



CANARY WHARF
GROUP PLC

WOOD WHARF A2 GP LIMITED

Registered number: 10664460

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



WOOD WHARF A2 GP LIMITED

CONTENTS

	Page
Directors' Report	1
Directors' Responsibilities Statement	2
Independent Auditor's Report	3 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 13

WOOD WHARF A2 GP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

PRINCIPAL ACTIVITY

The company acts as a general partner of Wood Wharf A2 Limited Partnership, an English Limited Partnership.

RESULTS AND DIVIDENDS

The profit for the year after taxation, amounted to £809 (2017 - profit £810).

No dividends have been paid or proposed during the year (2017 - £Nil).

DIRECTORS

The directors who served during the year were:

F A M M Al-Darwish
A A S A Al-Thani
A P Anderson II
Sir George Iacobescu CBE
R J J Lyons
K O Mccrain
Z B Vaughan (appointed 26 June 2018)
C Waxer
B S Brown (resigned 26 June 2018)

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 2018 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.

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 29 August 2019 and signed on its behalf.



J R Garwood
Secretary

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WOOD WHARF A2 GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOOD WHARF A2 GP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Wood Wharf A2 GP Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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;
- the cash flow statement; and
- the related notes 1 to 10.

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 Financial Reporting Council'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOOD WHARF A2 GP LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

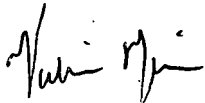
We have nothing to report in respect of these matters.

WOOD WHARF A2 GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOOD WHARF A2 GP 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.



Valerie Main (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 August 2019

WOOD WHARF A2 GP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

		Year ended 31 December 2018 £	Period ended 31 December 2017 £
	Note		
Share of profit from investment in partnership	7	1,000	1,000
PROFIT BEFORE TAX		1,000	1,000
Tax on profit	6	(191)	(190)
PROFIT FOR THE FINANCIAL YEAR		809	810
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		809	810

The notes on pages 10 to 13 form part of these financial statements.

WOOD WHARF A2 GP LIMITED
REGISTERED NUMBER: 10664460

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Investments	7	3,000	2,000
		<u>3,000</u>	<u>2,000</u>
Creditors: amounts falling due within one year	8	(381)	(190)
NET CURRENT LIABILITIES		<u>(381)</u>	<u>(190)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,619	1,810
NET ASSETS		<u>2,619</u>	<u>1,810</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Retained earnings		1,619	810
		<u>2,619</u>	<u>1,810</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 August 2019.


A P Anderson II
 Director

The notes on pages 10 to 13 form part of these financial statements.

WOOD WHARF A2 GP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2018	1,000	810	1,810
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	809	809
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	809	809
AT 31 DECEMBER 2018	1,000	1,619	2,619

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
COMPREHENSIVE INCOME FOR THE PERIOD			
Profit for the period	-	810	810
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	810	810
Shares issued during the period	1,000	-	1,000
AT 31 DECEMBER 2017	1,000	810	1,810

The notes on pages 10 to 13 form part of these financial statements.

WOOD WHARF A2 GP LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	809	810
Profit from investment in partnership	(1,000)	(1,000)
Taxation charge	191	190
Increase in amounts owed to groups	191	-
Corporation tax (paid)/received	(191)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital in investment in partnership	-	(1,000)
NET CASH FROM INVESTING ACTIVITIES	<u>-</u>	<u>(1,000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares	-	1,000
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>1,000</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>-</u>	<u>-</u>

The notes on pages 10 to 13 form part of these financial statements.

WOOD WHARF A2 GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Wood Wharf A2 GP Limited is a 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 Directors' 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 preceding period and are summarised below:

2.2 Going concern

At the year end, the company is in a net asset position, but has net current liabilities.

Included in this are group creditors of £191, which to the extent that the company cannot pay, will not be called in for at least a period of 12 months from the signing date of the financial statements.

In addition, as a member of the Canary Wharf Group, the company has access to considerable resources.

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.

2.3 Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

2.4 Investments

Investments in partnerships and unit trusts are stated at fair value. The fair value is calculated by reference to the company's share of the net assets of the investment, as adjusted for assets and liabilities which are not carried at fair value. The movement that relates to income earned from unit trusts and partnerships is taken to the income statement. The remaining fair value movement is recognised in other comprehensive income unless the carrying amount of the investment falls below its original cost, after which the deficit is recognised in the income statement.

Revenue profits and losses in partnerships are recognised on an accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

Valuation of investments

Investments in Partnerships are carried at fair value. The directors have valued the investment at the company's share of the Partnerships net asset value.

4. AUDITOR'S REMUNERATION

Auditor's remuneration of £800 (2017: £800) for the audit of the company has been borne by another group undertaking.

5. EMPLOYEES

The company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

6. TAXATION

	Year ended 31 December 2018 £	Period ended 31 December 2017 £
CORPORATION TAX		
Current tax on profits for the year/period	191	190
TOTAL CURRENT TAX	<u>191</u>	<u>190</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD

The tax assessed for the year/period is different to the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	Year ended 31 December 2018 £	Period ended 31 December 2017 £
Profit on ordinary activities before tax	1,000	1,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 -19%)	190	190
EFFECTS OF:		
Adjustments to tax charge in respect of prior periods	1	-
TOTAL TAX CHARGE FOR THE YEAR	191	190

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Enacted in the Finance Act (No.2) 2015 is a reduction in the corporation tax rate to 17.0% on 1 April 2020.

7. FIXED ASSET INVESTMENTS

	Investment in partnership £
CAPITAL ACCOUNT	
At 1 January 2018	1,000
At 31 December 2018	1,000
CURRENT ACCOUNT	
At 1 January 2018	1,000
Share of profit	1,000
At 31 December 2018	2,000
NET BOOK VALUE	
At 31 December 2018	3,000

WOOD WHARF A2 GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. FIXED ASSET INVESTMENTS (CONTINUED)

As a general partner, the company has contributed £1,000 of the capital of the Wood Wharf A2 Limited Partnership, an English Limited Partnership registered at One Canada Square, Canary Wharf, London E14 5AB. This equates to 11.11% of the Partnership capital.

8. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	191	-
Corporation tax	190	190
	<u>381</u>	<u>190</u>

9. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
1,000 (2017 -1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

10. CONTROLLING PARTY

The company is ultimately controlled as to 50% by a wholly owned subsidiary of Canary Wharf Group Investment Holdings Limited, as to 25 % by Brookfield Property Partners LP and as to 25% by Qatar Investment Authority.

Canary Wharf Group Investment Holdings Limited is in turn ultimately controlled as to 50% by Brookfield Property Partners LP and as to 50% by Qatar Investment Authority.

WOOD WHARF A2 LIMITED PARTNERSHIP

Registered number: LP17930

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

WOOD WHARF A2 LIMITED PARTNERSHIP

CONTENTS

	Page
Statement of the General Partner's Responsibilities in Respect of the Financial Statements	1
Independent Auditor's Report	2
Consolidated Financial Statements	
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Cash Flow Statement	8
Notes to the Consolidated Financial Statements	9
Partnership Financial Statements	
Partnership Statement of Comprehensive Income	22
Partnership Statement of Financial Position	23
Partnership Statement of Changes in Equity	24
Partnership Cash Flow Statement	25
Notes to the Partnership Financial Statements	26

WOOD WHARF A2 LIMITED PARTNERSHIP

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Wood Wharf A2 Limited Partnership was registered as an English limited partnership on 13 March 2017 and comprised one General Partner, Wood Wharf A2 GP Limited and one Limited Partner, Canary Wharf A2 SPV1 Limited. Both companies are registered in England and Wales.

On 30 March 2017, an amended and restated limited partnership agreement was created as two additional limited partners joined the partnership; BPY Vertus A2 LP Limited which is registered in Jersey and Qatar Holding LLC, which is registered in the Qatar Financial Centre respectively.

The Amended and Restated Limited Partnership Agreement dated 30 March 2017 requires that the General Partner prepares financial statements for each financial period. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 the Partnership will continue in existence.

The General Partner is also responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Partnership.

The General Partner is responsible for ensuring that the Partnership has complied at all times with its obligations under the Agreement and has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Partnership and to prevent and detect fraud, errors and other irregularities.

These financial statements have been prepared under Regulation 7 of the Partnerships (Accounts) Regulations 2008.

WOOD WHARF A2 LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF WOOD WHARF A2 LIMITED PARTNERSHIP

In our opinion the non-statutory financial statements of Wood Wharf A2 Limited Partnership (the 'Partnership') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 31 December 2018 and of the group's 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 Limited Partnership Agreement.

We have audited the non-statutory financial statements which comprise:

- the consolidated and parent limited partnership statements of comprehensive income;
- the consolidated and parent limited partnership statements of financial position;
- the consolidated and parent limited partnership statements of changes in equity;
- the consolidated and parent limited partnership cash flow statements; and
- the related notes 1 to 18 and (a) to (m).

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

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 non-statutory financial statements section of our report.

We are independent of the group and of the parent limited partnership in accordance with the ethical requirements that are relevant to our audit of the non-statutory 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.

WOOD WHARF A2 LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF WOOD WHARF A2 LIMITED PARTNERSHIP

Conclusions relating to going concern

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

- the general partner's use of the going concern basis of accounting in preparation of the non-statutory financial statements is not appropriate; or
- the general partner has not disclosed in the non-statutory financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent limited liability partnership'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 non-statutory financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The general partners are responsible for the other information. The other information comprises the information included in the financial statements, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of general partners

As explained more fully in the general partner's responsibilities statement, the general partner is responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view, and for such internal control as the general partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, the general partner is responsible for assessing the group's and the parent limited partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the partners either intend to liquidate the group or the parent limited partnership or to cease operations, or have no realistic alternative but to do so.

WOOD WHARF A2 LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF WOOD WHARF A2 LIMITED PARTNERSHIP

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

A further description of our responsibilities for the audit of the non-statutory financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely for the exclusive use of the partners and solely for the purpose set out in our engagement letter. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without prior written express consent.

Our audit work has been undertaken so that we might state to the group'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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.


Deloitte LLP
Statutory Auditor
London, UK
29 August 2019

WOOD WHARF A2 LIMITED PARTNERSHIP

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

		Year Ended 31 December 2018 £	Period From 13 March 2017 To 31 December 2017 £
	Note		
Administrative expenses		(14,480)	(45,836)
Movements in fair value of investment property	9	(2,331,056)	4,533,737
Operating profit	4	<u>(2,345,536)</u>	<u>4,487,901</u>
Interest receivable and similar income	6	7,471	17,957
Interest payable and similar charges	7	(24,036)	(17,558)
(Loss)/profit on ordinary activities before tax		<u>(2,362,101)</u>	<u>4,488,300</u>
Taxation	8	422,362	(1,272,396)
(Loss)/profit for the year		<u>(1,939,739)</u>	<u>3,215,904</u>
Movement in fair value of hedging instruments		(36,555)	-
Deferred tax on movement in fair value		6,214	-
Other comprehensive income		<u>(30,341)</u>	<u>-</u>
Total comprehensive income		<u><u>(1,970,080)</u></u>	<u><u>3,215,904</u></u>

The notes on pages 9 to 21 form an integral part of these financial statements.

WOOD WHARF A2 LIMITED PARTNERSHIP

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	31 December 2018 £	31 December 2017 £
Fixed assets			
Investment property	9	<u>77,808,767</u>	<u>46,278,042</u>
Current assets			
Debtors: due after more than one year	10	37,581	11,806
Debtors: due within one year	10	15,882,189	27,007,900
Cash at bank		2,042,564	356,156
		<u>17,962,334</u>	<u>27,375,862</u>
Creditors: Amounts falling due within one year	11	(21,893,270)	(6,664,242)
Net current (liabilities)/assets		<u>(3,930,936)</u>	<u>20,711,620</u>
Total assets less current liabilities		<u>73,877,831</u>	<u>66,989,662</u>
Creditors: Amounts falling due after more than one year	12	(20,188,187)	(10,901,362)
Deferred tax	16	(843,820)	(1,272,396)
Net assets		<u><u>52,845,824</u></u>	<u><u>54,815,904</u></u>
Capital and reserves			
Capital account		9,000	9,000
Partner advances		51,591,000	51,591,000
Revaluation reserve		2,172,340	4,533,737
Current account		(926,516)	(1,317,833)
		<u><u>52,845,824</u></u>	<u><u>54,815,904</u></u>

The notes on pages 9 to 21 form an integral part of these financial statements.

Approved by the partners on 29 August 2019 and signed on their behalf by:


A P Anderson II
DIRECTOR

On behalf of Wood Wharf A2 GP Limited

WOOD WHARF A2 LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Capital Accounts £	Partner Advances £	Revaluation Reserve £	Current Account £
At 1 January 2017				
Profit for the period				3,215,904
Other comprehensive income				-
Total comprehensive income	-	-	-	3,215,904
Issue of capital	9,000			
Partner advances		51,591,000		
Transfer to revaluation reserve			4,533,737	(4,533,737)
At 31 December 2017	9,000	51,591,000	4,533,737	(1,317,833)
Loss for the year				(1,939,739)
Other comprehensive income			(30,341)	
Total comprehensive income	-	-	(30,341)	(1,939,739)
Transfer to revaluation reserve			(2,331,056)	2,331,056
At 31 December 2018	9,000	51,591,000	2,172,340	(926,516)

Amounts are attributable to partners as follows:

Wood Wharf A2 GP Limited	1,000	-	-	2,000
Canary Wharf A2 SPV1 Limited	4,000	25,795,500	-	(464,258)
BPY Vertus A2 GP Limited	2,000	12,897,750	-	(232,129)
Qatar Holding LLC	2,000	12,897,750	-	(232,129)
Unallocated	-	-	2,172,340	-
	9,000	51,591,000	2,172,340	(926,516)

The notes on pages 9 to 21 form an integral part of these financial statements.

WOOD WHARF A2 LIMITED PARTNERSHIP

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Year Ended 31 December 2018 £	Period From 13 March 2017 To 31 December 2017 £
Operating profit	(2,345,536)	4,487,901
Movement in fair value of investment properties	2,331,056	(4,533,737)
Finance charge on operating lease liabilities	(23,400)	(17,550)
Increase in debtors	11,099,936	(24,459,375)
Decrease in creditors	15,229,028	(20,809,984)
Net cash flows from operating activities	<u>26,291,084</u>	<u>(45,332,745)</u>
Cash flows from investing activities		
Acquisition of subsidiaries	-	(4,788,332)
Additions to investment properties	(33,494,313)	(11,824,730)
Net bank interest	6,835	17,949
Net cash flows from investing activities	<u>(33,487,478)</u>	<u>(16,595,113)</u>
Cash flows from financing activities		
Issue of capital	-	9,000
Partner advances	-	51,591,000
New loans (net of fees)	8,882,802	10,684,014
Net cash flows from financing activities	<u>8,882,802</u>	<u>62,284,014</u>
Net movement in cash and cash equivalents	1,686,408	356,156
Cash and cash equivalents at the start of the period	356,156	-
Cash and cash equivalents at the end of the period	<u>2,042,564</u>	<u>356,156</u>

The notes on pages 9 to 21 form an integral part of these financial statements.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Wood Wharf A2 Limited Partnership is an English Limited Partnership registered at One Canada Square, Canary Wharf, London, E14 5AB.

The partnership heads a group which holds a residential development at 8 Water Street, Wood Wharf, London.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include investment properties 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 Partnership's accounting policies (see Note 3).

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

Going Concern

Having made the requisite enquiries and assessed the resources at the disposal of the Partnership, the Partners have a reasonable expectation that the Partnership 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.

Investment properties

Investment properties, including land and buildings held for development and investment properties under construction, are measured initially at cost including related transaction costs. The finance costs associated with direct expenditure on properties under construction or undergoing refurbishment are capitalised.

Where a property interest is acquired under a lease the investment property and the associated lease liability are initially recognised at the lower of the fair value and the present value of the minimum lease payments including any initial premium. Lease payments are apportioned between the finance charge and a reduction in the outstanding obligation for future amounts payable. The total finance charge is allocated to accounting periods over the lease term so as to produce a constant periodic charge to the remaining balance of the obligation for each accounting period.

Investment properties are subsequently revalued, at each reporting date, to an amount comprising the fair value of the property interest plus the carrying value of the associated lease liability less any separately identified lease incentive assets. The gain or loss on remeasurement is recognised in the income statement.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Financial Instruments

(i) Trade and other receivables

Debtors are recognised initially at fair value. A provision for impairment is established where there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of the debtor concerned.

(ii) Trade and other payables

Trade and other payables are stated at cost.

(iii) Borrowings

Loans payable are recognised initially at fair value less attributable transaction costs.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

Derivative instruments

The group uses interest rate derivatives to help manage its risks of changes in interest rates. The group does not hold or issue derivatives for trading purposes.

In order for a derivative to qualify for hedge accounting, the group is required to document the relationship between the item being hedged and the hedging instrument. The group is also required to demonstrate an assessment of the relationship between the hedged item and the hedging instrument for its economic relationship, effects of credit risk and hedge ratio. This shows that the hedge will be effective on an on-going basis. The effectiveness testing is re-performed at each balance sheet date to ensure that the hedge remains effective.

The changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income. The changes in the fair value of derivative financial instruments that are designated and effective as fair value hedges are recognised against the item being hedged. The changes in the fair value of any ineffective portions of hedges or undesignated financial instruments are recognised in the profit and loss account.

Hedge accounting is discontinued when the group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained until the forecast transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in financial

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expenses or income.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Valuation of investment and development properties

The partnership uses valuations performed by independent valuers as the fair value of its properties. The valuations are based upon assumptions including future rental income, anticipated void costs, the appropriate discount rate or yield and the estimated costs to completion. The valuers also make reference to market evidence of transaction prices for similar properties.

Derivative financial instruments

The fair values of derivative financial instruments are provided by counter party financial institutions. Consistent with International Accounting Standards, the value provided is then reduced for the group's own credit risk, in the case of credit balances, and for the counterparty's credit risk, in the case of debit balances. These adjustments are calculated by using a calculation tool provided by Bloomberg.

The fair values of derivative financial instruments with other group undertakings are calculated using discounted forecast cash flows. The forecast LIBOR curve is derived from swap rates available on Bloomberg.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. AUDITOR'S REMUNERATION

	Year Ended 31 December 2018 £	Period Ended 31 December 2017 £
Audit fees for the audit of the Partnership	-	-
Audit of subsidiaries	2,650	2,500
Total audit fees	<u>2,650</u>	<u>2,500</u>

5. EMPLOYEES

No staff were employed by the Partnership during the year or prior period.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2018 £	Period Ended 31 December 2017 £
Bank interest receivable	<u>7,471</u>	<u>17,957</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2018 £	Period Ended 31 December 2017 £
Bank charges	636	8
Bank loan	82,937	-
Loan fees	1,409,782	5,077
Derivative financial instrument	10,189	-
Loan from Wood Wharf Finance Company Limited	379,992	138,398
Capitalised interest	(1,882,900)	(143,475)
Finance charge on operating lease liabilities	23,400	17,550
	<u>24,036</u>	<u>17,558</u>

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. TAXATION

	Year Ended 31 December 2018 £	Period Ended 31 December 2017 £
Current tax on profits for the year	-	-
TOTAL CURRENT TAX	<u>-</u>	<u>-</u>
DEFERRED TAX		
Origination and reversal of timing differences	(422,362)	1,272,396
TOTAL DEFERRED TAX	<u>(422,362)</u>	<u>1,272,396</u>
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(422,362)</u>	<u>1,272,396</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2017: 19%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	<u>(2,362,101)</u>	<u>4,488,300</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19%)	(448,799)	852,777
EFFECTS OF:		
Recognition of deferred tax on revaluation of investment property on acquisition	-	419,619
Adjustments to tax charge in respect of prior periods	(25,309)	-
Loss taxed in the accounts of the partners	2,057	-
Changes in tax rates	49,689	-
Group relief	-	-
Taxation on profits on ordinary activities	<u>(422,362)</u>	<u>1,272,396</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Enacted in the Finance Act (No.2) 2015 is a reduction in the corporation tax rate to 17.0% on 1 April 2020. Deferred tax has been provided by reference to this enacted corporation tax rate.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

9. INVESTMENT PROPERTY

	Long term leasehold investment property £
At 1 January 2018	46,278,042
Additions	33,861,781
Revaluation	(2,331,056)
At 31 DECEMBER 2018	<u>77,808,767</u>

The group holds a long leasehold interest in a residential property at Wood Wharf, London being developed for the rental market. Completion of the property is anticipated in the final quarter of 2019.

At 31 December 2018, the property was valued externally by CBRE Limited, qualified valuers with recent experience in office properties at Canary Wharf. The fair value was determined in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, using:

- Discounted cash flows based on inputs provided by the company (current rents, terms and conditions of lease agreements) and assumptions and valuation models adopted by the valuers (estimated rental values, terminal values and discount rates).

- Yield methodology based on inputs provided by the company (current rents) and assumptions and valuation models adopted by the valuers (estimated rental values and market capitalisation rates).

The resulting valuations are cross checked against the initial yields and the fair market values per square foot derived from actual market transactions.

No allowance was made for any expenses of realisation nor for any taxation which might arise in the event of disposal.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	2017 £
Historic cost	<u>75,388,739</u>	<u>41,526,958</u>

The fair value has been allocated to the following balance sheet items:

	2018 £	2017 £
Leasehold properties	77,808,767	46,278,042
Negotiation costs	37,581	11,806
Operating lease liabilities	(217,348)	(217,348)
	<u>77,629,000</u>	<u>46,072,500</u>

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10. DEBTORS

	2018 £	2017 £
DUE AFTER MORE THAN ONE YEAR		
Negotiation costs	37,581	11,806
	<u>37,581</u>	<u>11,806</u>

	2018 £	2017 £
DUE WITHIN ONE YEAR		
Amounts owed by CWG related parties	15,758,052	23,703,692
Amounts owed by Vertus E1/2 Limited	-	32,489
Other debtors	121,442	1,385
Prepayments and accrued income	2,695	3,270,334
	<u>15,882,189</u>	<u>27,007,900</u>

Amounts owed by CWG related parties comprise:

	£	£
Canary Wharf Limited	9,211,798	9,974,240
Canary Wharf Contractors Limited	2,435,262	2,041,612
CWG (Wood Wharf Two) Limited	4,110,798	11,584,449
Vertus WW Properties Limited	3	3
Wood Wharf E1/2 GP Limited	191	-
CW Wood Wharf A1 Limited	-	65,905
CW Wood Wharf A3 Limited	-	37,483
	<u>15,758,052</u>	<u>23,703,692</u>

Amounts owed from related parties are interest free and repayable on demand.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	51,074	886,369
Accrued interest	-	138,398
Amounts owed to other CWG related parties	21,830,089	5,506,541
Other taxation and social security	-	122,931
Accruals	12,107	10,003
	<u>21,893,270</u>	<u>6,664,242</u>

Amounts owed to other CWG related parties comprise:

	£	£
Canary Wharf Group plc	36,000	-
Vertus A2 Development Company Limited	17,423,968	3,643,128
Wood Wharf Finance Company Limited	36,135	5,077
Wood Wharf Infrastructure Development Company Limited	4,332,210	1,856,560
CW Wood Wharf F2 Limited	444	444
CW Wood Wharf G3 Limited	444	444
CW Wood Wharf H1 Limited	444	444
CW Wood Wharf H4 Limited	444	444
	<u>21,830,089</u>	<u>5,506,541</u>

Amounts owed to related parties are interest free and repayable on demand.

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

	2018 £	2017 £
Bank loan	6,788,923	-
Derivative financial instruments	36,555	-
Loan from Wood Wharf Finance Company Limited	13,145,361	10,684,014
Operating lease liabilities	217,348	217,348
	<u>20,188,187</u>	<u>10,901,362</u>

On 23 March 2015, the company entered into a loan facility for £58,500,000. On 23 July 2018, the first drawdown was made. The loan carries interest at LIBOR plus 3% and is repayable on 23 September 2020.

At 31 December 2018 the loan including accumulated interest totalled £9,800,388. Offset against this loan balance are loan fees of £3,011,465, which will be amortised over the life of the loan.

The loan from Wood Wharf Finance Company Limited bears interest at a rate linked to the EC Reference Rate and is repayable on 23 March 2023.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13. OPERATING LEASE LIABILITIES

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	23,400	23,400
Between 1-5 years	93,600	93,600
Over 5 years	5,569,200	5,592,600
	<u>5,686,200</u>	<u>5,709,600</u>

The amount at which operating lease obligations are stated comprises:

	2018 £	2017 £
At acquisition	217,348	217,348
Finance rents paid	(23,400)	(17,550)
Finance charges	23,400	17,550
	<u>217,348</u>	<u>217,348</u>

The rent payable is the greater of £23,400 and £250 per residential unit per annum until 28 December 2261, subject to revision if the composition of the Wood Wharf development is altered from its original development plan. The interest rate implicit in the leases is 11.5%.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	2018 £	2017 £
Interest rate swap	<u>36,555</u>	<u>-</u>

The group uses an interest rate swap to hedge the exposure to the variability in cash flows on floating rate debt caused by movements in market rates of interest.

At 31 December 2018 the group held interest rate swaps which served to fix the interest on the loan to a rate of 1.147%.

At 31 December 2018 the fair value of the interest rate swap resulted in the recognition of a liability of £36,555 (2017 - £Nil). The swap qualifies for hedge accounting and has been designated as a highly effective hedge.

The fair values of derivative financial instruments have been determined by reference to market values provided by the relevant counter party.

The terms of the derivative financial instrument correlates with the terms of the financial instruments to which they relate. Consequently the cash flows and effect on profit or loss are expected to arise over the term of the financial instrument.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The following table shows the undiscounted cash outflows in relation to the company's interest rate swap based on the company's prediction of future movements in interest rates:

	2018 £	2017 £
Within one year	40,266	-
In one to two years	23,729	-
In two to five years	-	-
	<u>63,995</u>	<u>-</u>

Changes in interest rates would primarily affect the market value of derivative financial instruments. These changes would impact on the income statement for those derivatives which are not designated as being in effective hedging relationships and would impact the reserves for those derivatives which are highly effective. A 0.5% parallel shift in the interest rate curve used to value the derivatives, with all other variables held constant, would have the following impact:

	2018 £	2017 £
0.5% increase in interest rates		
Impact on hedging reserve	271,600	-
	<u>271,600</u>	<u>-</u>

The 0.5% sensitivity has been selected based on the directors' view of a reasonable interest rate curve movement assumption.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

15. FINANCIAL LIABILITIES

	2018 £	2017 £
Financial assets		
Trade and other receivables	15,879,494	23,737,566
Cash and cash equivalents	2,042,564	356,156
Financial assets measured at amortised cost	<u>17,922,058</u>	<u>24,093,722</u>
Financial liabilities		
Trade and other payables	(21,893,270)	(6,664,242)
Loans	(19,934,284)	(10,684,014)
Financial liabilities measured at amortised cost	<u>(41,827,554)</u>	<u>(17,348,256)</u>
Derivative instruments measured at fair value through other comprehensive income	(36,555)	-
	<u>(41,864,109)</u>	<u>(17,348,256)</u>

FINANCIAL RISKS

Interest rate risk

The group has borrowed in sterling at floating rates of interest and uses interest rate swaps to generate the desired interest profile and to manage the group's exposure to interest rate fluctuations. The bank loan is fixed by an interest rate swap.

Liquidity risk

The group's loans are drawn to fund the construction program. The bank loan expires on 23 September 2020 and the loan from Wood Wharf Finance Company Limited expires on 23 March 2023, which is after the expected practical completion of the building in the final quarter of 2019.

Credit risk

The group restricts the counterparties with which derivative transactions can be contracted and cash balances deposited. This ensures that exposure is spread across a number of approved financial institutions with higher credit ratings.

The carrying amount of financial assets recorded in the financial statements represents the Partnership's maximum exposure to credit risk.

Externally imposed capital requirements

The group is not subject to externally imposed capital requirements.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. DEFERRED TAXATION

	2018 £	2017 £
At beginning of year	1,272,396	-
(Credited)/charged to profit or loss	(422,362)	1,272,396
Credited to other comprehensive income	(6,214)	-
AT END OF YEAR	843,820	1,272,396

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Revaluation of investment properties	1,196,209	1,272,396
Tax losses	(346,175)	-
Revaluation of derivative financial instruments	(6,214)	-
	843,820	1,272,396

17. RELATED PARTY TRANSACTIONS

The group has contracted Vertus A2 Development Company Limited to act as developer for the residential building at 8 Water Street of Wood Wharf, London. During the year £22,392,112 (2017 - £13,118,323) of the additions to the company's investment property were incurred by Vertus A2 Development Company Limited. Vertus A2 Development Company Limited is a wholly owned, indirect subsidiary of Canary Wharf Investment Holdings plc.

Debtor balances with related parties are disclosed in Note 10 and creditor balances with related parties are disclosed in Notes 11 and 12.

The CWG related parties listed therein are wholly owned, indirect subsidiary undertakings of Canary Wharf Group Investment Holdings plc.

18. CONTROLLING PARTY

The Partnership is ultimately controlled as to 50% by a wholly owned subsidiary of Canary Wharf Group Investment Holdings plc, as to 25 % by Brookfield Property Partners LP and as to 25% by Qatar Investment Authority.

Canary Wharf Group Investment Holdings plc is in turn ultimately controlled as to 50% by Brookfield Property Partners LP and as to 50% by Qatar Investment Authority.

WOOD WHARF A2 LIMITED PARTNERSHIP

**PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

		Year Ended 31 December 2018 £	Period From 13 March 2017 To 31 December 2017 £
	Note		
Administrative expenses		(11,830)	(6,923)
Operating loss	(e)	<u>(11,830)</u>	<u>(6,923)</u>
Interest receivable and similar income	(f)	1,004	17,247
Interest payable and similar charges	(g)	(1)	(4)
Profit on ordinary activities before tax		<u>(10,827)</u>	<u>10,320</u>
Taxation	(h)	-	-
Profit for the year		<u>(10,827)</u>	<u>10,320</u>
Other comprehensive income		-	-
Total comprehensive income		<u><u>(10,827)</u></u>	<u><u>10,320</u></u>

The notes on pages 26 to 29 form an integral part of these financial statements.

WOOD WHARF A2 LIMITED PARTNERSHIP

**PARTNERSHIP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	31 December 2018 £	31 December 2017 £
Fixed assets			
Investments	(i)	<u>51,407,299</u>	<u>51,407,299</u>
Current assets			
Debtors	(j)	2,885	1,385
Cash at bank		210,756	209,943
		<u>213,641</u>	<u>211,328</u>
Creditors: Amounts falling due within one year	(k)	(21,447)	(8,307)
Net current assets		<u>192,194</u>	<u>203,021</u>
Total assets less current liabilities		<u>51,599,493</u>	<u>51,610,320</u>
Net assets		<u>51,599,493</u>	<u>51,610,320</u>
Capital and reserves			
Capital account		9,000	9,000
Partner advances		51,591,000	51,591,000
Current account		(507)	10,320
Total comprehensive income		<u>51,599,493</u>	<u>51,610,320</u>

The notes on pages 26 to 29 form an integral part of these financial statements.

Approved by the partners on 29 August 2019 and signed on their behalf by:


A P Anderson II
DIRECTOR

On behalf of Wood Wharf A2 GP Limited

WOOD WHARF A2 LIMITED PARTNERSHIP

PARTNERSHIP STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Capital Accounts £	Partner Advances £	Current Account £
Profit for the period			10,320
Other comprehensive income			-
Total comprehensive income	-	-	10,320
Issue of capital	9,000		
Partner advances		51,591,000	
At 31 December 2017	9,000	51,591,000	10,320
Loss for the year			(10,827)
Other comprehensive income			-
Total comprehensive income	9,000	51,591,000	(507)
At 31 December 2018	9,000	51,591,000	(507)

Amounts are attributable to partners as follows:

Wood Wharf A2 GP Limited	1,000	-	2,000
Canary Wharf A2 SPV1 Limited	4,000	25,795,500	(1,253)
BPY Vertus A2 GP Limited	2,000	12,897,750	(627)
Qatar Holding LLC	2,000	12,897,750	(627)
	9,000	51,591,000	(507)

The notes on pages 26 to 29 form an integral part of these financial statements.

WOOD WHARF A2 LIMITED PARTNERSHIP

**PARTNERSHIP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Year Ended 31 December 2018 £	Period From 13 March 2017 To 31 December 2017 £
Operating loss	(11,830)	(6,923)
Increase in debtors	(1,500)	(1,385)
Increase in creditors	13,140	8,307
Net cash flows from operating activities	<u>(190)</u>	<u>(1)</u>
Cash flows from investing activities		
Acquisition of subsidiaries	-	(51,407,299)
Net bank interest	1,003	17,243
Net cash flows from investing activities	<u>1,003</u>	<u>(51,390,056)</u>
Cash flows from financing activities		
Issue of capital	-	9,000
Partner advances	-	51,591,000
Net cash flows from financing activities	<u>-</u>	<u>51,600,000</u>
Net movement in cash and cash equivalents	813	209,943
Cash and cash equivalents at the start of the period	209,943	-
Cash and cash equivalents at the end of the period	<u>210,756</u>	<u>209,943</u>

The notes on pages 26 to 29 form an integral part of these financial statements.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(a) GENERAL INFORMATION

Wood Wharf A2 Limited Partnership is an English Limited Partnership registered at One Canada Square, Canary Wharf, London, E14 5AB

The partnership heads a group which holds a residential development at 8 Water Street, Wood Wharf, London.

(b) PRINCIPAL ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include investment properties 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

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 Partnership's accounting policies (see Note (c)).

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

Going Concern

Having made the requisite enquiries and assessed the resources at the disposal of the Partnership, the Partners have a reasonable expectation that the Partnership 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.

Investments

Investments in subsidiaries are stated at cost less any provision for impairment.

Income from investments is recognised as the company becomes entitled to receive payment. Dividend income from investments in companies is recognised when received or irrevocably declared.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Financial Instruments

The Partners have taken advantage of the exemption in paragraph 1.12c of FRS 102 allowing the Partnership not to disclose the summary of financial instruments by the categories specified in paragraph 11.41.

(i) Trade and other receivables

Debtors are recognised initially at fair value. A provision for impairment is established where there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of the debtor concerned.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

(c) 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.

For the year ended 31 December 2018, there were no items which the directors believe are significant to the financial statements.

(d) AUDITOR'S REMUNERATION

Auditor's remuneration for the audit of the Partnership for the year ended 31 December 2018 has been borne by a subsidiary undertaking. Of the total for the group, no specific amount was allocated for the audit of the Partnership.

(e) EMPLOYEES

No staff were employed by the Partnership during the year or prior period.

(f) INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2018 £	Period Ended 31 December 2017 £
Bank interest receivable	<u>1,004</u>	<u>17,247</u>

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(g) INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2018 £	Period Ended 31 December 2017 £
Bank interest payable	<u>1</u>	<u>4</u>

(h) TAXATION

No provision for tax has been made as the income earned by the Partnership is taxable in the accounts of the partners.

(i) INVESTMENTS

	Subsidiaries £
At 1 January 2018	51,407,299
At 31 December 2018	<u>51,407,299</u>

The partnership holds 100% of the ordinary share capital of Vertus A2 Holdings Limited, which holds 100% of the ordinary share capital of Vertus A2 Limited. Both companies are registered in England and Wales at One Canada Square, Canary Wharf, London E14 5AB. Vertus A2 Limited holds a long lease over a residential development at 8 Water Street, Wood Wharf, London.

(j) DEBTORS

	2018 £	2017 £
Amounts owed by CWG related parties	191	-
Other debtors	-	1,385
Prepayments and accrued income	2,694	-
	<u>2,885</u>	<u>1,385</u>

Amounts owed by CWG related parties comprise:

Wood Wharf E1/2 GP Limited	191	-
	<u>191</u>	<u>-</u>

Amounts owed to related parties are interest free and repayable on demand.

WOOD WHARF A2 LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(k) CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	2,695	-
Amounts owed to subsidiaries	8,306	-
Amounts owed to CWG related parties	10,446	8,307
	<u>21,447</u>	<u>8,307</u>
Amounts owed by CWG related parties comprise:		
Canary Wharf Limited	10,446	8,307
	<u>10,446</u>	<u>8,307</u>

Amounts owed to related parties are interest free and repayable on demand.

(l) RELATED PARTY TRANSACTIONS

Balances with related parties are disclosed in Notes (j) and (k).

The CWG related parties listed therein are wholly owned, indirect subsidiary undertakings of Canary Wharf Group Investment Holdings plc.

(m) CONTROLLING PARTY

The Partnership is ultimately controlled as to 50% by a wholly owned subsidiary of Canary Wharf Group Investment Holdings plc, as to 25 % by Brookfield Property Partners LP and as to 25% by Qatar Investment Authority.

Canary Wharf Group Investment Holdings plc is in turn ultimately controlled as to 50% by Brookfield Property Partners LP and as to 50% by Qatar Investment Authority.