

Wood Wharf (General Partner) Limited

Directors' report and consolidated financial statements

For the year ended 31 December 2009

Registered number 05398102

TUESDAY



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20/07/2010
COMPANIES HOUSE

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Directors' report

The directors present their report and consolidated financial statements for the year ended 31 December 2009

Principal activities

The group acts as the General Partner to the Wood Wharf Limited Partnership and has not traded on its own behalf in the year ended 31 December 2009

Business review

The loss of the company for the year ended 31 December 2009 was (£514) (2008 (£235))

Directors and directors' interests

The directors who held office during the year were as follows

Anderson, A Peter
Archer, Richard David Stedman – (Alternate)
Bensted, Mark Laurence
Fagan, Brian
Hardy, Raymond – (Alternate) – resigned 14 May 2009
Holgate, Nina – (Alternate)
Iacobescu, George
Jordan, Anthony James Sidney – (Alternate)
Mills, Stuart Christopher
Mulryan, Sean – (Alternate)
Pickford, Quentin Patrick
Brophy, David – (Alternate)
Robinson, Matthew Grant
Cornel Howells – Company Secretary – resigned 14 May 2009
Prism Cosc – Company Secretary - appointed 14 May 2009

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Pursuant to the Companies Act 2006, the Company is not required to reappoint the auditors annually KPMG LLP will therefore continue as the auditor of the Company

By order of the board



Q P Pickford
Director

27 May 2010

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

We have audited the financial statements of Wood Wharf (General Partner) Limited for the year ended 31 December 2009 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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 explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



WEJ Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Canada Square
Canary Wharf, London
E14 5AG
27 May 2010

Consolidated profit and loss account

For the year ended 31 December 2009

	<i>Notes</i>	2009 £	2008 £
Net rental income		61	16
Operating costs	2	(101)	(214)
Impairment of investment	8	(458)	-
		<hr/>	<hr/>
Operating loss		(498)	(198)
Interest receivable and similar income	4	1	9
Interest payable and similar charges	5	(17)	(46)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(514)	(235)
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
Loss for the year	13	(514)	(235)
		<hr/>	<hr/>

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 a historical cost basis. Accordingly there is no difference between historical cost profits and losses and those presented.

The notes from page 8 to 13 form part of these financial statements.

Consolidated balance sheet

as at 31 December 2009

	Note	2009	2008
		£	£
Fixed assets			
Tangible fixed assets	7	-	1
Current assets			
Work in progress		6,398	4,177
Debtors	9	1,038	2,383
Cash at bank and in hand		259	448
		<u>7,695</u>	<u>7,008</u>
Creditors amounts falling due within one year	10	<u>(7,747)</u>	<u>(6,547)</u>
Net current (liabilities)/assets		<u>(52)</u>	<u>461</u>
Total assets less current liabilities		<u>(52)</u>	<u>462</u>
Net (liabilities)/assets		<u>(52)</u>	<u>462</u>
Capital and reserves			
Called up ordinary share capital	11	1,000	1,000
Profit and loss account	12	<u>(1,052)</u>	<u>(538)</u>
Equity shareholders' (deficit)/funds	13	<u>(52)</u>	<u>462</u>

Approved and signed on 27 May 2010 by



Q P Pickford

Director

Company balance sheet

as at 31 December 2009

	Note	2009	2008
		£	£
Fixed assets			
Fixed asset investment	8	2,000	1,558
Current assets			
Other debtors		1,000	1,000
		.	
Creditors: amounts falling due within one year			
Amounts due to other group companies		(2,458)	(1,558)
Net current liabilities		(1,458)	(558)
Net assets		542	1,000
Capital and reserves			
Called up ordinary share capital	11	1,000	1,000
Profit and loss account	12	(458)	-
Equity shareholders' funds	13	542	1,000

Approved and signed on 27 May 2010 by



Q P Pickford

Director

Notes

(forming part of the financial statements)

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) Going Concern

The financial statements have been prepared on the going concern basis, which the Directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by the investors, who have indicated that for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the company and in particular they will not seek repayment of the amounts currently made available. The Directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

c) Interest in the Wood Wharf Limited Partnership and the Wood Wharf (Phase 1) Unit Trust

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 company also has an interest of 0.01% in the Wood Wharf (Phase 1) Unit Trust entitling the company to a share of the results and assets of the trust.

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 s402 of the Companies Act 2006 and proportionally consolidated the company's interest in the Wood Wharf Limited Partnership and the Wood Wharf (Phase 1) Unit Trust 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:

	2009 £	2008 £
Loss before minority interests	(5,117,826)	(2,349,088)
Minority interests in the profit and loss account	5,117,312	2,348,853
	<hr/>	<hr/>
Loss for the year	(514)	(235)
	<hr/>	<hr/>
Fixed assets	1,982	5,325
Net current liabilities/assets	(10,510,114)	5,359,474
Minority interests in the balance sheet	10,508,080	(5,364,337)
	<hr/>	<hr/>
Net liabilities/assets	(52)	462
	<hr/>	<hr/>

Notes (continued)

1 Accounting policies (continued)

d) 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,
- 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

e) Work in progress

Work in progress is valued at the lower of cost or market value less provision for impairment

f) 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

g) Investments

Investments are stated at cost less provision for impairment

2 Operating costs

The audit fee of £1,250 (2008 £2,000) was borne by the limited partnership

3 Emoluments

No emoluments were paid to the directors by the company in either year

Notes (continued)

4 Interest receivable and similar income

	2009 £	2008 £
Bank interest receivable	1	9
	<u>1</u>	<u>9</u>

5 Interest payable and similar charges

	2009 £	2008 £
Bank interest payable	17	46
	<u>17</u>	<u>46</u>

6 Tax on loss on ordinary activities

Analysis of charge for the year

	2009 £	2008 £
Current tax	-	-
	<u>-</u>	<u>-</u>

The current tax charge for the year differs from the standard rate of corporation tax in the UK (28.0%) (2008 28.5%). The differences are explained below

	2009 £	2008 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(514)	(235)
	<u>(514)</u>	<u>(235)</u>
Current tax at 28.0 % (2008 28.5%)	144	67
<i>Effects of</i>		
Tax credit not recognised	(144)	(67)
	<u>(144)</u>	<u>(67)</u>
Total current tax charge (see above)	-	-
	<u>-</u>	<u>-</u>

No deferred tax asset has been recognised in respect of the loss of £514 (2008 £235) as the group does not expect to make a profit to utilise this against for the foreseeable future. The carried forward tax losses of £407 were not recognised in the accounts.

Notes (continued)

7 Tangible fixed assets

	2008 £
Cost	
At 1 January 2009	6
Additions during the year	-
	<hr/>
At 31 December 2009	6
	<hr/>
Depreciation	
At 1 January 2009	5
Charge for the year	1
	<hr/>
At 31 December 2009	6
	<hr/>
Net book value at 31 December 2009	-
	<hr/>
Net book value at 31 December 2008	1
	<hr/>

8 Fixed asset investment

	Company £
At 1 January 2009	1,558
Additions	900
Provision for diminution in value	(458)
	<hr/>
At 31 December 2009	2,000
	<hr/>

Entity	Registered	Ownership
Wood Wharf Limited Partnership	England and Wales	See below
Wood Wharf General Partner (No 2) Ltd	England and Wales	Wholly owned
Wood Wharf General Partner (No 3) Ltd	England and Wales	Wholly owned
Wood Wharf (Phase 1) Unit Trust	Jersey	See below

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.

9 Debtors

	2009 £	2008 £
Trade debtors	3	3
Amounts owed by related undertakings	1,002	2,356
Other debtors	18	18
Prepayments and accrued income	15	6
	<hr/>	<hr/>
	1,038	2,383
	<hr/>	<hr/>

Notes (continued)

10 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	584	632
Trade creditors	14	76
Amounts owed to limited partners	4,667	4,217
Amounts owed to related undertakings	1,327	421
Other taxes and social security	1	2
Other creditors	1,006	1,005
Accruals	148	194
	<u>7,747</u>	<u>6,547</u>

11 Financial commitments

At 31 December 2009 the company had no authorised and contracted capital commitments (2008 £nil)

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 was made on 20 April 2006.

The total of capital commitments entered into by the Partnership at 31 December 2009 was approximately £500,000 (2008 £3,700,000). 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.

12 Called up ordinary share capital

	2009 No	£	2008 No	£
Allotted and called up:				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

Profit and loss account

	2009 £	2008 £	2009 £	2008 £
	Group		Company	
At 1 January	(538)	(303)	-	-
Loss for the year	(514)	(235)	(458)	-
At 31 December	<u>(1,052)</u>	<u>(538)</u>	<u>(458)</u>	<u>-</u>

Notes (continued)

13 Movement in equity shareholders' funds

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Equity shareholders' funds at 1 January	462	697	1,000	1,000
Loss for the year	(514)	(235)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Equity shareholders' funds at 31 December	(52)	462	1,000	1,000
	<hr/>	<hr/>	<hr/>	<hr/>

14 Post Balance sheet events

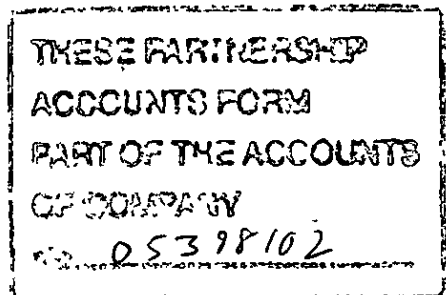
On 7 May 2010 the partnership entered into an agreement with UBS UK Properties Limited whereby the partnership has the option to acquire the 2 Harbour Quay building for a consideration of between £10.25m and £10.75m between 25 December 2014 and 25 December 2017. UBS will have the right, on giving notice, to require the partnership to acquire the asset on 25 December 2016 or 25 December 2017. The agreement provides that the partnership make an initial payment of £0.5m followed by annual payments of £1m starting 1 January 2011 to retain the option to purchase. If the option is exercised these annual payments are deducted from the consideration.

15 Ultimate parent company and parent undertaking of larger group

The company is owned in equal proportions 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.

Wood Wharf Limited Partnership

Partnership accounts
Registered number *LP10419*
for the year ended
31 December 2009



Partnership accounts

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Statement of General Partners' responsibilities in respect of the financial statements

The General Partners are responsible for preparing the financial statements in accordance with partnership agreement dated 1 May 2005 for each period which give a true and fair view of the state of affairs of the Partnership and of its profit and loss for that period in accordance with the partnership agreement

In preparing financial statements, the General Partners' 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business

The General Partners' is responsible for keeping proper accounting records which disclose with reasonable accuracy and time the financial position of the Partnership and to enable them to ensure that the accounts comply with the requirements of partnership agreement

The members have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities

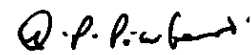
Auditor

KPMG LLP will be proposed for re-appointment in accordance with the Partnership Agreement

Disclosure of information to auditors

The directors of the General Partner confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and the directors of the General Partner have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the partnership's auditors are aware of that information

By order of the board of the General Partner



Q P Pickford

Director

27 May 2010

Independent auditors' report to the members of Wood Wharf Limited Partnership

We have audited the accounts of Wood Wharf Limited Partnership for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Partners' Funds and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the partners, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the partners those matters we have been engaged to state to them in this 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 partners, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of partners and auditors

As described in the Statement of Partners' Responsibilities on page 1, the partners are responsible for the preparation of the accounts in accordance with the Partnership Agreement dated 1 May 2005.

Our responsibility under the terms of our engagement letter dated 10 May 2010 is to audit the accounts having regard to International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts have been properly prepared in accordance with the accounting policies set out in note 1 to the accounts and in accordance with the Partnership Agreement dated 1 May 2005. We also report to you if, in our opinion, the partners' report is not consistent with the accounts, if the partnership has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

Basis of audit opinion

We conducted our audit having regard to 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 accounts. It also includes an assessment of the significant estimates and judgments made by the partners in the preparation of the accounts, and of whether the accounting policies are appropriate to the partnership'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 accounts 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 accounts.

Opinion

In our opinion the accounts for the year ended 31 December 2009 have been properly prepared in accordance with the accounting policies set out in note 1 to the accounts and in accordance with the Partnership Agreement dated 1 May 2005.



WEJ Holland
for and on behalf of KPMG LLP

Chartered Accountants

One Canada Square
Canary Wharf
London E14 5AG

27 May 2010

Profit and loss account
for the year ended 31 December 2009

	Note	2009 £	2008 £
Rents receivable		466,208	159,461
Administrative expenses	2	(933,669)	(2,092,699)
Operating loss		(467,461)	(1,933,238)
Interest receivable and similar income	3	8,339	88,612
Interest payable and similar charges	4	(173,937)	(464,010)
Loss on ordinary activities before taxation		(633,059)	(2,308,636)
Tax on loss on ordinary activities		-	-
Loss for the financial year	10	(633,059)	(2,308,636)

All operations of the Partnership are continuing

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis

There were no recognised gains and losses for either year other than those shown above

The notes from page 6 to 12 form part of these financial statements

Allocation of loss
for the year ended 31 December 2009

	%	2009 £	2008 £
British Waterways	49.995	(316,498)	(1,154,202)
Canary Wharf Ballymore Limited	49.995	(316,498)	(1,154,203)
Wood Wharf (General Partner) Limited	0.010	(63)	(231)
	100.000	(633,059)	(2,308,636)

Reconciliation of movements in partners' funds
for the year ended 31 December 2009

Loss for the financial year	(633,059)	(2,308,636)
Drawdown of Partners' loans	4,500,000	21,000,000
Net increase in Partners' funds	3,866,941	18,691,364
Opening Partners' funds	36,860,179	18,168,815
Closing Partners' funds	40,727,120	36,860,179

Balance sheet
at 31 December 2009

	Note	2009 £	Restated 2008 £
Fixed assets	5	1,982	5,325
Current assets			
Work in progress	6	46,975,353	41,772,201
Debtors	7	174,892	270,613
Cash at bank and in hand		1,664,833	4,477,935
Creditors: amounts falling due within one year	8	48,815,078 (8,089,940)	46,520,749 (3,824,895)
Net current assets		40,725,138	42,695,854
Total assets less current liabilities		40,727,120	42,701,179
Creditors: amounts falling due after more than one year	9	-	(5,841,000)
Net assets attributable to the partners		40,727,120	36,860,179
Partners' accounts			
Partners' capital contribution accounts	11	3	3
Partners' loan accounts	10	46,672,684	42,172,684
Partners' income accounts	10	(5,945,567)	(5,312,508)
Partners' funds	10	40,727,120	36,860,179

These accounts were approved by the General Partner on 27 May 2010 and were signed on its behalf by



Q P Pickford
Director

Cash flow statement
for the year ended 31 December 2009

	<i>Note</i>	2009 £	2008 £
Net cash outflow from operating activities	12	(6,732,174)	(19,276,040)
Returns on investments and servicing of finance			
Interest received		8,339	88,612
Interest paid		(139,145)	(517,432)
		(130,807)	(428,820)
Net cash outflow before financing		(6,862,980)	(19,704,860)
Financing			
Drawdown of partner loans/equity		4,500,000	21,000,000
Short term advance from related undertakings		30,878	-
		(2,332,102)	1,295,140
(Decrease) / increase in cash during the year		(2,332,102)	1,295,140

Reconciliation of net cash flow to movement in net debt
for the year ended 31 December 2009

(Decrease) / increase in cash during the year		(2,332,102)	1,295,140
Advances from partners		(4,500,000)	(21,000,000)
Advances from related undertakings		(30,878)	-
Increase in net debt during the year		(6,862,980)	(19,704,860)
Net debt at beginning of the year		(44,618,499)	(24,913,639)
Net debt at end of the year	13	(51,481,479)	(44,618,499)

Notes

(forming part of the accounts)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the accounts

a) Basis of accounting

The accounts have been prepared on the on going basis under the historical cost convention and in accordance with applicable United Kingdom accounting standards

b) Going Concern

The financial statements have been prepared on the going concern basis, which the General Partner believes to be appropriate for the following reasons. The Partnership is dependent for its working capital on funds provided to it by the Limited Partners, who have indicated that for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the Wood Wharf Limited Partnership and in particular they will not seek repayment of the amounts currently made available. The General Partner considers that this should enable the Partnership to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any partnership placing reliance on other group entities for financial support, the General Partner acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the General Partner believes that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

c) Fixed assets

Tangible fixed assets are held at cost less accumulated depreciation.

d) Depreciation

Depreciation is provided on a straight line basis over the useful economic life of the asset as follows:

Office equipment	25% pa
------------------	--------

A full year's charge is provided in the year of acquisition.

e) Work in progress

Work in progress is stated at the lower of cost and net realisable value at the balance sheet date. Additions include costs which are directly attributable to the development.

The acquisition of the Lovegrove Walk properties is stated in the balance sheet as at the time of completion.

f) Taxation

The Partnership is not a taxable entity and accordingly no provision is made in these accounts for taxation.

Notes (continued)

2 Administrative expenses

	2009 £	2008 £
Salary costs (see below)	788,071	1,303,402
Operating expenses	102,055	743,320
Audit fees	40,200	28,780
Depreciation	3,343	17,197
	<u>933,669</u>	<u>2,092,699</u>
Salary costs (see above)		
Gross wages and salaries	699,486	1,209,883
Employer's National Insurance	61,002	71,156
Pension costs	27,583	22,363
	<u>788,071</u>	<u>1,303,402</u>

The average number of employees of the partnership during the year was 4 (2008 7)

Pension costs represent payments to personal defined contribution pension schemes where assets are held separately from the partnership

3 Interest receivable and similar income

	2009 £	2008 £
Interest receivable on bank deposits	8,339	88,612
	<u>8,339</u>	<u>88,612</u>

4 Interest payable and similar changes

	£	£
Interest payable	173,937	464,010
	<u>173,937</u>	<u>464,010</u>

Notes (continued)

5 Fixed assets

	Office equipment £
<i>Cost</i>	
Balance at 31 December 2009 and 31 December 2008	68,791
<i>Depreciation</i>	
Balance at 31 December 2008	(63,466)
Charge for the year	(3,343)
Balance at 31 December 2009	(66,809)
<i>Net book value</i>	
At 31 December 2009	1,982
At 31 December 2008	5,325

6 Work in progress

	2009 £	2008 £
<i>Cost</i>		
At 1 January	41,772,201	24,577,174
Additions in the year	5,203,152	17,195,027
At 31 December	46,975,353	41,772,201

7 Debtors

	2009 £	2008 £
Trade debtors	12,826	31,868
VAT recoverable	12,328	148,408
Other debtors	117,239	27,792
Prepayments and accrued income	32,499	62,545
	174,892	270,613

Notes (continued)

8 Creditors amounts falling due within one year

	2009 £	Restated 2008 £
Bank loans falling due within 1 year	5,841,000	481,000
Trade creditors	120,560	752,044
Amounts owed to related undertakings	632,628	601,750
Other taxes and social security	18,904	19,864
Other creditors	46,684	41,149
Accruals	1,430,164	1,929,088
	<u>8,089,940</u>	<u>3,824,895</u>

9 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Bank loans and overdrafts falling due after more than 1 year	-	5,841,000
	<u>-</u>	<u>5,841,000</u>

The bank loan was repayable on 19 May 2010 and bears interest at a rate of 2.75% above LIBOR. The General Partner is in negotiations with the bank and the expectation is that the loan will be extended for a further 3 years.

10 Partners' accounts

	British Waterways £	Canary Wharf Ballymore Limited £	Wood Wharf (General Partner) Limited £	Total £
Loan accounts				
At 1 January 2009	21,086,193	21,086,491	-	42,172,684
Advanced during the year	2,250,000	2,250,000	-	4,500,000
	<u>23,336,193</u>	<u>23,336,491</u>	<u>-</u>	<u>46,672,684</u>
At 31 December 2009	<u>23,336,193</u>	<u>23,336,491</u>	<u>-</u>	<u>46,672,684</u>
Income accounts				
At 1 January 2009	(2,655,988)	(2,655,989)	(531)	(5,312,508)
Share of loss for the year	(316,498)	(316,498)	(63)	(633,059)
	<u>(2,972,486)</u>	<u>(2,972,487)</u>	<u>(594)</u>	<u>(5,945,567)</u>
At 31 December 2009	<u>(2,972,486)</u>	<u>(2,972,487)</u>	<u>(594)</u>	<u>(5,945,567)</u>
Capital contribution				
At 31 December 2008 and 31 December 2009	1	1	1	3
	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
Total				
At 31 December 2009	<u>20,363,708</u>	<u>20,364,005</u>	<u>(593)</u>	<u>40,727,120</u>
At 31 December 2008	<u>18,430,206</u>	<u>18,430,503</u>	<u>(530)</u>	<u>36,860,179</u>

Partners' loans are unsecured and interest free

Notes (continued)

11 Partners' capital contribution accounts

	£
At 31 December 2008 and 31 December 2009	3

Capital contributions were made in accordance with the partnership agreement dated 20 April 2005

12 Net cash outflow from operating activities

	2009 £	2008 £
Operating loss	(467,461)	(1,933,238)
Depreciation	3,343	17,197
Change in work in progress	(5,537,107)	(17,248,918)
Change in debtors	95,721	254,364
Change in creditors	(826,670)	(365,445)
Net cash outflow from operating activities	(6,732,174)	(19,276,040)

13 Analysis of changes in net debt

	At 31 December 2008 £	Movement during year £	At 31 December 2009 £
Cash at bank and in hand	4,477,935	(2,813,102)	1,664,833
Bank loans and overdraft	(6,322,000)	481,000	(5,841,000)
	(1,844,065)	(2,332,102)	(4,176,167)
Partner loan accounts	(42,172,684)	(4,500,000)	(46,672,684)
Short term advance from related undertaking	(601,750)	(30,878)	(632,628)
Net debt	(44,618,499)	(6,862,980)	(51,481,479)

14 Commitments

The Partnership has a commitment under a 21 year lease dated 20 April 2005 to pay British Waterways £1 9 million plus VAT per annum. The first annual payment for this lease was made on 20 April 2006.

The total of capital commitments entered into but not provided for at 31 December 2009 was approximately £500,000 (2008 £3 7 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.

Notes (continued)

15 Related party disclosures

The Partnership is owned 49.995% by British Waterways and 49.995% by Canary Wharf Ballymore Limited, together the two Limited Partners, and 0.010% by Wood Wharf (General Partner) Limited. Canary Wharf Ballymore Limited is ultimately owned 50% by Canary Wharf Group PLC and 50% by Ballymore Properties. Wood Wharf (General Partner) Limited is owned 50% by British Waterways and 50% by Canary Wharf Ballymore (General Partner) Limited.

The amounts owed by the Partnership at the year end to Wood Wharf Property Holdings Limited were £301,750 (2008: £301,750) and Wood Wharf Property Company Limited £300,000 (2008: £300,000). These balances are non-interest bearing and are repayable on demand.

The Partnership Agreement also requires Canary Wharf Group PLC and Ballymore Properties Limited to provide certain management and advisory services to the Partnership at nil cost.

Canary Wharf Group PLC provides IT services through a subsidiary undertaking, charged at cost to the Partnership.

In addition, the Canary Wharf Group PLC charged £145,628 in respect of rent and service charges for office space occupied for part of the year.

The Partnership entered into a lease agreement with British Waterways to pay £1.9 million per annum in arrears for the 21 year lease entered into on the 20 April 2005 over the site known as Wood Wharf, London E14.

The Limited Partners provide the Partnership with interest free loans. As at the 31 December 2009, these loans totalled £46,672,684 (2008: £42,172,684). See note 10 for more details.

The Partnership entered into a development management agreement with the Canary Wharf Group PLC in relation to the provision of design and planning services of planned office buildings. The amount paid in 2009 was £2,062,500 (2008: £438,500).

The Partnership entered into a development management agreement with the Ballymore Group in relation to the provision of design and planning services of residential properties. The amount paid in 2009 was £nil (2008: £250,000).

16 Post Balance sheet events

On 7 May 2010 the partnership entered into an agreement with UBS UK Properties Limited whereby the partnership has the option to acquire the 2 Harbour Quay building for a consideration of between £10.25m and £10.75m between 25 December 2014 and 25 December 2017. UBS will have the right, on giving notice, to require the partnership to acquire the asset on 25 December 2016 or 25 December 2017. The agreement provides that the partnership make an initial payment of £0.5m followed by annual payments of £1m each year starting 1 January 2011 to retain the option to purchase. If the option is exercised these annual payments are deducted from the consideration.

17 Reclassification

In the year 2008, the creditors were erroneously classified as more than one year and which have now been reclassified correctly as within one year. This has had no impact on profit or reserves for year ended 2008.