

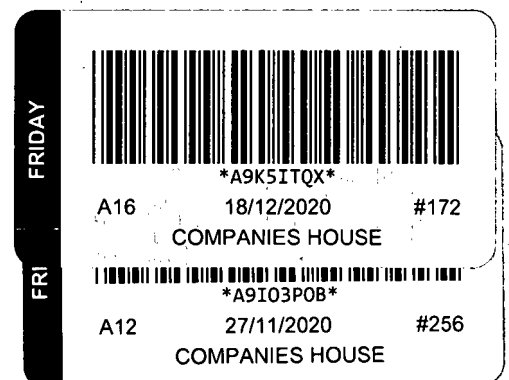


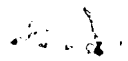
CANARY WHARF CONTRACTORS (IBS) LIMITED

Registered number: 09782660

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019





CANARY WHARF CONTRACTORS (IBS) LIMITED

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CANARY WHARF CONTRACTORS (1BS) LIMITED

Registered number: 09782660

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

CANARY WHARF CONTRACTORS (1BS) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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 the building contractor for the construction of One Bank Street, Canary Wharf.

BUSINESS REVIEW

As shown in the company's statement of comprehensive income, the company's profit after tax for the year was £577,071 (2018 - £1,112,439).

The company is the building contractor for the construction of One Bank Street, Canary Wharf. The company's financial position at the year end and indicates that net assets were £627,935 (2018 - £1,170,864).

FUTURE DEVELOPMENTS

Since 31 December 2019 the UK economy has been significantly impacted by the Covid-19 virus which has caused widespread disruption and economic uncertainty. This is considered to be a non-adjusting post balance sheet event and as at the date of signing, the uncertainty is not expected to give rise to a material impact on the assets, liabilities or performance of the company.

The directors have a reasonable expectation that the company will have adequate resources to continue its operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The risks and uncertainties facing the business are monitored through regular assessment, formal quarterly reviews and discussion at the Canary Wharf Group Investment Holdings plc audit committee and board. Such discussion focuses on the risks identified as part of the system of internal control which highlights key risks faced by the company and allocates specific day to day monitoring and control responsibilities to management. As a member of the group, the current key risks of the company include the cyclical nature of the property market particularly following the impact of the Covid-19 virus, the departure from the EU, concentration risk and financing risk.

CANARY WHARF CONTRACTORS (1BS) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Concentration risk

The majority of the Group's real estate assets are currently located on or adjacent to the Estate. Although a majority of tenants are linked to the financial services industry, this proportion has now fallen to around only 50.0% of tenants. Wherever possible steps are still taken to mitigate or avoid material consequences arising from this concentration.

Although the focus of the Group has been on and around the Estate, where value can be added the Group will also consider opportunities elsewhere. The Group is involved as construction manager and joint development manager in the joint venture with Qatari Diar to redevelop the Shell Centre in London's South Bank. The Group has also reviewed current consents for development to react to changes in the market. This review has led to an increased focus on residential development as reflected in the revised composition of the proposed master plan, for the mixed-use development on land immediately east of the Estate, known as Wood Wharf.

Financing risk

The broader economic cycle inevitably leads to movements in inflation, interest rates and bond yields. The company finances its operations largely through surplus cash and intercompany finance.

The principal risks facing the Group are discussed in the Annual Report of Canary Wharf Investment Holdings Group plc, which does not form part of this report.

SECTION 172(1) STATEMENT COMPANIES ACT 2006

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

The Board meets to discuss and make decisions on matters of strategic importance to the business, to promote the long term success of the Company and to consider the likely long term impact of any such decisions.

- (b) the interest of the Company's employees

The Company has no employees other than the directors, who did not receive remuneration from the Company during the year.

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

The Company holds a lease interest and therefore in its normal course of business has no engagement with suppliers or customers.

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

The Company is committed to having a strong and positive impact and enhancing the lives of those in the communities in which we work.

CANARY WHARF CONTRACTORS (1BS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £577,071 (2018 - £1,112,439).

Dividends of £1,120,000 were paid in the year (2018 - £1,360,000).

DIRECTORS

The directors who served during the year were:

A P Anderson II (resigned 31 December 2019)
Sir George Iacobescu CBE
S Z Khan (appointed on 31 December 2019)
R J J Lyons

The company provides an indemnity to all directors (to the extent permitted by law) in respect of liabilities incurred as a result of their office. The company also has in place liability insurance covering the directors and officers of the company. Both the indemnity and insurance were in force during the year ended 31 December 2019 and at the time of the approval of this Directors' Report. Neither the indemnity nor the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

FUTURE DEVELOPMENTS

Details of the company's future developments are set out in the Strategic Report.

FINANCIAL INSTRUMENTS

The financial risk management objectives and policies together with the principal risks and uncertainties of the company are contained within the Strategic Report.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

This report was approved by the board on 19 November 2020 and signed on its behalf.

DocuSigned by:

Caroline Hillsdon

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C E Hillsdon
Secretary

CANARY WHARF CONTRACTORS (1BS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF CONTRACTORS (1BS) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Canary Wharf Contractors (1BS) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

We have nothing to report in respect of these matters.

OTHER INFORMATION

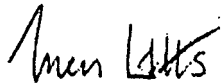
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the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

CANARY WHARF CONTRACTORS (1BS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANARY WHARF CONTRACTORS (1BS) LIMITED

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.




Simon Letts (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
19 November 2020

CANARY WHARF CONTRACTORS (1BS) LIMITED
REGISTERED NUMBER: 09782660

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	363,113,576	272,915,626
Cash at bank and in hand		2,940,484	22,394,272
		<u>366,054,060</u>	<u>295,309,898</u>
Creditors: amounts falling due within one year	11	(365,426,125)	(269,252,064)
NET CURRENT ASSETS		<u>627,935</u>	<u>26,057,834</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>627,935</u>	<u>26,057,834</u>
Creditors: amounts falling due after more than one year	12	-	(24,886,970)
NET ASSETS		<u>627,935</u>	<u>1,170,864</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Retained earnings		<u>627,934</u>	<u>1,170,863</u>
		<u>627,935</u>	<u>1,170,864</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 November 2020.

DocuSigned by:

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R. J. J. Lyons
 Director

The notes on pages 13 to 18 form part of these financial statements.

CANARY WHARF CONTRACTORS (1BS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Canary Wharf Contractors (1BS) Limited is a private 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 principal accounting policies have been applied consistently throughout the 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. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

The impact of the Covid-19 virus is described in Note 15.

2.3 Cash flow statement

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

2.4 Revenue

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

CANARY WHARF CONTRACTORS (1BS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

The preparation of financial statements also requires use of judgements, apart from those involving estimation, that management makes in the process of applying the entity's accounting policies.

Construction contracts

Revenue on construction contracts is recognised according to the stage reached in the contract using the percentage completion method. The directors estimate the outcome of each contract on an individual basis on the proportion of costs incurred compared with the estimated total costs at each balance sheet date.

For the year ended 31 December 2019, the financial statements of the company did not contain any significant items that required the application of judgements, apart from those involving estimation.

4. AUDITOR'S REMUNERATION

Auditor's remuneration of £3,000 (2018 - £3,000) for the audit of the company for the year was borne by another group undertaking.

5. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	2018 £
Bank interest receivable	41,590	39,948
	<u>41,590</u>	<u>39,948</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £	2018 £
Bank interest payable	125	-
	<u>125</u>	<u>-</u>

CANARY WHARF CONTRACTORS (1BS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****10. DEBTORS**

	2019 £	2018 £
Amounts owed by group undertakings	362,967,007	237,401,030
Other debtors	146,172	-
Prepayments and accrued income	397	1,090
Amounts recoverable from construction contracts	-	35,513,506
	<u>363,113,576</u>	<u>272,915,626</u>

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

11. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	9,906,091	16,452,333
Amounts owed to group undertakings	321,792,351	251,806,387
Other taxation and social security	-	924,451
Other creditors	4,388	-
Accruals and deferred income	33,723,295	68,893
	<u>365,426,125</u>	<u>269,252,064</u>

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

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

	2019 £	2018 £
Bank loans	-	24,886,970
	<u>-</u>	<u>24,886,970</u>

On 24 October 2018, the company was added to a £450,000,000 3 year construction facility secured on the One Bank Street development. The facility was made up of two components: a fit-out facility of £96,636,788 and a Shell and Core facility of £363,363,788. The company was the borrower for the fit-out facility component, which had a fixed interest rate of 5.92%.

Following practical completion of 1 Bank Street on 31 October 2019, the loan was refinanced in November 2019 with a new 5 year loan facility. As a part of this refinancing the loan to the company was repaid.