CANARY WHARF
GROUP PLC

CANARY WHARF FINANCE II PLC
23 APRIL 2025

PUBLICATION OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Pursuant to sections 4.1 and 6.3.5 of the Disclosure and Transparency Rules, the board of Canary Wharf Finance II plc (the “Company”) is pleased to announce the publication of its annual financial report for the year ended 31 December 2024, which has been approved by the board and signed on the date of this announcement and will shortly be available from www.canarywharf.com/Investor Relations.

The information contained within this announcement does not comprise statutory accounts within the meaning of the Companies Act 2006 and is provided in accordance with section 6.3.5 of the Disclosure and Transparency Rules.

In compliance with the Listing Rules a copy of the 31 December 2024 annual financial report will be submitted to the UK Listing Authority via the National Storage Mechanism and will shortly be available to the public for inspection at https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism.

Dated: 23 April 2025

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Canary Wharf Finance II plc

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London
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United Kingdom

Principal place of business, domicile of entity and country of incorporation:
United Kingdom

STRATEGIC REPORT
for the year ended 31 December 2024

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

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

BUSINESS MODEL

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

The company is a finance vehicle that issues securities which are backed by commercial mortgages over properties within the Canary Wharf Estate. The company is engaged in the provision of finance to the Canary Wharf Group, comprising Canary Wharf Group plc and its subsidiaries ('the group'). All activities take place within the United Kingdom.

BUSINESS REVIEW

At 31 December 2024, the company had notes with a nominal value of £1,041,472,487 (2023 – £1,326,211,720) listed on the London Stock Exchange and had lent the proceeds to a fellow subsidiary undertaking, CW Lending II Limited ('the Borrower'), under a loan agreement ('the Intercompany Loan Agreement'). The notes are secured on a pool of properties at Canary Wharf, owned by fellow subsidiary undertakings, and the rental income therefrom.

On 22 January 2024 the company made an early repayment of £71,500,000 of the A1 and £192,000,000 of the A3 notes.

The securitisation has the benefit of an agreement with AIG which covers the rent in the event of a default by the tenant of 33 Canada Square over the entire term of its lease. At 31 December 2024, AIG had posted £34,034,750 (2023 - £52,125,032) as cash collateral in respect of this obligation.

The company also has the benefit of a £300.0m liquidity facility provided by Lloyds Bank plc, under which drawings may be made in the event of a cash flow shortage under the securitisation. The liquidity facility matures on 22 October 2037.

The ratings of the notes as of the date of issue of this report are as follows:

Class	Moody's	Fitch	S&P
A1	Aaa	AA	A+
A3	Aaa	AA	A+
A7	Aaa	AA	A+
B	Aa3	A+	A+
B3	Aa3	A+	A+
C2	A3	BBB+	A
D2	Baa3	BBB	A-

KEY PERFORMANCE INDICATORS

	2024 **£**	2023 £
Securitised debt – nominal value	**1,041,472,487**	1,326,211,720
Securitised debt – fair value	**938,849,230**	1,146,842,110
Securitised debt – carrying value	**935,711,698**	1,197,018,834
Financing cost (before adjustment for fair value)	**61,633,798**	78,550,825
Total comprehensive income	**111,474**	84,292
Weighted average maturity of debt	**8.8 years**	7.7 years
Weighted average interest rate	**6.1%**	6.1%

The above Key Performance Indicators are the most appropriate in assessing business performance as they are all of high importance in analysing the movements in and current outlook of the securitised debt, which underpins the year on year movements throughout the financial statements.

STRATEGY & OBJECTIVES

Exposure Management

The mark-to-market positions of all the company's derivatives are reported to the Group Treasurer on a monthly basis and to the directors on a quarterly basis. The Group Treasurer monitors hedging activity on an ongoing basis, in order to notify the directors of any overhedging that may potentially occur and proposals to deal with such events.

Hedging Instruments and Transaction Authorisation

Instruments that are used for hedging interest rate exposure include:

- Interest rate swaps

No hedging activity is undertaken without explicit authority of the board.

Transaction Accounting

All derivatives are required to be measured on balance sheet at fair value (mark-to-market).

Credit Risk

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 high credit ratings.

All other debtors are receivable from other group undertakings.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has adopted Canary Wharf Group Investment Holdings plc ("The group" principal risks and uncertainties monitoring and management policies as principal risks and uncertainties are not managed separately by the company. The risks and uncertainties facing the business are monitored through continuous assessment, regular formal reviews and discussion at the group audit committee and board meetings. The group recognises that 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.

The Board has overall responsibility for 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 continued investment and development. The programme is embedded across the group, with department heads and specialist functions acting as risk managers and risk owners.

The group's Risk Management programme is aligned to ISO 31000 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, ISO 9001 and ISO 22301, reflecting our 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 by the Risk Management team.

Structured horizon scanning is carried out by The Group's Executive Risk Committee. This has primarily focused on challenges to the UK economy and the commercial real estate sector, while a change of government, increasing regulation and other developments across the sociological, technological, legal, and environmental sectors have also informed the group's risk identification process.

Principal Risks – External:

1. Macroeconomic

Macroeconomic risks continue to be among the most significant category of risks on the group's register, reflecting the challenges to the UK and global economy. While the group has seen positive developments in the reduction of the UK's inflation and interest rates, it continues to monitor a range of domestic and global factors that could potentially reverse these gains. Risks in this area are graded with medium to high likelihoods and impacts.

Management and mitigation: Control measures adopted by the group include continued engagement and support of shareholders, close monitoring of key economic indicators in the context of the group's strategy and commitments, and planning for a range of potential economic outcomes. The group also assess the financial solvency of potential customers, suppliers, or partners before proceeding with new projects, ensuring no overreliance on any one customer or supplier. Regular stress testing of the group's business plan is undertaken to assess the impact of an economic downturn on operations and to ensure the group's financial position remains resilient.

2. Office Leasing

At 31 December 2024 the group owned 12 office assets with a net internal area (NIA) of 6.9m sq ft representing 62.9% of the group's property portfolio. Risks associated with office leasing have been prominent over the past twelve months, influenced by changes in work patterns and a shift in tenant demand towards premium, sustainable solutions. These risks have been assessed with medium to high likelihoods and impacts.

Management and mitigation: The group has a strong track record of creating value in the office market. Risk controls will focus on engaging with current and potential tenants to understand their requirements, ensuring financial covenant checks are routinely completed for assurance, and enhancing the Canary Wharf experience with new public spaces, including the launch of Eden Dock. The Group will also continue to diversify, expand, and modernise its product offerings, engaging with new sectors such as healthcare and life sciences.

3. Financing Risk

Key financial risks for the group are influenced by the broader macro-economic environment and the specific challenges facing the commercial real estate sector. These risks include the costs and availability of financing and achieving the group's loan to value metrics. The group has completed a range of refinancing throughout the year and is currently engaged in the refinancing of a range of bonds due to mature in coming years. Risks across this sector are graded medium to high likelihoods and impact.

Management and mitigation: The group continues to explore refinancing options with new and existing partners, and continues to enjoy significant support from its shareholders. Financial covenants are regularly monitored and assessed in conjunction with any new deals or financing and the group affirms a strict hedging strategy.

4. Political and Regulatory Risk

The group continues to monitor risks related to the UK's political landscape, in particular around policy initiatives from the new government. 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 controls 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 continually with the London Borough of Tower Hamlets council to ensure awareness of any local regulatory changes. Mandatory training has been provided to educate all employees on the responsibilities under the Building Safety Act. Further, training on anti-facilitation of tax evasion, modern slavery, and GDPR are all mandatory for the group's employees. The group maintains high standards of business principles and ethics, with appropriate risk assessments undertaken periodically.

5. 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, staff education and appropriate and proportionate cyber defences.

Principal Risks – Internal

6. Sustainability

The group places a strong emphasis on Sustainability, focusing on our four key areas; Climate Action, Creating Space for Nature, Driving Circularity and Social Impact.

Key risks across our sustainability programme include the accurate representation of the group's sustainability progress to regulators and the public, collaboration with our supply chains and occupiers to ensure our science-based targets are met and increasing legal requirements for building performance targets. These risks are graded as medium to high in terms of likelihood and impact and failure to meet these targets could result in reputational damage for the group and subsequent damage to The Group's relationship with its 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. A comprehensive overview of the group's Sustainability programme is available here: https://Group.canarywharf.com/environmental-social-governance/.

Management and mitigation: Our 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 our key stakeholders across regulatory and industry bodies and extensive training and engagement through our supply chain to ensure that our objectives continue to be appropriate and on target.

7. Operational

The group's operational risks reflect the complexity and scale of Canary Wharf and range from facilities management to infrastructure maintenance and utilities provision. The group benefits from having control over the infrastructure across Canary Wharf, which facilitates coordination and risk management. This risk is graded low to medium in terms of likelihood and impact.

Management and mitigation: Controls in this regard are centred on driving a positive, inclusive culture and environment, supporting employee engagement through regular review and updating of key policies, provision of career development support and training and a comprehensive programme of initiatives supporting wellbeing, sustainability and equity, diversity and inclusion. The group operates an employee engagement survey – Your Voice Matters, ranked in the top 25% of organisations using the Peakon platform survey for the employee Net Promoter Score. The group also ensures each employee has access to the Career Development Framework, with Managers receiving training to support the career development of their team.

8. People, Culture & Customers

The Group recognised that its People, Culture and Customers are central to its success. Key risks include staff shortages and losses, and shortfalls in succession planning, which are graded as being low in likelihood and impact.

Management and mitigation: Controls focus on driving a positive, inclusive culture and environment, supporting employee engagement through regular review and updating of key policies, provision of career development support and training and a comprehensive programme of initiatives supporting wellbeing, sustainability and equity, diversity and inclusion. The group operates an employee engagement survey – Your Voice Matters – and ranked in the top 25% of organisations using the Peakon platform survey for the employee Net Promoter Score. The group also ensures each employee has access to the Career Development Framework, with Managers receiving training to support the career development of their team. Regarding the wider community at Canary Wharf, The Group fosters an inclusive and engaging environment. The group launched Wharf Connect in 2024, a free membership community tailored for early career professionals based in Canary Wharf, with the goal of bringing together future leaders, enhancing office engagement, and creating an environment that fosters the retention of early career professionals, making them an integral part of the wider Canary Wharf ecosystem.

9. Health, Safety & Security

The Health, Safety and Security of our colleagues, tenants, and the public are key priorities for the group. In security terms our key risks range from terrorism, to crime, to disruptive activity. In terms of Health and Safety, the Group's activities across construction, facilities management, maintenance and engineering represent a broad range of risks, including 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 commitment to managing Health, Safety, and Security is reflected in the capability and experience of the workforce across the business, with all empowered to act to promote a safe environment. The Group's Security & Resilience department deploys best practice security personnel and technology to deter, detect and disrupt hostile actors, and the Health, Safety & Wellbeing department's controls are founded on appropriate and proportionate policies, safety regimes and investment in expertise and capability. Employees are required to undertake training on security and resilience awareness and fire awareness, in addition to The Group utilising Everbridge, a Critical Event Management platform which is regularly tested to effectively manage critical events and improve organisational resilience, ensuring all staff can be contacted and located in the event of an emergency.

Financing risk

The broader economic cycle inevitably leads to movements in inflation, interest rates and bond yields.

The company has issued debenture finance in sterling at both fixed and floating rates and uses interest rate swaps to mitigate its exposure to interest rate fluctuations. All of the company's borrowings are fixed after taking account of interest rate hedges. All borrowings are denominated in sterling and the Company has no intention to borrow amounts in currencies other than sterling.

The company enters into derivative financial instruments solely for the purposes of hedging its financial liabilities. No derivatives are entered into for speculative purposes.

The company is not subject to externally imposed capital requirements.

The company's securitisation is subject to a maximum loan minus cash to value ('LMCTV') ratio covenant.

The maximum LMCTV ratio is 100.0% but there is also a cash trap covenant of 50.0%. Based on the 31 December 2024 valuations of the properties upon which the company's notes are secured, the LMCTV ratio at the interest payment date in January 2025 was 48.7%. The securitisation is not subject to a minimum interest coverage ratio. A breach of financial covenants can be remedied by depositing eligible investments (including cash). No breach of financial covenants has taken place in the period.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024

	Note	**2024** **£**	2023 £
Administrative expenses		**(30,688)**	(66,902)
OPERATING LOSS		**(30,688)**	(66,902)
Interest receivable from group companies	4	**61,777,251**	119,472,302
Bank interest receivable	4	**28,710**	17,388
Loan interest payable	5	**(61,663,799)**	(119,338,496)
Hedge reserve recycling	5	**(10,095,584)**	(10,057,528)
LOSS BEFORE TAX		**(9,984,110)**	(9,973,236)
Tax on loss	7	**–**	–
LOSS FOR THE FINANCIAL YEAR		**(9,984,110)**	(9,973,236)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Hedge reserve recycling	14	**10,095,584**	10,057,528
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**10,095,584**	10,057,528
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**111,474**	84,292

The numbered notes 1 to 16 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	Note	**2024** **£**	2023 £
CURRENT ASSETS			
Debtors:			
Amounts falling due after more than one year	8	**951,493,272**	955,034,884
Amounts falling due within one year	8	**33,575,660**	356,796,143
Cash at bank and in hand		**3,017,545**	2,082,013
		988,086,477	1,313,913,040
Creditors:			
Amounts falling due within one year	9	**(30,750,933)**	(353,147,358)

NET CURRENT ASSETS		**957,335,544**	960,765,682
TOTAL ASSETS LESS CURRENT LIABILITIES		**957,335,544**	960,765,682
Creditors:			
Amounts falling due after more than one year	10	**(951,493,272)**	(955,034,884)
NET ASSETS		**5,842,272**	5,730,798
CAPITAL AND RESERVES			
Called up share capital	13	**50,000**	50,000
Hedging reserve	14	**(106,899,309)**	(116,994,893)
Retained earnings	14	**112,691,581**	122,675,691
		5,842,272	5,730,798

The numbered notes 1 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024

	Called up share capital £	Hedging reserve £	Retained earnings £	**Total equity £**
At 1 January 2024	50,000	(116,994,893)	122,675,691	**5,730,798**
Loss for the year	–	–	(9,984,110)	**(9,984,110)**
Hedge reserve recycling (Note 13)	–	10,095,584	–	**10,095,584**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	10,095,584	(9,984,110)	**111,474**
AT 31 DECEMBER 2024	**50,000**	**(106,899,309)**	**112,691,581**	**5,842,272**

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

	Called up share capital £	Hedging reserve £	Retained earnings £	**Total equity £**
At 1 January 2023	50,000	(127,052,421)	132,648,927	**5,646,506**
Loss for the year	–	–	(9,973,236)	**(9,973,236)**
Hedge reserve recycling (Note 13)	–	10,057,528	–	**10,057,528**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	10,057,528	(9,973,236)	**84,292**
AT 31 DECEMBER 2023	**50,000**	**(116,994,893)**	**122,675,691**	**5,730,798**

The notes numbered 1 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. GENERAL INFORMATION

Canary Wharf Finance II plc is a public company limited by shares incorporated in the UK under the Companies Act 2006 and registered in England and Wales at One Canada Square, Canary Wharf, London, E14 5AB.

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

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

The company has made a policy choice to apply the recognition and measurement provisions of IFRS 9 Financial Instruments.

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

2.2 Going concern

Having made the requisite enquiries and assessed the resources at the disposal of the company, the directors have a reasonable expectation that the company will have adequate resources to continue its operation for the foreseeable future.

The balance sheet shows a net current asset position of £957,335,544 and the Company has issued securities which are backed by commercial mortgages over certain properties within the Canary Wharf Estate. These properties are let on long term leases to a diverse range of credit worthy tenants.

Accordingly they continue to adopt the going concern basis in preparing the financial statements.

2.3 Cash flow statement

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

2.4 Segment information

The company has a single operating segment, being the provision of finance to the Canary Wharf Group, comprising Canary Wharf Group plc and its subsidiaries. All activities take place within the United Kingdom. Therefore, no segmental information has been prepared.

2.5 Financial Instruments

Loans receivable

Loans receivable are recognised initially fair value. 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.

Where loans are designated as fair value through profit or loss ('FVTPL') they are recognised at fair value. The fair value is assessed as the present value of most likely cash flows. Any movements are recognised in the income statement.

Trade and other payables

Trade and other creditors are stated at amortised cost.

Borrowings

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

Where loans are designated as fair value through profit or loss ('FVTPL') they are recognised at fair value. The fair value is assessed as the present value of most likely cash flows. Any movements are recognised in the income statement.

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.

Following the adoption of the IFRS 9 measurement option, the floating rate securitised notes are measured at fair value and so no hedging relationships are possible. The changes in the fair value of the derivative instruments are recognised in the income statement.

Prior to the adoption of IFRS 9, the financial instruments were carried under the measurement criteria of IAS 39. The B3 and C2 financial instruments were designated as effective hedges of the corresponding notes and carried at Fair Value through Other Comprehensive Income. On adoption, the hedging relationships were terminated and the financial instruments were reclassified as fair value accounting for the floating rate securitised debt. The balance in the hedging reserve is being amortised over the remaining life of the corresponding notes.

3. AUDITORS' REMUNERATION

	2024	2023
	£	£
Fees payable to the company's auditors and their associates for the interim audit of the company's financial statements	**30,900**	**12,600**

The fees disclosed above are stated inclusive of VAT. Auditors' remuneration of £78,000 (2023 – £13,860) for the year end audit of the company has been borne by another group undertaking.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024	2023
	£	£
Interest receivable from group companies	**61,777,251**	119,472,302
Bank interest receivable	**28,710**	17,388
	61,805,961	119,489,690

The above table shows the interest receivable on financial instruments recognised at amortised cost. Refer to Note 6 for the fair value movement on financial instruments recognised at fair value.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2024	2023
	£	£
Interest payable on securitised debt (Note 10)	**61,633,799**	78,550,825
Debt modification charge	**-**	40,787,671
Hedge reserve recycling	**10,095,584**	10,057,528
	71,759,383	129,396,024

The above table shows the interest payable on financial instruments recognised at amortised cost. Refer to Note 6 for the fair value movement on financial instruments recognised at fair value.

On 22 January 2024, the company made a partial repayment of £77.1m of the A1 and a partial repayment of £192m of the A3 securitisation notes.

The repayment released security over 10 Cabot Square following the execution of the amendment of lease arrangements with Barclays Bank Plc

6. FAIR VALUE ADJUSTMENTS

	2024	2023
	£	£
Derivative financial instruments	**(49,217,470)**	12,922,303
Securitised debt	**67,595,290**	(58,783.877)
Loan to fellow subsidiary undertaking	**18,377,820**	45,861,574
	–	–

7. TAXATION

	2024	2023
	£	£
Deferred tax		
Taxation on profit on ordinary activities	**–**	–

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

In October 2022, the government announced changes to the Corporation Tax rate from 1 April 2023, increasing the main rate of Corporation Tax to 25%.

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 25% (2023 – 23.5%). The differences are explained below:

	2024	2023
	£	£
Loss on ordinary activities before tax	**(9,984,110)**	(9,973,236)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 – 23.5%)	**(2,496,028)**	(2,345,760)
EFFECTS OF:		
Hedge recycling reserve movements not subject to tax	**2,523,897**	2,365,586
Group relief	**(27,869)**	(19,826)
TOTAL TAX CHARGE FOR THE YEAR	**–**	–

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 25% (2023 – 23.5%).

8. DEBTORS

	2024	2023
	£	£
DUE AFTER MORE THAN ONE YEAR		
Loan to fellow subsidiary undertaking due after more than one year	**951,493,272**	955,034,884
	951,493,272	955,034,884

	2024	2023
	£	£
DUE WITHIN ONE YEAR		
Other amounts owed to fellow subsidiaries	**2,891,559**	15,937,764
Loan to fellow subsidiary undertaking due within one year	**18,543,910**	325,526,903
Accrued interest on loan to fellow subsidiary undertaking	**12,140,191**	15,331,476
	33,575,660	356,796,143

	2024	2023
	£	£
The loan to a fellow subsidiary undertaking comprises:		
At 1 January	**1,280,561,787**	1,318,467,636
Repaid in the year	**(325,526,905)**	(29,325,200)
Amortisation of issue premium	**(1,348,326)**	(1,531,718)
Movement in accrued financing expenses	**(2,027,194)**	(1,975,028)
Fair value adjustment	**18,377,820**	(45,861,574)
Debt modification charge	**-**	40,787,671
At 31 December	**970,037,182**	1,280,561,787

Comprising:

	2024	2023
	£	£
Loan to fellow subsidiary undertaking due after more than one year	**951,493,272**	955,034,884
Loan to fellow subsidiary undertaking due within one year	**18,543,910**	325,526,903
	970,037,182	1,280,561,787

The fair value of the loans to group undertakings at 31 December 2024 was £973,174,715 (2023 – £1,230,025,065), calculated by reference to the fair values of the Company's financial liabilities. In the event that the company were to realise the fair value of the securitised debt and the derivative financial instruments, it would have the right to recoup its losses as a repayment premium on its loans to CW Lending II Limited. As such, the fair value of the loans to group undertakings is calculated to be the sum of the fair value of the securitised debt and the fair value of the derivative financial instruments.

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

The expected credit loss model has been considered and any impairment loss of the financial assets measured at amortised cost would be immaterial.

The loan to the company's fellow subsidiary undertaking was made in tranches, the principal terms of which are:

Class	Interest	Effective interest	Repayment	**2024 £m**	2023 £m
A1	6.455%	5.692%	By instalment 2009 – 2033	**68.7**	154.5
A3	5.952%	5.736%	By instalment 2024 – 2037	**208.0**	400.0
A7	5.114%	5.298%	January 2035	**222.0**	222.0
B	6.800%	6.409%	By instalment 2005 – 2030	**100.2**	107.1
B3	5.163%	5.435%	January 2035	**77.9**	77.9
C2	5.442%	6.059%	January 2035	**239.7**	239.7
D2	5.801%	6.743%	January 2035	**125.0**	125.0
				1,041.5	1,326.2
Unamortised premium				**7.8**	9.4
Accrued financing costs				**10.9**	12.9
				1,060.2	1,348.5

The A7, B3, C2 and D2 tranches of the intercompany loan are carried at fair value. The A1, A3 and B2 tranches are carried at amortised cost. The total fair value of the intercompany loan was £973,174,715 (2023: £1,230,025,065).

The total carrying value of the loan is £970m. Of the carrying value of £970m, £385m is carried at amortised cost and £585m is carried at fair value.

The carrying value of financial assets represents the Company's maximum exposure to credit risk.

The maturity profile of the Company's contracted undiscounted cash flows is as follows:

	2024	2023
	£	£
Within one year	**81,890,007**	**353,257,557**
In one to 2 years	**77,917,648**	**81,890,076**
In 2 to 5 years	**223,856,604**	**227,576,085**
In 5 to 10 years	**533,804,465**	**500,632,089**
In 10 to 20 years	**690,813,620**	**798,214,780**
At 31 December	**1,608,282,344**	**1,961,570,587**

	2024	2023
	£	£
Comprising:		
Principal repayments	**1,041,472,486**	**1,326,211,720**
Interest repayments	**566,809,858**	**635,358,867**
At 31 December	**1,608,282,344**	**1,961,570,587**

The above table contains undiscounted cash flows (including interest) and therefore results in a higher balance than the carrying values or fair values of the intercompany debt.

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

9. CREDITORS: Amounts falling due within one year

	2024	2023
	£	£
Securitised debt (Note 11)	**18,543,912**	325,526,905
Amounts owed to group undertakings	**-**	12,181,686
Trade Creditors	**7,500**	-
Accruals and deferred income	**12,199,521**	15,438,767
	33,750,933	353,147,358

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

On 22 January 2024, the company made a partial repayment of £77.1m of the A1 and a partial repayment of £192m of the A3 securitisation notes. The repayment released security over 10 Cabot Square following the execution of the amendment of lease arrangements within Barclays Bank plc

On the same date, the same amounts have been repaid by a fellow subsidiary undertaking to the company in order to facilitate the repayments of the loan notes.

10. CREDITORS: Amounts falling due after more than one year

	2024	2023
	£	£
Securitised debt (Note 11)	**917,167,787**	871,491,929
Derivative financial instruments (Note 12)	**34,325,485**	83,542,955
	951,493,272	955,034,884

11. SECURITISED DEBT

The amounts at which borrowings are stated comprise:

	2024	2023
	£	£
At 1 January	**1,197,018,834**	1,247,846,985
Repaid in the year	**(325,526,905)**	(29,325,200)
Amortisation of issue premium	**(1,348,326)**	(1,531,718)
Movement in accrued financing expenses	**(2,027,194)**	(1,975,027)
Fair value adjustment	**(67,595,290)**	(58,783,877)
Debt modification	**-**	40,787,671
At 31 December	**935,711,699**	1,197,018,834

	2024	2023
	£	£
Payable within one year or on demand	**18,543,912**	325,526,905
Payable after more than one year	**917,167,787**	871,491,929
	935,711,699	1,197,018,834

The company's securitised debt was issued in tranches, with notes of classes A1, A3, A7, B, B3, C2 and D2 remaining outstanding. The A1, A3 and B notes were issued at a premium which is being amortised to the income statement over the life of the relevant notes. At 31 December 2024 £7,765,728 (2023 – £9,444,792) remained unamortised.

At 31 December 2024 there were accrued financing costs of £10,875,858 (2023 – £12,903,052) relating to previous contractual increases in margins.

The notes are secured on five properties at Canary Wharf, owned by fellow subsidiary undertakings, and the rental income stream therefrom. The five properties are 1 Canada Square, 33 Canada Square, 20 Bank Street, 40 Bank Street and 20 Cabot Square/South Colonnade. On 22 January 2024, the company made a partial repayment of £77.1m of A1 and a partial repayment of £192m of A3 securitisation notes. The repayment released security over 10 Cabot Square following the execution of the amendment of lease arrangements with Barclays Bank plc.

The securitisation continues to have 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. At 31 December 2023, AIG had posted £34,034,750 as cash collateral in respect of this obligation.

The company also has the benefit of a £300.0m liquidity facility provided by Lloyds Bank plc, under which drawings may be made in the event of a cash flow shortage under the securitisation.

At 31 December 2024 the principal terms and fair value of the securitised debt is as follows:

Tranche	Principal £m	Fair value £m	Interest	Effective interest	Repayment
A1	68.7	71.4	6.455%	5.692%	By instalment 2009 – 2033
A3	208.0	214.7	5.952%	5.736%	By instalment 2024 – 2037
A7	222.0	190.9	Floating	5.298%	January 2035
B	100.2	101.6	6.800%	6.409%	By instalment 2005 – 2030
B3	77.9	63.7	Floating	5.435%	January 2035
C2	239.7	196.5	Floating	6.059%	January 2035
D2	125.0	99.9	Floating	6.743%	January 2035
	1,041.5	**938.7**			

At 31 December 2023 the securitised debt comprised the following:

Tranche	Principal £m	Fair value £m	Interest	Effective interest	Repayment
A1	154.5	162.2	6.455%	6.151%	By instalment 2009 – 2033
A3	400.0	392.0	5.952%	5.814%	By instalment 2032 – 2037
A7	222.0	170.9	Floating	5.298%	January 2035
B	107.1	107.1	6.800%	6.409%	By instalment 2005 – 2030
B3	77.9	56.9	Floating	5.435%	January 2035
C2	239.7	170.2	Floating	6.059%	January 2035
D2	125.0	87.5	Floating	6.743%	January 2035
	1,326.2	1,146.8			

Interest on the A1 notes, A3 notes and B notes is fixed until maturity. Interest on the floating notes is repriced every three months.

Interest on the floating rate notes is at three month SONIA plus a credit adjustment spread. The margins on the notes are: A7 notes – 0.19% per annum; B3 notes – 0.28% per annum; C2 notes – 0.55% per annum; and D2 notes – 0.84% per annum.

The floating rate notes are hedged by means of interest rate swaps and the hedged rates plus the margins are: A7 notes – 5.3984%; B3 notes – 5.5825%; C2 notes – 6.2666%; and D2 notes – 7.0605%.

The effective interest rates include adjustments for the hedges and the issue premium.

The floating rate notes are carried at FVTPL. The fixed rate notes are carried at amortised cost. The total fair value of the debt is £939m. Of the carrying value of £936m, £388m is carried at amortised cost and £551m is carried at fair value. The fair value movement is due to changes in market interest rates rather than credit risk.

The fair values of the sterling denominated notes have been determined by reference to prices available on the markets on which they are traded.

The maturity profile of the company's contracted undiscounted cash flows is as follows:

	2024 **£**	2023 £
Within one year	**79,319,448**	351,826,786
In one to two years	**72,657,249**	71,494,093
In two to five years	**204,690,975**	189,299,008
In five to ten years	**480,747,721**	440,456,869
In ten to twenty years	**682,869,270**	786,634,554
At 31 December	**1,520,284,663**	1,839,711,310

	2024 £	2023 £
Comprising:		
Principal repayments	**1,041,472,487**	1,326,211,720
Interest repayments	**478,812,176**	513,499,590
At 31 December	**1,520,284,663**	1,839,711,310

The above table contains undiscounted cash flows (including interest) and therefore results in a higher balance than the carrying values or fair values of the borrowings.

The weighted average maturity of the debentures at 31 December 2024 was 8.77 years (2023 – 7.69 years). The debentures may be redeemed at the option of the company subject to terms and conditions being met.

After taking into account the interest rate hedging arrangements, the weighted average interest rate of the company at 31 December 2024 was 6.1% (2023 – 6.1%).

Details of the derivative financial instruments are set out in Note 12.

Details of the company's risk management policy are set out in the Strategic Report.

12. DERIVATIVE FINANCIAL INSTRUMENTS

The company uses interest rate swaps to hedge exposure to the variability in cash flows on floating rate debt caused by movements in market rates of interest. At 31 December 2024 the fair value of these derivatives resulted in the recognition of a net liability of £34,325,483 (2023 – £83,542,955).

13. SHARE CAPITAL

	2024 £	2023 £
Allotted, called up and fully paid		
50,000 (2023 – 50,000) Ordinary shares of £1.00 each	**50,000**	50,000

14. RESERVES

Hedging Reserve

The company holds swaps for the B3, C2, A7 and D2 notes. From July 2019, the company has adopted IFRS 9 for the measurement and classification of financial instruments, replacing the previous IAS39 criteria, the company carries the B3, C2, A7 and D2 notes and the associated tranches of its intercompany loans at fair value through profit and loss. There is no continuing hedge accounting.

The hedging reserve balance comprises the unamortised balance of the discontinued hedge accounting on for the B2, C1, B3 and C2 notes.

Hedge accounting was applied for swaps on the B2 and C1 notes between 2005 and 2007, when the B2 and C1 notes were replaced by B3 and C2 notes. The combined balance in the hedging reserve at that time was a debit of £14,680,000, which is being amortised to October 2027, the remaining life of the B2 and C1 notes. At the year end, the unamortised balance was £805,826 (2023: £1,157,129).

Hedge accounting was applied for swaps on the B3 and C2 notes between 2007 and 2019. The balance of the hedge reserve associated with these notes was a debit within capital and reserves of £165,163,014, which is being amortised until January 2035, the remaining life of the B3 and C2 notes. At the year end, the unamortised balance was £107,705,135 (2023: £118,152,022).

Distributable reserves

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

	2024 £	2023 £
Retained earnings	**112,691,581**	122,675,691
Hedging reserve	**(106,889,309)**	(116,994,893)
Distributable reserves	**5,792,272**	5,680,798

15. OTHER FINANCIAL COMMITMENTS

As at 31 December 2024 and 31 December 2023 the company had given security over all its assets, including security expressed as a first fixed charge over its bank accounts, to secure the notes referred to in Note 11.

16. CONTROLLING PARTY

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

As at 31 December 2024, the smallest group of which the company is a member and for which group financial statements are drawn up is the consolidated financial statements of Canary Wharf Group Investment Holdings plc. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB.

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

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

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