Wood Wharf (General Partner) Limited

Directors' report and financial statements

For the period ended 31 December 2005

Registered number: 05398102

Contents

Directors' report

The directors present their first report and financial statements for the period from 18 March 2005, being the date of incorporation, to 31 December 2005.

Principal activities

The company was incorporated as Pailex Nominees Limited on 18 March 2005 with an authorised capital of £1,000 (1,000 shares of £1.00). The name was changed to Wood Wharf (General Partner) Limited on 18 March 2005.

The company acts as the General Partner to the Wood Wharf Limited Partnership and has not traded on its own behalf in the period to 31 December 2005.

The result of the company for the period ended 31 December 2005 was £ nil.

Directors and directors' interests

The directors who held office during the period were as follows:

Anderson, A Peter – appointed 18 March 2005
Archer, Richard David Stedman – appointed 10 January 2006 – (Alternate)
Bensted, Mark Laurence – appointed 18 March 2005
Fagan, Brian – appointed 18 March 2005
Farrow, Timothy Guy – appointed 18 March 2005
Froomberg, James William– appointed 18 March 2005
Hardy, Raymond – appointed 20 April 2005 – (Alternate)
Iacobescu, George – appointed 18 March 2005
Jordan, Anthony James Sidney – appointed 20 April 2005 – (Alternate)
Mills, Stuart Christopher – appointed 18 March 2005
Mulryan, Sean – appointed 20 April 2005 – (Alternate)
Pagano, John Anthony – appointed 20 April 2005, resigned 23 December 2005 – (Alternate)
Pickford, Quentin Patrick – appointed 18 March 2005

None of the directors had any interest in the share capital of the company in the period. Their interests in the share capital of the ultimate holding companies at 31 December 2005, are disclosed in those company's financial statements.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the board

Director

9 May 2006

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;[1] and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.[2]

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

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

KPMG

Independent auditors' report to the members of Wood Wharf (General Partner) Limited

We have audited the group and parent company financial statements (the "financial statements") of Wood Wharf (General Partner) Limited for the period ended 31 December 2005 which comprise the group Profit and Loss Account, the group and parent company Balance Sheets and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group and parent company's affairs as at 31 December 2005 and of the loss of the group for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

30 August 2006
One Canada Square
London E14 5AG

Consolidated profit and loss account

For the period ended 31 December 2005

	Note	£
Turnover		-
Operating costs	2	(30)
Operating loss		**(30)**
Interest receivable	4	1
Loss on ordinary activities before taxation		**(29)**
Tax on loss on ordinary activities	5	-
Retained loss for the financial period	11	**(29)**

The group has no recognised gains and losses other than those passing through the profit and loss account.

All the group's revenue and costs are derived from continuing operations.

The group's revenues and costs are reported on an historical cost basis. Accordingly there is no difference between historical cost profits and losses and those presented.

Balance sheets

as at 31 December 2005

	Note	Group		Company	
		£	**£**	£	£
Fixed assets					
Tangible fixed assets	6		**4**		-
Fixed asset investment	7		**-**		1
			4		1
Current assets					
Work in Progress		**324**		-	
Debtors		**1,063**		1,000	
Cash at bank and in hand		**54**		-	
		1,442		1,000	
Creditors: amounts falling due within one year					
Amounts due to other group companies	8	**(475)**		(1)	
Net current assets			**967**		999
Net Assets			**971**		1,000
Capital and reserves					
Called up ordinary share capital	9		**1,000**		1,000
Profit and loss account	10		**(29)**		-
Equity shareholders' funds	11		**971**		1,000

Approved and signed on 9 May 2006 by

Director

Notes
(forming part of the financial statements)

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

b) Interest in the Wood Wharf Limited Partnership

As general partner of the Wood Wharf Limited Partnership the company is considered to have control over the limited partnership. However, the company only has a direct interest in the limited partnership of capital and repayable capital of £1 out of a total of £3. This interest is payable on dissolution of the partnership and entitles the company to a 0.01% share of the results and assets of the partnership.

The directors therefore consider the financial statements would not give a true and fair view if the assets and liabilities and income and expenditure of the partnership were to be fully consolidated. Therefore they have taken advantage of s227 (6) of the Companies Act 1985 and proportionally consolidated the company's interest in the Wood Wharf Limited Partnership in order for the financial statements to give a true and fair view.

If the financial statements of the partnership were fully consolidated the group's financial statements would change to the following amounts:

	Period to 31 December 2005
	£
Loss before minority interests	**(307,630)**
Minority interests in the profit and loss account	**307,601**
Net Amount	**(29)**
Fixed assets	**41,546**
Net current assets	**1,835,492**
Minority interests in the balance sheet	**(1,876,067)**
Net assets	**971**

c) Taxation

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

d) Fixed assets

Fixed assets are stated at cost less depreciation. Depreciation is charged on a straight line basis at 25% pa with a full year's depreciation in the year of acquisition

2 Operating costs

The audit fee was borne by the limited partnership. Staff costs were borne by the limited partnership.

3 Emoluments

No emoluments were paid to the directors by the company.

4 Interest receivable

	Group 2005 £
Bank interest receivable	1

5 Tax on profit on ordinary activities

Analysis of charge for the period	Group 2005 £
Current Tax	-

The current tax charge for the period is higher than the standard rate of corporation tax in the UK (30%,). The differences are explained below.

	Group 2005 £
Current tax reconciliation	
Loss on ordinary activities before tax	(29)
Current tax at 30 %	9
Effects of:	
Tax credit not recognised	(9)
Total current tax charge (see above)	-

No deferred tax asset has been recognised in respect of the loss of £29 as the group does not expect to make a profit to utilise this against for the foreseeable future.

6 Tangible fixed assets

Analysis of charge for the period	Group 2005 £
Cost	
Balance at start of period	-
Additions during the period	6
Balance at 31 December 2005	6
Depreciation	
Balance at start of period	-
Charge for the period	(2)
Depreciation balance at 31 December 2005	(2)
Net book value at 31 December 2005	4

7 Fixed asset investment

During the period the company acquired an investment of £1 in Wood Wharf Limited Partnership.

8 Creditors: amounts falling due within one year

	Group 2005 £
Trade Creditors	51
Amounts owed to limited partners	232
Accruals	192
	475

8 Financial commitments

At 31 December 2005 the company had no authorised and contracted capital commitments.

The Partnership has a commitment under a 21 year lease to pay British Waterways £2 million per annum. The first annual payment for this lease is due on 20 April 2006.

The total of capital commitments entered into at 31 December 2005 was approximately £ 5.5 million. None of the contractual agreements with suppliers require the Partnership to pay more than the fair value of work completed / cost incurred if contracts are terminated.

9 Called up ordinary share capital

	Group 2005 £	Company 2005 £
Authorised:		
Ordinary shares of £1 each	1,000	1,000
Allotted and called up:		
Ordinary shares of £1 each	1,000	1,000

10 Profit and loss account

	Group 2005 £	Company 2005 £
At incorporation	-	-
Loss for the period	(29)	-
Retained Loss for the period	(29)	-

11 Movement in equity shareholders' funds

	Group 2005 £	Company 2005 £
Increase in share capital	1,000	1,000
Loss for the period	(29)	-
Equity shareholders' funds at incorporation	-	-
Equity shareholder funds at end of period	971	1,000

12 Ultimate parent company and parent undertaking of larger group

The company is owned equally by British Waterways and Canary Wharf Ballymore (General Partner) Limited, registered in England and Wales. The ultimate holding and controlling undertakings are British Waterways, Canary Wharf Group PLC, both companies registered in England and Wales, and Ballymore Properties, an unlimited company registered in Ireland.