf (BP4) T1 Limited	Dormant	England & Wales
Canary Wharf (BP4) T2 Limited	Dormant	England & Wales
Canary Wharf (Car Parks) Limited	Property investment	England & Wales
Canary Wharf (CS Park Pavilion) Limited	Property investment	England & Wales
Canary Wharf (DS1) Limited	Investment holding	England & Wales
Canary Wharf (DS2) Limited	Dormant	England & Wales
Canary Wharf (DS3 East) Limited	Dormant	England & Wales
Canary Wharf (DS3 West) Limited	Dormant	England & Wales
Canary Wharf (DS3) Limited	Dormant	England & Wales
Canary Wharf (DS5) Limited	Investment holding	England & Wales
Canary Wharf (DS6) Limited	Dormant	England & Wales
Canary Wharf (DS6) T1 Limited	Dormant	England & Wales
Canary Wharf (DS6) T2 Limited	Dormant	England & Wales
Canary Wharf (DS8) Limited	Investment holding	England & Wales
Canary Wharf (DS8) T1 Limited	Dormant	England & Wales
Canary Wharf (DS8) T2 Limited	Dormant	England & Wales
Canary Wharf (Earl's Court) Limited	Dormant	England & Wales
Canary Wharf (FC2) Limited	Dormant	England & Wales
Canary Wharf (FC2) Office Limited	Dormant	England and Wales
Canary Wharf (Finance Lessor) Limited	Dormant	England & Wales
Canary Wharf (Former Projects) Limited	Investment holding	England & Wales
Canary Wharf (FS Invest) Limited	Investment holding	England & Wales
Canary Wharf (FSGP) Limited	Investment holding	England & Wales
Canary Wharf (FSLP) Limited	Investment holding	England & Wales
Canary Wharf (HQ5) Jersey GP Limited	General partner	Jersey
Canary Wharf (HQ5) Jersey LP Limited	Investment holding	Jersey
Canary Wharf (North Quay) Limited	Property investment	England & Wales
Canary Wharf (Riverside South) Limited	Dormant	England & Wales
Canary Wharf (WF9) Limited	Investment holding	England & Wales
Canary Wharf 1BS Finance Limited	Finance company	Jersey
Canary Wharf 1BS Lending Limited	Finance company	Jersey
Canary Wharf 1BS Properties Limited	Finance company	Jersey
Canary Wharf A2 SPV1 Limited	Investment holding	England & Wales
Canary Wharf A2 SPV2 Limited	Investment holding	England & Wales
Canary Wharf B2 SPV1 Limited	Investment holding	England & Wales
Canary Wharf B2 SPV2 Limited	Investment holding	England & Wales
Canary Wharf Central Limited	Investment holding	England & Wales
Canary Wharf Communities Limited	Property investment	England & Wales
Canary Wharf Communities Two Limited	Property investment	England & Wales
Canary Wharf Contractors (10BS) Limited	Property contractor	England & Wales
Canary Wharf Contractors (1BS) Limited	Property contractor	England & Wales
Canary Wharf Contractors (B3 Hotel) Limited	Property contractor	England & Wales
Canary Wharf Contractors (B4) Limited	Property contractor	England & Wales
Canary Wharf Contractors (BP1) Limited	Property contractor	England & Wales
Canary Wharf Contractors (BP2) Limited	Property contractor	England & Wales
Canary Wharf Contractors (BP3) Limited	Property contractor	England & Wales

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Name	Principal Activity	Registered Office
Canary Wharf Contractors (BP4) Limited	Property contractor	England & Wales
Canary Wharf Contractors (Crossrail) Limited	Property contractor	England & Wales
Canary Wharf Contractors (DS1) Limited	Property contractor	England & Wales
Canary Wharf Contractors (DS2) Limited	Property contractor	England & Wales
Canary Wharf Contractors (DS3 East) Limited	Property contractor	England & Wales
Canary Wharf Contractors (DS3 West) Limited	Property contractor	England & Wales
Canary Wharf Contractors (DS3) Limited	Property contractor	England & Wales
Canary Wharf Contractors (DS5) Limited	Property contractor	England & Wales
Canary Wharf Contractors (DS6) Limited	Property contractor	England & Wales
Canary Wharf Contractors (DS8) Limited	Property contractor	England & Wales
Canary Wharf Contractors Limited	Property contractor	England & Wales
Canary Wharf Developments Limited	Investment holding	England & Wales
Canary Wharf E1/2 SPV1 Limited	Investment holding	England & Wales
Canary Wharf E1/2 SPV2 Limited	Investment holding	England & Wales
Canary Wharf Energy Company Limited	Energy services	England & Wales
Canary Wharf Estate Limited	Investment holding	England & Wales
Canary Wharf Facilities Management Limited	Property management	England & Wales
Canary Wharf Finance (B2) Limited	Finance company	England & Wales
Canary Wharf Finance (Investments) Limited	Investment holding	England & Wales
Canary Wharf Finance Holdings Limited	Dormant	England & Wales
Canary Wharf Finance II plc	Finance company	England & Wales
Canary Wharf Finance Leasing (BP1) Limited	Finance company	England & Wales
Canary Wharf Financing Limited	Finance company	England & Wales
Canary Wharf Funding (FC2/FC4) Limited	Investment holding	England & Wales
Canary Wharf Group plc	Investment holding	England & Wales
Canary Wharf Holdings (B2) Limited	Investment holding	England & Wales
Canary Wharf Holdings (B4) Limited	Dormant	England & Wales
Canary Wharf Holdings (B5) Limited	Dormant	England & Wales
Canary Wharf Holdings (BP1) Limited	Dormant	England & Wales
Canary Wharf Holdings (BP2) Limited	Dormant	England & Wales
Canary Wharf Holdings (BP3) Limited	Dormant	England & Wales
Canary Wharf Holdings (BP4) Limited	Investment holding	England & Wales
Canary Wharf Holdings (DS1) Limited	Dormant	England & Wales
Canary Wharf Holdings (DS2) Limited	Dormant	England & Wales
Canary Wharf Holdings (DS3) Limited	Dormant	England & Wales
Canary Wharf Holdings (DS5) Limited	Investment holding	England & Wales
Canary Wharf Holdings (DS6) Limited	Dormant	England & Wales
Canary Wharf Holdings (DS8) Limited	Investment holding	England & Wales
Canary Wharf Holdings (FC2) Limited	Investment holding	England & Wales
Canary Wharf Holdings (FC4) Limited	Investment holding	England & Wales
Canary Wharf Holdings (Jersey HQ5) Limited	Investment holding	Jersey
Canary Wharf Holdings (WF9) Limited	Dormant	England & Wales
Canary Wharf Holdings Limited	Investment holding	England & Wales
Canary Wharf Investment Holdings (BP1) Limited	Dormant	England & Wales
Canary Wharf Investment Holdings (BP2) Limited	Dormant	England & Wales
Canary Wharf Investment Holdings (DS8) Limited	Dormant	England & Wales
Canary Wharf Investments (B2) Limited	Investment holding	Jersey

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Name	Principal Activity	Registered Office
Canary Wharf Investments (BP1) Limited	Property Investment	England & Wales
Canary Wharf Investments (BP2) Limited	Property investment	England & Wales
Canary Wharf Investments (BP4) Limited	Property investment	England & Wales
Canary Wharf Investments (Crossrail) Limited	Dormant	England & Wales
Canary Wharf Investments (DS8) Limited	Property investment	England & Wales
Canary Wharf Investments (FC2) Limited	Property investment	England & Wales
Canary Wharf Investments (FC4) Limited	Property investment	England & Wales
Canary Wharf Investments (Four) Limited	Property investment	England & Wales
Canary Wharf Investments (RSNQ) Limited	Investment holding	England & Wales
Canary Wharf Investments (RT5) Limited	Dormant	England & Wales
Canary Wharf Investments (Three)	Property investment	England & Wales
Canary Wharf Investments (Two) Limited	Investment holding	England & Wales
Canary Wharf Investments Limited	Investment holding	England & Wales
Canary Wharf Leasing (FC4) Limited	Property investment	England & Wales
Canary Wharf Leasing (FC4) No.2 Limited	Property investment	England & Wales
Canary Wharf Limited	Property development	England & Wales
Canary Wharf Management (B1/B2) Limited	Investment holding	England & Wales
Canary Wharf Management (DS7) Limited	Property management	England & Wales
Canary Wharf Management (FC2/FC4) Limited	Property management	England & Wales
Canary Wharf Management (HQ3/HQ4) Limited	Property management	England & Wales
Canary Wharf Management Limited	Property management	England & Wales
Canary Wharf NFLA Limited	Dormant	England & Wales
Canary Wharf NQO GP Limited	Dormant	England & Wales
Canary Wharf NQO Holdco Limited	Property development	England & Wales
Canary Wharf NQO Holdings Limited	Dormant	Jersey
Canary Wharf NQO Investments Limited	Dormant	Jersey
Canary Wharf NQO Limited Partnership	Property investment	England & Wales
Canary Wharf NQO LP Limited	Investment holding	Jersey
Canary Wharf NQO Trustee Limited	Dormant	England & Wales
Canary Wharf Properties (B2) Limited	Property management	Jersey
Canary Wharf Properties (Barchester) Limited	Property development	England & Wales
Canary Wharf Properties (BP4) Limited	Dormant	England & Wales
Canary Wharf Properties (Burdett Road) Limited	Property development	England & Wales
Canary Wharf Properties (Crossrail Two) Limited	Property investment	England & Wales
Canary Wharf Properties (Crossrail) Limited	Property contractor	England & Wales
Canary Wharf Properties (FC2) Limited	Property investment	England & Wales
Canary Wharf Properties (FC4) Limited	Property investment	England & Wales
Canary Wharf Properties (RT5) Limited	Property investment	England & Wales
Canary Wharf Properties (WF9) Limited	Property investment	England & Wales
Canary Wharf Residential Management Limited	Property investment	England & Wales
Canary Wharf Retail (DS3) Limited	Property investment	England & Wales
Canary Wharf Retail (FC2) Limited	Property investment	England & Wales
Canary Wharf Retail (FC4) Limited	Property investment	England & Wales
Canary Wharf Retail (RT4) Limited	Property investment	England & Wales
Canary Wharf Retail Funding Limited	Finance company	England & Wales
Canary Wharf Retail Investments (DS3) Limited	Dormant	England & Wales
Canary Wharf Retail Investments (FC6) Limited	Property investment	England & Wales
Canary Wharf Retail Limited	Property investment	England & Wales
Canary Wharf Telecoms Limited	Telecommunication services	England & Wales

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Name	Principal Activity	Registered Office
Canary.co.uk Limited	Dormant	England & Wales
CW 8 Harbord Square Limited	Property contractor	England & Wales
CW Development Consulting Limited	Dormant	England & Wales
CW DS7F (Finance Lessor) Limited	Finance company	England & Wales
CW Finance Holdings If Limited	Dormant	England & Wales
CW Holdco (B2) Limited	Investment holding	England & Wales
CW Investments (B2) Limited	Property investment	England & Wales
CW Leasing DS7B Limited	Property investment	England & Wales
CW Leasing DS7F Limited	Property investment	England & Wales
CW Lending II Limited	Finance company	England & Wales
CW NQ6 Holdings Limited	Investment holding	England & Wales
CW NQ6 Limited	Investment holding	England & Wales
CW Properties (B2) Limited	Property investment	England & Wales
CW Properties DS7B Limited	Property investment	England & Wales
CW Properties DS7F Limited	Property investment	England & Wales
CW Water Square Development Company Limited	Property contractor	England & Wales
CW Water Square Limited	Dormant	England & Wales
CW Wood Wharf B3 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf B3 GP Limited	General partner	England & Wales
CW Wood Wharf B3 Limited Partnership	Property investment	England & Wales
CW Wood Wharf B3 LP Limited	Investment holding	Jersey
CW Wood Wharf B3 Propco Limited	Property investment	England & Wales
CW Wood Wharf B3 T1 Limited	Dormant	England & Wales
CW Wood Wharf C2 (Jersey) Limited	Property development	Jersey
CW Wood Wharf C2 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf C2 Limited	Property development	England & Wales
CW Wood Wharf D1/D2 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf D1/D2 GP Limited	General partner	England & Wales
CW Wood Wharf D1/D2 Limited Partnership	Property investment	England & Wales
CW Wood Wharf D1/D2 LP Limited	Investment holding	Jersey
CW Wood Wharf D1/D2 Propco Limited	Property investment	England & Wales
CW Wood Wharf D1/D2 T1 Limited	Dormant	England & Wales
CW Wood Wharf D3/4 (Jersey) Limited	Property development	Jersey
CW Wood Wharf D3/D4 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf D3/D4 Limited	Property development	England & Wales
CW Wood Wharf E3/4 (Jersey) Limited	Property development	Jersey
CW Wood Wharf E3/4 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf F1 (Jersey) Limited	Property development	Jersey
CW Wood Wharf F2 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf F2 Limited	Property development	England & Wales
CW Wood Wharf G1 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf G1 Limited	Property development	England & Wales
CW Wood Wharf G10 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf G10 Limited	Property development	England & Wales
CW Wood Wharf G5 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf G5 Limited	Property development	England & Wales
CW Wood Wharf H1 Limited	Investment Holding	England & Wales
CW Wood Wharf H2 Limited	Investment Holding	England & Wales
CW Wood Wharf H3 Development Company Limited	Property contractor	England & Wales

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Name	Principal Activity	Registered Office
CW Wood Wharf H3 Limited	Property development	England & Wales
CW Wood Wharf H4 Limited	Investment holding	England & Wales
CW Wood Wharf J1 (Jersey) Limited	Property development	Jersey
CW Wood Wharf J1-J3 Development Company Limited	Property development	England & Wales
CW Wood Wharf J3 (Jersey) Limited	Property contractor	Jersey
CW Wood Wharf J4 Limited	Property development	England & Wales
CW Wood Wharf J4/5 (Jersey) Limited	Property development	Jersey
CW Wood Wharf J4/J5 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf Jersey Limited	Investment holding	Jersey
CW Wood Wharf L1 Development Company Limited	Property contractor	England & Wales
CW Wood Wharf L1 Limited	Property development	England & Wales
CW Wood Wharf Water Street Holdings Limited	Investment holding	England & Wales
CWBC Finance (BP1) Limited	Finance company	England & Wales
CWBC Finance Two (BP1) Limited	Dormant	England & Wales
CWBC Investments (BP1) Limited	Property investment	England & Wales
CWBC Leasing (BP1) Limited	Property investment	England & Wales
CWBC Properties (BP1) Limited	Property investment	England & Wales
cWC SPV HCo Limited	Dormant	England & Wales
CWC SPVa Limited	Property investment	England & Wales
CWC SPVc Limited	Dormant	England & Wales
CWC SPVd Limited	Property investment	England & Wales
CWC SPVe Limited	Property investment	England & Wales
CWCB Finance II Limited	Finance company	England & Wales
CWCB Finance Leasing (DS7B) Limited	Finance company	England & Wales
CWCB Holdings Limited	Dormant	England & Wales
CWCB Investments (B1) Limited	Property investment	England & Wales
CWCB Investments (Car Parks) Limited	Property investment	England & Wales
CWCB Investments (DS6) Limited	Dormant	England & Wales
CWCB Investments (DS8) Limited	Property investment	England & Wales
CWCB Investments (RT2) Limited	Property investment	England & Wales
CWCB Investments (WF9) Limited	Property investment	England & Wales
CWCB Leasing (DS6) Limited	Property investment	England & Wales
CWCB Leasing (RT2) Limited	Property investment	England & Wales
CWCB Properties (DS6) Limited	Property investment	England & Wales
CWCB Properties (DS7) Limited	Property investment	England & Wales
CWCB Properties (DS8) Limited	Property investment	England & Wales
CWE SPV Hco Limited	Investment holding	England & Wales
CWE SPV Super Hco Limited	Investment holding	England & Wales
CWE SPVc Limited	Property investment	England & Wales
CWE SPVf Limited	Property investment	England & Wales
CWE SPVg Limited	Property investment	England & Wales
CWG (Wood Wharf Four) Limited	Investment holding	England & Wales
CWG (Wood Wharf General Partner One) Limited	Dormant	England & Wales
CWG (Wood Wharf General Partner) Limited	Investment holding	England & Wales
CWG (Wood Wharf One) Limited	Investment holding	England & Wales
CWG (Wood Wharf Three) Limited	Investment holding	England & Wales
CWG (Wood Wharf Two) Limited	Property investment	England & Wales
CWG (Wood Wharf) 1A Limited Partnership	Investment holding	Scotland
CWG (Wood Wharf) Holdings Limited	Investment holding	England & Wales

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

<u>Name</u>	<u>Principal Activity</u>	<u>Registered Office</u>
CWG (Wood Wharf) Limited	Investment holding	England & Wales
CWG (Wood Wharf) Phase 2 Limited	Investment holding	England & Wales
CWG (Wood Wharf) UT GP 1A Limited	General partner	Scotland
CWG (Wood Wharf) UT LP 1A Limited	Investment holding	England & Wales
CWG FC4 Finance Limited	Property investment	England & Wales
CWG FC4 Holdings Limited	Dormant	England & Wales
CWG FC4 Properties Limited	Dormant	England & Wales
CWG NewCo Limited	Investment holding	England & Wales
CWG Properties (B2) Limited	Property investment	Jersey
CWG Retail Properties (B2) Limited	Property investment	England & Wales
First Tower GP(1) Limited	General partner	Scotland
First Tower GP(2) Limited	General partner	Scotland
First Tower Limited Partnership	Property investment	England & Wales
First Tower LP (1) Limited	Property investment	Scotland
First Tower LP (2) Limited	Property investment	Scotland
First Tower LP (3) Limited	Property investment	Scotland
First Tower LP (4) Limited	Property investment	Scotland
First Tower LP (5) Limited	Property investment	Scotland
First Tower LP (6) Limited	Property investment	Scotland
First Tower LP (7) Limited	Property investment	Scotland
First Tower LP (8) Limited	Property investment	Scotland
First Tower LP (9) Limited	Property investment	Scotland
First Tower LP (10) Limited	Property investment	Scotland
First Tower LP (11) Limited	Property investment	Scotland
First Tower LP (12) Limited	Property investment	Scotland
First Tower T1 Limited	Dormant	England & Wales
First Tower T2 Limited	Dormant	England & Wales
Guidecourt Management Limited	Property investment	England & Wales
Heron Quays (HQ1) Limited	Dormant	England & Wales
Heron Quays (HQ1) T1 Limited	Dormant	England & Wales
Heron Quays (HQ1) T2 Limited	Dormant	England & Wales
Heron Quays (HQ2) Limited	Dormant	England & Wales
Heron Quays (HQ2) T1 Limited	Dormant	England & Wales
Heron Quays (HQ2) T2 Limited	Dormant	England & Wales
Heron Quays (HQ3) Limited	Dormant	England & Wales
Heron Quays (HQ3) T1 Limited	Dormant	England & Wales
Heron Quays (HQ3) T2 Limited	Trustee landlord	England & Wales
Heron Quays (HQ4) Investments Limited	Property investment	England & Wales
Heron Quays (RT3) Limited	Investment holding	England & Wales
Heron Quays (RT3) T1 Limited	Trustee landlord	England & Wales
Heron Quays (RT3) T2 Limited	Dormant	England & Wales
Heron Quays Holdings (HQ1) Limited	Dormant	England & Wales
Heron Quays Holdings (HQ2) Limited	Dormant	England & Wales
Heron Quays Holdings (HQ3) Limited	Dormant	England & Wales
Heron Quays Holdings (HQ4) Limited	Investment holding	England & Wales

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Name	Principal Activity	Registered Office
Heron Quays Holdings (HQ5) Limited	Investment holding	England & Wales
Heron Quays Holdings (RT3) Limited	Dormant	England & Wales
Heron Quays Investments (RT3) Limited	Property investment	England & Wales
Heron Quays Properties Limited	Property development	England & Wales
Heron Quays West (1) Limited Partnership	Property investment	England & Wales
Heron Quays West (1) T1 Limited	Dormant	England & Wales
Heron Quays West (1) T2 Limited	Dormant	England & Wales
Heron Quays West (Pavilion) Limited	Property investment	England & Wales
Heron Quays West (T1) Limited	Dormant	England & Wales
Heron Quays West GP (Four) Limited	General partner	England & Wales
Heron Quays West GP (One) Limited	General partner	Scotland
Heron Quays West GP (Three) Limited	General partner	England & Wales
Heron Quays West GP (Two) Limited	General partner	Scotland
Heron Quays West Infrastructure Development Company Limited	Property contractor	England & Wales
Heron Quays West Investments (One) SLP	Investment holding	Scotland
Heron Quays West Investments (Two) SLP	Investment holding	Scotland
Heron Quays West Limited Partnership	Property investment	England & Wales
Heron Quays West LP (One) Limited	Investment holding	England & Wales
Heron Quays West LP (Two) Limited	Investment holding	England & Wales
Heron Quays West Pavilion Development Company Limited	Property contractor	England & Wales
Heron Quays West Properties Limited	Dormant	England & Wales
Heron Quays West T2 Limited	Dormant	England & Wales
Highplan Limited	Property investment	England & Wales
HQCB Investments Limited	Property investment	England & Wales
HQCB Properties (HQ1) Limited	Property investment	England & Wales
HQCB Properties (HQ3) Limited	Property investment	England & Wales
HQCB Properties (HQ4 (2)) Limited	Dormant	England & Wales
HQCB Properties (HQ5 (2)) Limited	Investment holding	England & Wales
HQCB Properties (RT3) Limited	Property investment	England & Wales
Indural Holdings Limited	Property investment	England & Wales
Jollygate Limited	Property investment	England & Wales
Jubilee Place (Retail) Unit Trust GP Limited	General partner	Scotland
Jubilee Place (Retail) Unit Trust LP Limited	Investment holding	Scotland
Jubilee Place (Retail) Unit Trust SLP	Investment holding	Scotland
L39 Limited	Dormant	England & Wales
Level39 Limited	Serviced offices	England & Wales
Nash Court Retail Limited	Property investment	England & Wales
Norquill Limited	Property investment	England & Wales
North Quay Infrastructure Developments Limited	Property contractor	England & Wales
NQ6 Developments Limited	Property contractor	England & Wales
NQ6 GP Limited	Holding company	England & Wales
NQ6 Holdings Limited	Holding company	England & Wales
NQ6 Limited Partnership	Holding company	England & Wales
NQ6 Property Limited	Property development	England & Wales
One Canada Square (Retail) Unit Trust GP Limited	General partner	Scotland
One Canada Square (Retail) Unit Trust LP Limited	Investment holding	Scotland

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Name	Principal Activity	Registered Office
One Canada Square (Retail) Unit Trust SLP	Investment holding	Scotland
Seven Westferry Circus Limited	Dormant	England & Wales
South London Procurement Network Limited	Dormant	England & Wales
South Quay Properties Limited	Property development	England & Wales
Southbank Place Management Limited	Property management	England & Wales
Vertus A2 Development Company Limited	Property contractor	England & Wales
Vertus E1/2 Development Company Limited	Property contractor	England & Wales
Vertus E3/4 Limited	Property investment	England & Wales
Vertus E3/4 Staffco Limited	Property investment	England & Wales
Vertus G3 Development Company Limited	Property contractor	England & Wales
Vertus G3 Limited	Property development	England & Wales
Vertus Holdings Jersey Limited	Investment holding	Jersey
Vertus J1-J3 Limited	Property investment	England & Wales
Vertus J1-J3 Staffco Limited	Property investment	England & Wales
Vertus Newfoundland Place Limited	Property investment	England & Wales
Vertus NFL Development Company Limited	Property contractor	England & Wales
Vertus NFL Limited	Property development	England & Wales
Vertus NFL Properties Limited	Property development	England & Wales
Vertus Residential Management Limited	Property management	England & Wales
Vertus Residential plc	Investment holding	England & Wales
Vertus WW Properties Limited	Investment holding	England & Wales
Wood Wharf (General Partner) Limited	General partner	England & Wales
Wood Wharf (No. 1A General Partner) Limited	General partner	England & Wales
Wood Wharf (No. 1A) Limited Partnership	Investment holding	England & Wales
Wood Wharf (No. 1B General Partner) Limited	General partner	England & Wales
Wood Wharf (No. 1B) Limited Partnership	Investment holding	England & Wales
Wood Wharf Estate Management Limited	Property management	England & Wales
Wood Wharf Finance Company Limited	Finance company	England & Wales
Wood Wharf Infrastructure Development Company 1 Limited	Infrastructure developer	England & Wales
Wood Wharf Infrastructure Development Company 2 Limited	Infrastructure developer	England & Wales
Wood Wharf Limited Partnership	Property investment	England & Wales
Wood Wharf Management Company Limited	Property management	England & Wales
Wood Wharf Property Holdings Limited	Investment holding	England & Wales
Wood Wharf Residential GP Limited	Property investment	England & Wales
Wood Wharf Residential Limited	Property investment	England & Wales
Wood Wharf Student Propco Holdco Limited	Holding company	England & Wales
Wood Wharf Student Propco Limited	Property development	England & Wales
WW F1 Student Development Company Limited	Property contractor	England & Wales
WW Residential Limited Partnership	Property development	England & Wales

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

Name	Principal Activity	Registered Office
JOINT VENTURES		
Edyn (Wood Wharf B2) I Limited (50.0%)	Property development	Jersey
Edyn (Wood Wharf B2) II Limited (50.0%)	Holding company	Jersey
Edyn (Wood Wharf B2) III Limited (50.0%)	Holding company	Jersey
Vertus 10 George Street Limited (50.0%)	Property investment	England & Wales
Vertus 10 George Street StaffCo Limited (50.0%)	Property development	England & Wales
Vertus 8 Water Street Limited (50.0%)	Property investment	England & Wales
Vertus 8 Water Street StaffCo Limited (50.0%)	Property development	England & Wales
Vertus A2 Holdings Limited (50.0%)	Property development	England & Wales
Vertus A2 Limited (50.0%)	Property development	England & Wales
Vertus E1/2 Holdings Limited (50.0%)	Property development	England & Wales
Vertus E1/2 Limited (50.0%)	Property development	England & Wales
Wood Wharf A2 GP Limited (50.0%)	Property development	England & Wales
Wood Wharf A2 Limited Partnership (50.0%)	Property investment	England & Wales
Wood Wharf B2 GP Limited (50.0%)	Holding company	England & Wales
Wood Wharf B2 Limited Partnership (50.0%)	Holding company	England & Wales
Wood Wharf E1/2 GP Limited (50.0%)	Property development	England & Wales
Wood Wharf E1/2 Limited Partnership (50.0%)	Property investment	England & Wales

OTHER INVESTMENTS

10 Upper Bank Street Separate Limited Partnership (10.0%)	Property development	Jersey
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The registered address of entities in England and Wales is 30th Floor, One Canada Square, Canary Wharf, London E14 5AB.

The registered address of entities in Scotland is 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN.

The registered address of entities in Jersey is 47 Esplanade, St Helier, Jersey, Channel Island JE1 0BD.

Unless otherwise stated, all of these companies are incorporated in Great Britain and registered in England and Wales. CWG NewCo Limited holds the Group's investment in Canary Wharf Group plc.

	2023 £m	2022 £m
Cost and net book value of investments	2,361.2	2,361.2

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS
for the year ended 31 December 2023 (Continued)

(d) DEBTORS

	2023 £m	2022 £m
Due after more than one year:		
Loans to subsidiary undertakings	897.6	894.9
Derivative financial assets	3.7	8.3
	<u>901.3</u>	<u>903.2</u>
Due within one year:		
Amounts owed by subsidiary undertakings	301.0	2.8
Accrued interest on loans to subsidiary undertakings	5.6	5.7
	<u>306.6</u>	<u>8.5</u>

The loans to subsidiary undertakings comprise £349.3m at 2.631% maturing on 23 April 2025, £298.3m at 3.381% maturing on 23 April 2028 and £256.3m at 3.151% maturing on 7 April 2026. At 31 December 2023, there were £6.3m (2022 – £9.1m) of unamortised issue fees.

(e) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £m	2022 £m
Amounts owed to subsidiary undertakings	398.0	397.2
Accruals	5.6	5.7
	<u>403.6</u>	<u>402.9</u>

(f) CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £m	2022 £m
Green Bonds	902.5	905.1
Derivative financial instruments	–	–
	<u>902.5</u>	<u>905.1</u>

The Green Bonds are secured against the shares of the Company.

In April 2021 the Group issued £350.0m of corporate bonds with a coupon of 2.625% maturing on 23 April 2025, £300.0m of bonds with a coupon of 3.375% maturing on 23 April 2028 and €300.0m of bonds with a coupon of 1.75% maturing on 7 April 2026. The Euro denominated bond principal and interest amounts were fully converted to GBP and hedged against foreign exchange volatility. The notes were issued as Green Bonds and referenced to climate related or environmental projects.

The proceeds from the Green Bonds were lent to subsidiary undertakings in GBP with a margin of 0.1%.

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DEFINITIONS

10 Upper Bank Street	Joint venture entity established to invest in 10 Upper Bank Street, Canary Wharf
20 Fenchurch Street	A 690,000 sq ft building in the City of London
ADR	Average Daily Rate
AGM	Annual General Meeting
AIG	American International Group, Inc.
Audit Committee	A board committee described in the Directors Report
BBVA	Banco Bilbao Vizcaya Argentaria SA
bn	Billion
Board	Board of directors of the Company
BoE	Bank of England
BPP	Better Building Partnership
bps	Basis points
Braeburn	A joint venture investment of CWGRL
Brookfield	Brookfield Property Partners LP
BS OHSAS 18001	British Standard Occupational Health & Safety Accredited System
BTR	Build to Rent including Private Residential Sector, affordable and intermediate
Canary Wharf Group	CWG and its subsidiaries
CAS	Credit Adjustment Spread
CDP	Customer Data Platform
CEBR	Centre for Economics and Business Research
Company	Canary Wharf Group Investment Holdings plc
CPI	Consumer Price Index
CRT	Canal and River Trust
CVA	Company Voluntary Arrangement
CWF II	Canary Wharf Finance II plc
CWG	Canary Wharf Group plc
CWGRL	Canary Wharf Group Residential Limited
DCF	Discounted Cash Flow
DPO	Data Protection Officer
DR	Discount Rate
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ED&I	Equality, Diversity & Inclusion
EPRA	European Public Real Estate Association
ERV	Estimated Rental Value
ESG	Environmental, Social and Governance
Estate	The Canary Wharf Estate in the Docklands area of east London including Wood Wharf, Heron Quays West, Park Place and North Quay
EU	European Union
FRC	Financial Reporting Council
FRS	Financial Reporting Standard
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit and Loss
GDPR	General Data Protection Regulation
GDV	Gross Development Value
GRESB	Global Real Estate Sustainability Benchmark
Group	The Company, its wholly owned subsidiaries and Canary Wharf Group
Gross Profit	Revenue less cost of sales
HE	Homes England (formerly Homes and Communities Agency)
HsO	HighSpeed Office Limited
IAS	International Accounting Standards
IAS 39	International Accounting Standard 39 Financial Instruments: Recognition and Measurement
IAS 40	International Accounting Standard 40 Investment Property
IBOR	Interbank offer rates
ICR	Interest Cover Ratio
IFRIC 23	International Financial Reporting Interpretations Committee 23 Uncertainty over Income Tax Treatments
IFRS	International Financial Reporting Standards
IFRS 3	International Financial Reporting Standard 3 Business Combinations
IFRS 4	International Financial Reporting Standard 4 Insurance Contracts
IFRS 7	International Financial Reporting Standard 7 Financial Instruments: Disclosures
IFRS 8	International Financial Reporting Standard 8 Operating Segments
IFRS 9	International Financial Reporting Standard 9 Financial Instruments
IFRS 13	International Financial Reporting Standard 13 Fair Value Measurement
IFRS 16	International Financial Reporting Standard 16 Leases
Investment Committee	A board committee described in the Directors Report

CANARY WHARF GROUP INVESTMENT HOLDINGS PLC

DEFINITIONS (Continued)

ISAE 3000	International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information
ISO	International Organisation for Standardisation
ISO 14001	ISO 14001 – Environmental Management Systems
ISO 45001	ISO 45001 – Occupational Health & Safety
ISO 50001	ISO 50001 – Energy Management
ISO 9001	ISO 9001 – Quality Management System
KPIs	Key Performance Indicators
LBHI	Lehman Brothers Holdings Inc.
LBL	Lehman Brothers Limited
LBTH	London Borough of Tower Hamlets
Level39	The Group's collaborative workspace offering
LIBOR	London Interbank Offered Rate
LMCTV	Loan Minus Cash to Value
LTC	Loan to Cost
LTIP	Long Term Incentive Plan
LTV	Loan to Value
MEES	Minimum Energy Efficiency Standards
NAV	Net Asset Value
NER	Net Effective Rent
Net Debt	Total cash and cash equivalents less total short-term and long-term debt.
NIA (m sq ft)	Net Internal Area
NNNAV	Triple Net Asset Value
Notes	CMBS notes of Canary Wharf Group's securitisation
NZC	NET Zero Carbon
Ordinary Shares	Ordinary shares of 10p each
PBSA	Purpose Build Student Accommodation
PFS	Private For Sale
PRS	Private Rental Sector
psf	Per square foot
QIA	Qatar Investment Authority
RCF	Revolving Credit Facility
REIT	Real Estate Investment Trust
Remuneration Committee	A board committee described in the Directors Report
RM	Residual Method
s106	Section 106 of the Town and Country Planning Act 1990
SBTs	Science Based Targets
SBTi	Science Based Target initiative
Scope 2 emissions	Indirect emissions from purchased electricity
SHL	Stork Holdings Limited
SHL Group	SHL and its subsidiaries
SLP	Separate Limited Partnership
Southbank Place	5.25 acre development site in Waterloo, London
SONIA	Sterling Overnight Interbank Average Rate
Spens	A provision in a security which allows a borrower to repay the principal amount earlier than the contractual repayment date on payment of a specified penalty
sq ft	Square foot/square feet
Stork	Stork Holdco LP, a Bermuda entity jointly owned by Brookfield and QIA
Stork Group	Stork and its subsidiaries
TCO _{2e}	Tonnes of carbon dioxide equivalent
TCR	Terminal Cap Rate
TfL	Transport for London
TMT	Technology, Media and Telecommunications
UKGBC	UK Green Building Council
Underlying	Elements of the Income Statement defined in Note 1(x)
VAT	Value Added Tax
Vertus	Joint venture entities established with the ultimate parent undertakings to invest in 8 Water Street and 10 George Street at Wood Wharf
WAULT	Weighted Average Unexpired Lease Term
Wood Wharf	A site on the east side of the Estate with consent for 5.3m sq ft of development
Wood Wharf Phase 1	15 Water Street, 20 Water Street, 40–50 Harbord Square, 65 Harbord Square, 75 Harbord Square, 20 Brannan Street, 25–30 Harbord Square
Wood Wharf Phase 2	45 Charter Street, 10 Brannan Street, 7 Charter Street, 8 Union Square, 8 Harbord Square, 1 Bellevue Square
Wood Wharf Phase 3	40 Charter St, 50–60 Charter St, 70–80 Charter St, 13 Brannan Street
WWP3 Group	Wood Wharf Phase 3 Group