Wood Wharf (No 1B General Partner) Limited

Directors' report and consolidated financial statements

For the year ended 31 December 2009

Registered number 06378700

Contents

Directors' report

The directors present their report and consolidated financial statements for the year ended 31 December 2009 The comparative period is from 21 September 2007 to 31 December 2008

Principal activities

The company was incorporated on 21 September 2007 and acts as the General Partner to the Wood Wharf (No 1B) Limited Partnership and has not traded on its own behalf in the year ended 31 December 2009

Business review

The loss of the group for the year ended 31 December 2009 was (£446) (2008 (£3))

Directors

The directors who held office during the year were as follows

A Peter Anderson II
Richard David Stedman Archer
Mark Laurence Bensted
Brian Fagan
Raymond Joseph Hardy – resigned 14 May 2009
George Iacobescu
Anthony James Sidney Jordan
Stuart Christopher Mills
Sean Mulryan
Quentin Patrick Pickford
Matthew Grant Robinson- appointed 12 March 2009
Cornel Howells – Company Secretary – resigned 14 May 2009
Prism Cosec – 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

M G Robinson
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 the profit or loss, of the group, for that year 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 (No 1B General Partner) Limited

We have audited the financial statements of Wood Wharf (No1B General Partner) Limited for the year ended 31 December 2009 set out on pages 5 to 11 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

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

	Notes	**2009**	21 September 2007 to 31 December 2008
		£	£
Net rental income		**2**	-
Operating costs	2	**(2)**	(4)
Provision for impairment in work and progress		**(446)**	-
Operating loss		**(446)**	(4)
Interest receivable and similar income	4	**-**	1
Interest payable and similar charges	5	**-**	-
Loss on ordinary activities before taxation		**(446)**	(3)
Tax on loss on ordinary activities	6	**-**	-
Loss for the year/period	12	**(446)**	(3)

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

There is no difference between historical cost profits and losses and those presented

The notes from page 8 to 11 form part of these financial statements

Consolidated balance sheet

as at 31 December 2009

	Note		2009		2008
		£	£	£	£
Current assets					
Work in progress		**1,701**		2,117	
Debtors and prepayments	*8*	**1,018**		1,013	
Cash at bank and in hand		**92**		50	
			2,811		3,180
Creditors: amounts falling due within one year	9		**(2,260)**		(2,183)
Net current assets			**551**		997
Total assets less current liabilities			**551**		997
Net assets			**551**		997
Capital and reserves					
Called up ordinary share capital	*11*		**1,000**		1,000
Profit and loss account	*12*		**(449)**		(3)
Equity shareholders' funds	*13*		**551**		997

Approved by the board on 27 May 2010 and signed on its behalf by

M G Robinson

Director

Company balance sheet

as at 31 December 2009

	Note		2009		2008
		£	£	£	£
Fixed assets					
Fixed asset investment	7		1		1
Current assets					
Other debtors – unpaid share capital		999		999	
Net current assets			999		999
Net assets			1,000		1,000
Capital and reserves					
Called up ordinary share capital	*11*		1,000		1,000
Profit and loss account	*12*		-		-
Equity shareholders' funds	*13*		1,000		1,000

Approved by the board on 27 May 2010 and signed on its behalf by

M G Robinson

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) Cash flow statement

A cash flow statement has not been presented as the company has taken exemption from the requirements of FRS1 'Cash flow statements' The results of the company are included in the consolidated financial statements of the parent undertaking, Wood Wharf (General Partner) Limited, where a consolidated cash flow statement is presented

c) Interest in the Wood Wharf (No 1B) Limited Partnership

As general partner of the Wood Wharf (No 1B) 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 £2 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 S402 of the Companies Act 2006 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 statements would change to the following amounts

	2009	21 September 2007 to 31 December 2008
	£	£
Loss before minority interests	**(4,453,595)**	(28,438)
Minority interests in the profit and loss account	**4,453,149**	28,435
Loss for the year	**(446)**	(3)
Net current liabilities	**(4,481,031)**	(27,438)
Minority interests in the balance sheet	**4,481,582**	28,435
Net assets	**551**	997

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

Notes *(continued)*

1 Accounting policies (continued)

e) Work in progress

Work in progress is valued at the lower of cost or market value

f) Investments

Investments are stated at cost less 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

4 Interest receivable

	2009 £	21 September 2007 to 31 December 2008 £
Interest receivable	-	1

5 Interest payable

	2009 £	21 September 2007 to 31 December 2008 £
Interest payable	26	44
Capitalised interest	(26)	(44)
	-	-

6 Tax on loss on ordinary activities

Analysis of charge for the year/period

	2009 £	21 September 2007 to 31 December 2008 £
Current tax	-	-

The current tax charge for the year/period differs from the standard rate of corporation tax in the UK (28 0%) The differences are explained below

	2009 £	21 September 2007 to 31 December 2008 £
Current tax reconciliation		
Loss on ordinary activities before tax	(446)	(3)
Current tax at 28 0 % (2008 28 5%)	125	1
Effects of		
Tax credit not recognised	(125)	(1)
Total current tax charge (see above)	-	-

No deferred tax asset has been recognised in respect of the loss of £449 (2008 £3) as the group does not expect to make a profit to utilise this against for the foreseeable future

Notes *(continued)*

7 Fixed asset investment

	Company 2009 £	Company 2008 £
At 1 January 2009/21 September 2007	**1**	-
Additions	**-**	1
At 31 December	**1**	1

Entity	Registered	Ownership
Wood Wharf (No 1B) Limited Partnership	England and Wales	See below

The company is considered to have control over the limited partnership The company has a direct interest in the limited partnership of capital and repayable capital of £1 out of a total of £2 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

8 Debtors

	Group 2009 £	Group 2008 £
Unpaid share capital	**1,002**	1,002
Other debtors	**4**	-
Prepayments and accrued income	**12**	11
	1,018	1,013

9 Creditors: amounts falling due within one year

	Group 2009 £	Group 2008 £
Trade creditors	**2**	12
Amount owed to related undertakings	**2,253**	1,356
Other creditors	**-**	800
Accruals	**5**	15
	2,260	2,183

The amount owed to related undertakings is due to the Wood Wharf (Phase One) Unit Trust which is the limited partner in the Wood Wharf (No1B) Limited Partnership

Notes *(continued)*

10 Financial commitments

At 31 December 2009 the company had no authorised and contracted capital commitments

The total of capital commitments entered into by the Partnership at 31 December 2009 was £500,000 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

11 Called up ordinary share capital

	Company and Group			
	2009		2008	
	No	**£**	No	£
Allotted and called up:				
'A' Ordinary shares of £1 each	**500**	**500**	500	500
'B' Ordinary shares of £1 each	**500**	**500**	500	500
	1,000	**1,000**	1,000	1,000

'A' and 'B' shares rank pari passu in all respects

12 Profit and loss account

	Group 2009 £	Group 2008 £	**Company 2009 £**	Company 2008 £
At 1 January 2009/21 September 2007	**(3)**	-	-	-
Loss for the year/period	**(446)**	(3)	-	-
At 31 December	**(449)**	(3)	-	-

13 Movement in equity shareholders' funds

	Group 2009 £	Group 2008 £	**Company 2009 £**	Company 2008 £
At 1 January	**997**	-	**1,000**	-
Shares issued in period		1,000		1,000
Loss for the year/period	**(446)**	(3)	-	-
Equity shareholders' funds at 31 December	**551**	997	**1,000**	1,000

14 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 One) 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

The Company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

Wood Wharf (No.1B) Limited Partnership

Partnership accounts
Registered number *LP012508*
for the year ended
31 December 2009

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No 06378700

Partnership accounts

Contents

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 11 October 2007 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 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 members

Q.P Pickford

Q P Pickford
Director
27 May 2010

Independent auditors' report to the members of Wood Wharf (No.1B) Limited Partnership

We have audited the accounts of Wood Wharf (No 1B) 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 11 October 2007

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 11 October 2007 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 11 October 2007

WEJ Holland

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 £	11 October 2007 to 31 December 2008 £
Turnover		**23,930**	-
Administrative expenses	2	**(15,046)**	(38,211)
Provision for impairment in work in progress		**(4,463,559)**	-
Operating loss		**(4,454,675)**	(38,211)
Interest receivable and similar income	3	**1,693**	9,773
Interest payable and similar charges	4	**(613)**	-
Loss on ordinary activities before taxation		**(4,453,595)**	(28,438)
Tax on profit on ordinary activities		**-**	-
Loss for the financial year / period	9	**(4,453,595)**	(28,438)

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 7 to 11 form part of these financial statements

Allocation of loss
for the year ended 31 December 2009

		2009	11 October 2007 to 31 December 2008
	%	£	£
Wood Wharf (Phase 1) Unit Trust	*99 99*	*(4,453,149)*	(28,435)
Wood Wharf (No 1B General Partner) Limited	*0 01*	*(446)*	(3)
	100 00	**(4,453,595)**	(28,438)

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

Loss for the financial year / period	**(4,453,595)**	(28,438)
Capital contribution from Partners	-	2
Net decrease in Partners' funds	**(4,453,595)**	(28,436)
At 1 January 2009	**(28,436)**	-
At 31 December 2009	**(4,482,031)**	(28,436)

Balance sheet
at 31 December 2009

	Note	2009 £	2008 £
Current assets			
Work in progress	5	**17,000,000**	21,155 217
Debtors	6	**219,334**	140,065
Cash at bank and in hand		**922,594**	495,392
		18,141,928	21 790,674
Creditors: amounts falling due within one year	7	**(22,623,959)**	(21,819,110)
Net liabilities attributable to the partners		**(4,482,031)**	(28,436)
Partners' accounts			
Partners' capital contribution accounts	8	**2**	2
Partners' income accounts	9	**(4,482,033)**	(28 438)
Partners' deficit	9	**(4,482,031)**	(28,436)

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

Q.P. Pickford

Q P Pickford
Director

The notes from page 7 to 11 forms part of these financial statements

Cash flow statement
for the year ended 31 December 2009

	Note	2009 £	11 October 2007 to 31 December 2008 £
Net cash outflow from operating activities	10	**(8,571,262)**	(12,631,206)
Returns on investments and servicing of finance			
Interest received		**1,543**	9,773
Interest paid		**(3,079)**	(442,192)
		(1,536)	(432,439)
Net cash outflow before financing		**(8,572,798)**	(13,063,625)
Financing			
Drawdown of partner equity		**-**	2
Advance from related undertakings		**9,000,000**	13,559,015
Increase in cash during the year / period		**427,202**	495,392

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

	Note	2009 £	11 October 2007 to 31 December 2008 £
Increase in cash during the year / period		**427,202**	495,392
Advances from related undertakings		**(9,000,000)**	(13,559,015)
Increase in net debt during the year / period		**(8,572,798)**	(13,063,623)
Net debt at beginning of the year/period		**(13,063,623)**	-
Net debt at end of the year / period	11	**(21,636,421)**	(13,063,623)

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 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 (No 1B) 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) *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 This includes interest capitalised on deferred payment of Fulton acquisition

e) Interest

Interest paid to Fulton on the deferred instalment of the lease acquisition is capitalised into work in progress

f) Taxation

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

2 Administrative expenses

	2009	11 October 2007 to 31 December 2008
	£	£
Operating expenses	**10,796**	19 211
Audit fees	**4,250**	-
Accountancy fees	**-**	19,000
	15,046	38,211

In 2008, the audit fee of £4,250 was borne by the Wood Wharf Limited Partnership

Notes *(continued)*

3 Interest receivable and similar income

	2009 £	11 October 2007 to 31 December 2008 £
Interest receivable on bank deposits	**1,693**	9,773

4 Interest payable and similar changes

	£	£
Interest payable	**26,503**	444,658
Capitalised finance costs	**(25,890)**	(444,658)
	613	-

5 Work in progress

	2009 £	2008 £
Cost at 1 January	**21,155,217**	-
Additions during the year	**308,342**	21,155,217
Provision for impairment	**(4,463,559)**	-
At 31 December	**17,000,000**	21,155,217

The provision for impairment in work in progress was made after external advice was taken on the value of the leasehold land

Work in progress at 31 December 2009 includes capitalised interest of £493,972 (2008 £468,082)

6 Debtors

	2009 £	2008 £
Trade debtors	**15,353**	-
Other debtors	**54,604**	30,546
Prepayments and accrued income	**118,499**	109,519
Amount owed by group undertakings	**30,878**	-
	219,334	140,065

Notes *(continued)*

7 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	**14,036**	117 767
Amounts owed to parent undertakings	**22,559,015**	13,559,015
Other creditors	**-**	8,000,000
Accruals	**45,775**	142,328
Deferred Income	**5,133**	-
	22,623,959	21,819,110

8 Partners' capital contribution accounts

	2009	2008
	£	£
At 1 January	**2**	-
Capital contribution during the year / period	**-**	2
As at 31 December	**2**	2

Capital contributions were made in accordance with the partnership agreement dated 15 October 2007

9 Partners' accounts

	Wood Wharf (Phase 1) Unit Trust	Wood Wharf (No 1B General Partner) Limited	Total
	£	£	£
Capital contribution			
At 1 January 2009	1	1	2
Advanced during the year	-	-	-
At 31 December 2009	**1**	**1**	**2**
Income accounts			
At 1 January 2009	(28,435)	(3)	(28,438)
Share of loss for the year	(4 453,149)	(446)	(4,453,595)
At 31 December 2009	**4,481,584**	**(449)**	**(4,482,033)**
Total at 31 December 2009	**(4,481,583)**	**(448)**	**(4,482,031)**

Notes *(continued)*

10 Net cash outflow from operating activities

	2009	2008
	£	£
Operating loss	(4,454,675)	(38,211)
Provision for impairment	4,463,559	-
Change in work in progress	(8,413,205)	(12,570,696)
Change in debtors	(72,993)	(140,065)
Change in creditors	(93,948)	117,766
Net cash outflow from operating activities	(8,571,262)	(12,631,206)

11 Analysis of changes in net debt

	At 1 January 2009	Movement during year	At 31 December 2009
	£	£	£
Cash at bank and in hand	495,392	427,202	922,594
	495,392	427,202	922,594
Advance from parent undertaking	(13,559,015)	(9,000,000)	(22,559,015)
Net debt	(13,063,623)	(8,572,798)	(21,636,421)

12 Capital commitments

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

The Partnership has a commitment under a 250 year lease dated 16 October 2007 to pay British Waterways £138,800 per annum for the first 100 years of the lease The first annual payment for this lease was made on 16 October 2007

The Partnership entered into a section 106 agreement, on 18 May 2009, with London Borough of Tower Hamlets in respect of the Wood Wharf master plan The Partnership has agreed total contributions of £18,732,581 which are indexed linked The contributions are only triggered when the Partnership commences the development of the W01 850,000 sq ft office building

Notes *(continued)*

13 Related party disclosures

The Partnership is owned 99 99% by Wood Wharf (Phase 1) Unit Trust and 0 01% by Wood Wharf (No 1B) General Partner Limited Wood Wharf (Phase 1) Unit Trust is ultimately owned by Canary Wharf Ballymore (One) Limited and British Waterways Board Canary Wharf Ballymore (One) Limited is ultimately owned 50% by Canary Wharf Group PLC and 50% by Ballymore Properties Wood Wharf (No 1B General Partner) Limited is owned 50% by British Waterways and 50% by Canary Wharf Ballymore (General Partner) One Limited

The Partnership entered into a lease agreement with British Waterways to pay £138,800 per annum in advance for the first 100 years of the 250 year lease entered in to on the 16 October 2007 over the site known as Wood Wharf W01, London E14

During the period Wood Wharf (Phase 1) Unit Trust advanced interest free loans to the Limited Partnership which are repayable on demand As at 31 December 2009, the outstanding balance was £22,559,015 as detailed in Note 7

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 a planned office building The total fees paid in 2009 were £500,000 (2008 £250,000)