CANARY WHARF GROUP PLC

Extracted from the Financial Statement of the Group for the year ended 31 December 2013. The 2013 Financial Statement is currently being produced and will be distributed to Shareholders at a later date. The information in this extract does not comprise statutory accounts within the meaning of the Companies Act 2006

HIGHLIGHTS

Significant increase in NAV

- Net assets £2,952.3m at 31 December 2013, an increase of £453.9m or 18.2% from £2,498.4m at 31 December 2012 and an increase of £325.6m or 12.4% from £2,626.7m at 30 June 2013.
- Adjusted NAV per share £5.53 compared with £4.22 at 31 December 2012, an increase of 31.0%, and £4.46 at 30 June 2013, an increase of 24.0%.
- Adjusted NNNAV per share £4.56 compared with £3.11 at 31 December 2012, an increase of 46.6%, and £3.58 at 30 June 2013, an increase of 27.4%.
- Profit before tax £6.7m (2012 – loss of £3.7m).
- Profit after tax £11.1m (2012 – £1.6m).
- Dividend of 6.25p per share paid in December 2013.

Strong growth in portfolio valuation

- Portfolio valuation up 14.9% to £6,571.5m over the year and 9.7% in second half, including land and adjusting for property acquisitions and other capital expenditure.
- Market value of total investment portfolio up 9.6% over the year and 7.1% in the second half.
- Office benchmark initial yield reduced by 25 bps to 4.75%.
- Office investment portfolio valuation up 8.6% over the year, adjusting for acquisitions, and 6.9% in the second half.
- Retail investment portfolio valuation up 14.7% in the year and 8.2% in the second half.

Secure income stream

- Weighted average lease term 14.5 years, or 12.9 years assuming exercise of all break options.
- Lettings at Canary Wharf of approximately 132,000 sq ft, in the year.
- Subsequent to year end, prelet of 207,000 sq ft to EY in 25 Churchill Place at a rent of £48.50 psf.

Secure financial position provides foundation for the Group's strategy

- Average loan maturity of 11.6 years, supported by weighted average lease term.
- Corporate loan to value ratio of 45.3%, based on net debt of £2,980.1m and portfolio valuation of £6,571.5m**.**

Development pipeline progressing well

- **25 Churchill Place** – construction continues on schedule and within budget.
- **Canary Wharf Crossrail station** – on schedule and within budget. Construction continues on 115,000 sq ft of retail space above the station, opening on a phased basis between 2015 and 2018.
- **Retail expansion** – 44,000 sq ft extension of Jubilee Place mall opened in November 2013.
- **Joint ventures:**
  - **20 Fenchurch Street** – 87.0% let or in solicitors' hands.
  - **Shell Centre** – planning inquiry concluded and result awaited.

Active management of the investment portfolio

- **Level39** – Europe's largest Fintech accelerator space opened in March 2013.
- **Level 42** – floor in One Canada Square converted to accommodate high growth companies.
- **7 Westferry Circus** – 177,700 sq ft building on the Estate acquired in March 2013 for £46.6m.
- **15 Westferry Circus** – 171,000 sq ft building on the Estate acquired in July 2013 funded by a £128.0m loan and related swap.
- **Refurbishment of One Canada Square** – completed at cost of £34.0m.

Note: For further information on the above, refer to the Strategic Report.

RESULTS IN BRIEF

	Note	**2013 £m**	2012 £m
Rental income	(i)	**274.3**	263.8
Exceptional item: – refurbishment costs	(i)	**(6.0)**	–
Operating profit	(i)	**199.4**	195.5
Exceptional item: – movement in uneconomic hedge provision	(ii)	**15.7**	(0.9)
Profit/(loss) on ordinary activities before tax		**6.7**	(3.7)
Loss before tax excluding exceptional items	(i)	**(3.0)**	(2.8)
Tax	(iii)	**4.4**	5.3
Profit for the financial year		**11.1**	1.6
Dividend paid	(iv)	**(39.9)**	(115.1)
Basic and diluted earnings per share	(v)	**1.7p**	0.3p

Note:
(i) Refer to Strategic Report.
(ii) Refer to Note 4.
(iii) Refer to Note 5.
(iv) Refer to Note 7.
(v) Refer to Note 9.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

Introduction

We are pleased to report on the 12 months ending 31 December 2013.

During the year, the Group made very strong financial and operational progress and this momentum has continued into 2014. Valuations in 2013 were sharply higher, driven by robust leasing performance across both commercial and retail space, strong demand for investment stock and development sites leading to yield compression and an impact from our strategic decision to pursue residential development. Occupancy rates rose to around 97.0%, the highest level seen across the Group's portfolio since the beginning of the financial crisis. The leasing strength has been reflected beyond the Group's portfolio across the whole Canary Wharf Estate which is home to an increasing mixture of high quality tenants.

As part of the continued drive to diversify the Group's portfolio and give the business greater strength and flexibility, significant steps have been taken to bring major projects in our large London pipeline closer to fruition.

Alongside the expansion of our commercial portfolio, the Group is now making the major strategic step of applying its traditional expertise in the design and construction of office buildings to residential development. We have taken the decision to create a residential portfolio containing homes for both sale and rental. As early evidence of our success in taking this step, on the western side of the Estate, the Group has received a resolution to grant planning permission this month for the 470,000 sq ft, 58 storey Newfoundland building which is of outstanding design quality. This will be the first exclusively residential project on the original Canary Wharf Estate. Meanwhile, on the eastern side of the Estate, a major planning permission has been submitted for a 25 building, 4.9m sq ft mixed use district comprising offices, residences, retail and public spaces. This will be a dynamic environment for residents and office workers alike, offering onsite workplace, community and leisure facilities.

In addition, we have been developing our plans for residential space and offices, for example on the South Bank where initial approval from Lambeth Council and the Greater London Authority was secured during the year for the 1.4m sq ft redevelopment of the Shell Centre comprising two office and 6 residential buildings. This decision has, however, since been called in by the Secretary of State and following an extensive planning inquiry. We are awaiting the outcome of this process.

The Group is positive about the prospects for London property. As a measure of our confidence and the level of market enquiries, we are starting construction of the enabling works for a new building of up to 700,000 sq ft on the eastern section of the Heron Quays West site. We believe that the delivery of much of our market led pipeline is well placed to capitalise on increasing demand and a looming shortfall in supply of both commercial and residential space.

Financial Review

The Group has had a very successful year. The highlights of the year are set out below.

Adjusted NAV up 31.0% year on year
Adjusted NAV per share rose to £5.53 at 31 December 2013, compared with £4.22 at 31 December 2012, an increase of £1.31 or 31.0%. This translated into an increase in the adjusted NAV for Songbird, the Group's majority shareholder, to £2.90 from £2.10 at 31 December 2012 or 38.1%.

The increase in the Group's adjusted NAV in the second half of the year was £1.07 or 24.0% and for Songbird this translated into a 30.0% or 67p increase in adjusted NAV from 30 June 2013.

Adjusted NNNAV per share increased by 46.6% to £4.56 from £3.11 at 31 December 2012 and by 27.4% from £3.58 at 30 June 2013. This translated into an increase in NNNAV for Songbird of 61.6% to £2.36 for the year and of 36.4% for the second half.

Net Assets up by 18.2%
Net assets totalled £2,952.3m at 31 December 2013 in comparison with £2,498.4m at 31 December 2012, an increase of £453.9m or 18.2%. This increase was attributable to a revaluation surplus of £482.7m and the profit after tax for the year of £11.1m, partly offset by the dividend paid of £39.9m. Net assets at the year end were £325.6m or 12.4% higher than at 30 June 2013, primarily as a result of the revaluation surplus in the second half of the year.

Market value of investment portfolio up 9.6% to £5,515.0m
The increase in value of the investment portfolio was driven by an increase of 8.6% in the office portfolio to £4,647.5m and an increase of 14.7% in the retail portfolio to £867.5m. Yields on fully let office properties hardened in the second half of the year by approximately 25 bps and this, combined with strong leasing activity in the period, translated into a second half increase in valuation for the office portfolio of 6.9%. The retail portfolio increased in value by 8.2% in the second half as a combined result of a 15 bps reduction in yields, rental growth and the opening of the Jubilee Place mall extension.

Market value of total portfolio up 14.9% to £6,571.5m

The increase in value of the total portfolio, including development sites, reflected the progress achieved in bringing forward for development key sites such as Newfoundland and Wood Wharf. The development portfolio also benefited from the demand for sites capable of accommodating residential development. The increase in market value in the second half was 9.7%.

Financial Position

At 31 December 2013, the Group had unsecured cash deposits of £422.5m and its weighted average cost of debt was 5.7%. At a corporate level, the Group's ratio of net debt to value was 45.3% and the weighted average maturity of the Group's facilities was 11.6 years. This compares with a weighted average unexpired lease term of 12.9 years assuming exercise of all break options. This ratio has increased by 0.7 years following completion after the year end of the lease to EY. Profit before tax for 2013 was £6.7m in comparison with a loss of £3.7m for the previous year.

Operational Review

Strong leasing activity

The Group has secured material commercial lettings during 2013 and into the current year, while at the same time experiencing continuous demand for its retail space.

The Group is pleased to have virtually fully let 25 Churchill Place, the final building in the original Canary Wharf masterplan. The heads of terms agreement with professional services firm EY announced in November 2013 was completed in February 2014. Under this prelet, EY will take 207,000 sq ft of space under a 25 year lease, at a rent of £48.50 psf.

25 Churchill Place is one of the most sustainable buildings in London. EY will be joined by the EMA, which has exercised an option to take an additional floor and will occupy 280,000 sq ft. Both occupants will benefit from the increasingly vibrant leisure facilities and retail offering at the Estate. Construction of the tower, designed by architects Kohn Pederson Fox, began in February 2012 and remains on time and on budget to open later in 2014.

During 2013, the Group achieved 132,000 sq ft of lettings in One Canada Square and 40 Bank Street to a number of companies including HSBC and Shell and a further 365,000 sq ft was let on the rest of the Estate.

Reflecting widespread and strong demand for space across the whole Canary Wharf Estate, including the letting to EY, over 411,000 sq ft has been let during the first quarter of 2014 of which 321,000 sq ft are lettings and sub lettings in buildings owned by the Group. Over 585,000 sq ft remains under offer on the Estate, of which 106,000 sq ft is being negotiated with the Group. If all these transactions complete, the overall vacancy rate at Canary Wharf Estate will fall to just over 4.3% and to 2.2% for the Group.

These lettings build on the already strong presence of professional services firms at Canary Wharf and demonstrate the attractiveness of the Estate for firms from all sectors. Illustrating this appeal, new arrivals include EY, HS2, The General Pharmaceutical Council and NetNames.

There has also been sustained momentum in office prelets in our joint venture City development with Land Securities. The striking 20 Fenchurch Street development, in the heart of London's insurance district, is now 80.0% let with a further 7.0% under offer. This building remains and will be completed on budget and in March base building practical completion was granted for the drawdown of the tenant leases. The building has proved attractive to a wide number of leading insurance tenants, such as Markel, RSA, Liberty Syndicates, Tokio Marine Kiln, Liberty Mutual Insurance, Lancashire, Ascot Underwriting, Allied World and CNA as well as financial companies, Vanquis and Jane Street Capital. The spectacular Sky Garden with a free span of 52 metres is now visible at the top of this development and will contain 3 floors offering uninterrupted views across London. Access will be free to the public and it will feature a three-tiered landscaped garden, a bar and open air viewing area, a terrace, restaurant and café, offering a new London leisure space with a unique viewpoint.

Retail Performance

The Group continues to demonstrate outstanding retail lettings performance maintaining 100.0% occupancy over the past 3 years. A proactive management strategy continues to enhance the retail and restaurant mix, ensuring it meets the demands of the core office and shopper catchments. Our understanding of these demands has resulted in the sustained increase in footfall and consumer spend experienced at Canary Wharf over recent years, despite difficult conditions in the wider retail market.

The Jubilee Place mall extension, which opened in November 2013, added 44,000 sq ft of retail space to Canary Wharf's existing offer of nearly 300 shops, bars and restaurants. The 25 newly created stores are all fully let to tenants including Cadenzza, Cath Kidson, Pretty Ballerinas, Michael Kors, Banana Republic and The White Company. Meanwhile, over 70.5% of the 86,000 sq ft of leisure and retail space currently being built above the Canary Wharf Crossrail station has already been prelet over a year before it is due to open in May 2015. These new tenants will offer an enlarged leisure experience to the 105,000 strong base of employees and the over 100,000 weekend visitors.

Spacious new units will include a boutique cinema, a live music venue and a sports bar. These facilities will supplement the leisure experiences already enjoyed from more than 120 events held at the Estate each year ranging from free outdoor concerts and food markets to fashion shows and sporting events.

Across the retail portfolio, the Group has achieved material increases in rent in undertaking a considerable number of early lease renewals, demonstrating the successful trading of our tenants at Canary Wharf.

Construction and development pipeline

Canary Wharf Group has one of the largest development pipelines of any London focused developer at around 11.0m sq ft and a history of completing projects on time and on budget. The Group has now built over 16.0m sq ft of office and retail space at Canary Wharf and a further 1.0m sq ft in the City in developments at Drapers Gardens and 20 Fenchurch Street. Closer to the Estate, the Group acted as development manager at the Pan Peninsula residential development. We will be adding to this achievement a variety of developments including the Shell Centre and an array of buildings in Canary Wharf and at Wood Wharf which will appeal to an increasingly diverse tenant base.

Following an extensive 12 month public consultation, the revised masterplan by Allies and Morrison for the Wood Wharf development was submitted to Tower Hamlets Council in December 2013. This ambitious 4.9m sq ft mixed use urban neighbourhood will feature 3,100 new homes for London, including affordable housing, as well as 1.9m sq ft of offices and over 100 shops, restaurants and cafes. The new diverse but complementary range of retail and leisure space will be set in a relaxed high street environment at street level in close proximity to the waterways and landscaped parkland around the Estate. We are already receiving enquiries for this space from both established and independent brands keen to associate with this major new commercial and residential London development.

The first phase will include 884 residential units in three buildings designed by Herzog & de Meuron and Stanton Williams and 2 office buildings designed by Allies and Morrison.

This innovative new project continues the transformation of East London which the Group began 27 years ago. This new development will provide much needed new homes, office and retail space. Plans for the site also include two parks, a primary school, a multi-purpose sports hall, healthcare facility and extensive affordable housing. Meanwhile, the already extensive Arts and Events Programme at Canary Wharf will be expanded to offer a wider range of cultural activities and events in new venues and public spaces. If planning permission is granted, construction is expected to start in the fourth quarter of 2014, with the first buildings completed in 2017.

The newly approved Newfoundland residential development will feature striking steel diamond shapes on the façade and will be the first residential building inside the Canary Wharf footprint. Alongside this development we will provide around 280 associated affordable housing units. Newfoundland will be in direct proximity to the transport links and array of over 300 shops, bars and restaurants available at Canary Wharf. The development will comprise 566 residential units and will incorporate a health club, with swimming pool and spa on floor 24, with superb views across London. The building will be complemented by retail space, car and cycle parking, and landscaping enabling residents to take full advantage of the Estate's facilities. As previously mentioned, the Group received revised outline planning consent for the office development of up to 700,000 sq ft at 10 Bank Street on the eastern side of the Heron Quays West site. Planning application has also been submitted for a second building of up to 700,000 sq ft on the western side of Heron Quays West.

In addition, a revised 650,000 sq ft planning application has also been submitted for One Park Place on West India Avenue, together with details for the scheme designed by Michael Squires & Partners.

There is strong residential demand in London and the Group is building residential space in response to the strength of demand it is seeing in the market. Barring a significant shift in the current supply-demand dynamics, that balance is unlikely to change. The Group is a signatory to the Mayoral Concordat on new homes for Londoners.

Portfolio Diversification

During the course of 2013, Canary Wharf Group added to its portfolio with the acquisitions of 7 and 15 Westferry Circus. 7 Westferry Circus is a 177,700 sq ft building on the Canary Wharf Estate which was acquired in March 2013 for £46.6m. 15 Westferry Circus is a 171,000 sq ft building which was acquired in July 2013 fully funded by a £128.0m loan. As the dominant landlord on the Estate, the Group is uniquely positioned to assess tenant demand across different style and pricing requirements and to reposition assets on the Estate to meet demand.

The Group has been successful in attracting a more diverse set of tenants to the Canary Wharf Estate. Including new lettings made at 25 Churchill Place, the percentage of non-banking tenants now stands at around 40%. An environment conducive to nurturing and growing London's TMT sector companies has been created at Level39 in One Canada Square. This space is Europe's biggest Fintech accelerator space for technology. Just a year after opening, Level39 has proved hugely popular and is now fully let. In response to this success, Level 42 was opened in September to high growth companies expanding from Level39 and has already secured 7 tenants with a further 4 tenants under offer. We have seen further expansion as one of the tenants from Level 42 has now taken an institutional lease on space elsewhere in One Canada Square. The success of these projects has been hugely exciting and we will work hard with these Fintech and retail-tech companies to provide them with space in our portfolio as they grow. The Group has demonstrated its ability to accommodate companies in bespoke buildings throughout their growth phase and into maturity.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT (Continued)

We intend to transfer this ability to the TMT sector and to Wood Wharf which we believe will be a natural fit with the companies of the future.

Sustainability

The Group aims to design, build and manage some of the most sustainable office, residential and retail buildings in London. We are also committed to preventing pollution, and to monitoring and reducing any emissions which may have an adverse impact on the environment or local community. We take our commitment to sustainability seriously and during 2013 the Group achieved a B+ ranking which reflects a rigorous and transparent approach to sustainability reporting. The Group also participates in the EPRA sustainability benchmarking scheme and earlier this year became one of the first 6 companies in the World to achieve certification to the Carbon Trust Waste Standard.

Staff/Board

After 7 years as a Director, Robert Falls left the Board in September to pursue new opportunities in the real estate market. The Board is grateful to Robert for his support and counsel during his time as a director. Robert was replaced by Olivier de Poulpiquet who is a managing director at Morgan Stanley and co-chief executive officer globally of Morgan Stanley Real Estate.

The Board is extremely grateful for the continued dedication and commitment of staff across all levels of the Group, without which the considerable progress made during 2013 would not have been possible.

Conclusion/Outlook

The Board is positive about the prospects in its London commercial and residential markets. International investment continues to be attracted into London and there is clearly a strong appetite for London's high rise developments, one of the Group's strengths. Appetite for residential property is strong and on the commercial side, the market has picked up materially in the past 6 to 9 months, resulting in a number of material lettings for the Group during 2013 and in the year to date, strength that looks likely to be sustained for the foreseeable future. Canary Wharf Group is well positioned with its extensive and diverse pipeline to deliver straight into this demand.

STRATEGIC REPORT

This Strategic Report has been prepared in order to provide additional information to shareholders on the Group's strategic direction.

The Strategic Report contains certain forward looking statements. These statements are made by the Board in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including economic and business risk factors, underlying any such forward looking information.

The Board, in preparing this Strategic Report, has complied with Section 414C of the Act.

This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to the Company and its subsidiary undertakings when viewed as a whole.

A list of defined terms used throughout these financial statements is provided in Definitions.

The Strategic Report covers the following areas:

- Principal activities
- Property portfolio
- Leasing
- Retail
- Construction
- Development
- Joint ventures
- Valuations
- Operating results
- Tax
- Consolidated balance sheet and key performance indicators
- Principal risks and uncertainties
- Treasury objectives and risks
- Going concern

Principal activities

The Group is engaged in property investment and development and is currently primarily focused on the development of the Estate and an adjacent development to the east of the Estate. Elsewhere in London, the Group is involved through joint ventures in the redevelopment of 20 Fenchurch Street and the Shell Centre.

Property portfolio

At 31 December 2013, the Group's investment property portfolio comprised 18 completed properties (out of the 35 constructed on the Estate) totalling approximately 7.4m sq ft of NIA. The properties included in the Group's investment property portfolio at 31 December 2013 are shown in the table below, along with the properties under construction which will increase the portfolio to approximately 8.0m sq ft.

Property address	NIA sq ft	Leased %	**External valuation £m**	Principal tenants and sub tenants
Investment properties:				
One Churchill Place	1,038,500	100.0	**820.0**	Barclays, BGC
10 Cabot Square/5 North Colonnade	634,100	100.0	**450.0**	Barclays, WPP Group
20 Cabot Square/10 South Colonnade	558,100	100.0	**392.0**	Barclays
One Canada Square	1,220,500	87.7	**679.4**	Moody's, Bank of New York Mellon, Mirror Group, FCA, Euler, Metlife
33 Canada Square	562,700	100.0	**405.0**	Citigroup
20 Bank Street	546,500	100.0	**475.0**	Morgan Stanley
40 Bank Street	606,000	92.1	**359.0**	Shell, Skadden, Allen & Overy, ANZ, JLL
50 Bank Street	210,600	91.2	**149.5**	Northern Trust
10 Upper Bank Street	1,027,300	100.0	**780.0**	Clifford Chance, FTSE, Total
7 Westferry Circus	177,700	100.0	**44.5**	EMA
15 Westferry Circus	171,000	100.0	**142.5**	Morgan Stanley
Cabot Place Retail	141,600	100.0	**207.3**	Boots, Tesco, Zara and other retail tenants
Canada Place Retail	71,300	100.0	**209.7**	Gap, Next and other retail tenants
Jubilee Place Retail	137,500	95.7	**201.0**	Banana Republic, Boots, M&S Food, Wagamama and other retail tenants
Churchill Place Retail	34,900	100.0	**21.5**	Barclays, Jamie's Italian and other retail tenants
16 – 19 Canada Square	213,600	100.0	**94.6**	Waitrose Food & Home, Reebok, Plateau Restaurant
Reuters Plaza	8,900	100.0	**21.1**	Carluccio's, Smollensky's
Park Pavilion	22,900	100.0	**23.9**	Lloyds Bank, Canteen, The Parlour, Roka and Wahaca
Car parks	–	–	**39.0**	
Total	7,383,700	97.0	**5,515.0**	
Properties under construction:				
25 Churchill Place	545,000	89.5	**320.0**	
Crossrail Retail	115,000	70.5	**36.5**	
	8,043,700	96.1	**5,871.5**	

At 31 December 2013, the investment property portfolio was 97.0% let, up from 95.5% at the previous year end. The weighted average unexpired lease term for the investment portfolio at 31 December 2013 was approximately 14.5 years, or 12.9 years assuming the exercise of outstanding break options (31 December 2012 – 15.5 years or 14.2 years respectively). This weighted average unexpired lease term excludes 25 Churchill Place, which when completed and let, will serve to increase the weighted average lease term by approximately 0.7 years. Of the square footage under lease at 31 December 2013, 70.0% does not expire or cannot be terminated by tenants during the next 10 years.

As well as the rental income generated from completed properties, income is generated from managing the entire Estate, which in addition to the completed properties owned by the Group at 31 December 2013, includes 17 properties totalling 8.4m sq ft in other ownerships.

Property acquisitions

In March 2013, the Group acquired long leasehold interests in 7 Westferry Circus at Canary Wharf for £46.6m plus SDLT and fees. This building was originally constructed by the Group in 1992 and sold in November 2005 for £96.6m. The building totals 177,700 sq ft across 8 floors and includes 157,100 sq ft of office space and 15,500 sq ft of retail space. The office space is fully let to EMA until December 2014. Following EMA's move to its new offices at 25 Churchill Place, the Group intends to refurbish the office space and market the building. The retail space in the building is fully let to a range of tenants including Starbucks, Pret A Manger and Savills.

STRATEGIC REPORT (Continued)

In July 2013, the Group acquired 15 Westferry Circus, a 171,000 sq ft building on the Estate which is fully let to Morgan Stanley on a lease expiring in August 2026. As consideration for the acquisition, the Group paid approximately £128.0m, fully funded by way of a 3 year loan facility, and assumed a pre existing interest swap which was secured against the building and had an out of the money position of £10.6m. This property was originally constructed by the Group in 2002 and sold in 2005 for a consideration of £134.8m.

As a result of 7 Westferry Circus and 15 Westferry Circus being reacquired, the Group's portfolio has increased by approximately 350,000 sq ft to 7.4m sq ft.

One Canada Square

In the first half of the year, the Group substantially completed an extensive refurbishment of the mechanical and engineering systems in One Canada Square, a multi let building of over 1.2m sq ft at the heart of the Estate. The total spend was approximately £34.0m plus VAT which was incurred over the last 5 years. This total has now been analysed to determine the extent to which works related to repairs or capital expenditure. As a result, it is anticipated that capital allowances will be claimed on approximately £29.0m of expenditure. The balance of £5.0m (or £6.0m including irrecoverable VAT) has been classified as repairs and taken to the profit and loss account in the year. This adjustment is included within cost of sales and disclosed as an exceptional item, but is net asset neutral.

Leasing

After a relatively quiet start to the year, the level of enquiries and tenant presentations increased significantly in the second half.

Shell agreed to lease a further 38,225 sq ft across 2 floors in 40 Bank Street, taking its total space in this building to 225,000 sq ft. The latest lease is at a rent of £36.00 psf for a term of 5 years, subject to a 9 month rent free period and a break option at year 3. Secure Trading, a Fintech company, leased 7,937 sq ft on level 19, at a rent of £40.00 psf on a 10 year lease with a break option at year 5.

In One Canada Square, a total of 81,300 sq ft was let to HSBC on levels 7 to 9. These floors were let in their existing condition at a rent of £35.00 psf for a term of 5 years subject to annual break options after the first 2 years. In addition there have been a number of smaller lettings in One Canada Square at rents in the range of £40.00 – £41.00 psf. Lettings at Canary Wharf during 2013 totalled approximately 132,000 sq ft.

In August 2011, EMA agreed a prelet of 250,000 sq ft at 25 Churchill Place comprising the promenade, ground and levels 1 to 9 at a rent of £46.50 psf commencing 1 January 2015, with 5 yearly upwards only rent reviews. The length of the lease is 25 years with no break options. EMA is receiving the equivalent of a 37 month rent free period in cash, which is being used to pay for EMA's fit out in the building. In February 2014, EMA exercised its option to lease an additional floor (level 10), at a rent of £46.50 psf with a 37 month rent free period from 1 July 2015. This takes EMA's total occupation in the building to 280,000 sq ft.

In February 2014, EY agreed to lease approximately 207,000 sq ft in the building at a rent of £48.50 psf. EY will occupy levels 14 to 21 which leaves just 2 floors unlet, one of which is under option to EMA and one is under option to EY. As part of this transaction, the Group will take an assignment of EY's lease at Becket House, 1 Lambeth Palace Road, London, on 1 July 2015. This comprises 146,000 sq ft of office space on a lease expiring in September 2026 at an average rent of £35.00 psf.

At 20 Fenchurch Street, the Group is acting as joint development manager with Land Securities. The joint venture let 66,300 sq ft to Liberty Syndicates in February 2013, together with 51,000 sq ft to Liberty Mutual. Markel has now taken an additional 24,500 sq ft in the building increasing its total letting to 74,500 sq ft. In addition, 122,500 sq ft of other lettings were achieved, including Lancashire Insurance (27,100 sq ft), Vanquis Bank (26,500 sq ft), Allied World Assurance Company (41,100 sq ft), and Jane Street (27,800 sq ft). A further 78,700 sq ft is under offer. As a result, 87.0% of the space is either let or under offer including all the retail space in the sky garden at the top of the building which is let to Rhubarb.

Level39

Level39 was launched in March 2013 as Europe's largest accelerator space for financial, retail, cyber and future city technologies. Since then, Level39 has developed rapidly following significant media exposure and widespread attendance to events in the space. It has hosted over 200 events (including Wired, PayPal, Microsoft and IBM) with in excess of 25,000 visitors attending. There have been over 500 enquiries and the community has grown from 4 to 68 member companies. The space remains at 100.0% occupancy with additional workstations and private offices due to be installed to accommodate demand.

As a result of this growth, level 42 was opened in September 2013 to enable Level39's high growth technology companies of more than 8 employees to transition to their own self contained office. Level 42 has grown to 7 companies occupying 60 desks with further growth in team numbers and new companies expected throughout 2014.

Retail

Retailers in Canary Wharf enjoyed a strong finish to 2013, with increased sales during the crucial Christmas trading period. Footfall in November and December increased significantly and demand for additional space from both existing and new tenants strengthened throughout the year.

The Group continues to actively asset manage the existing retail portfolio. Moleskine will open their first UK store in Cabot Place at Easter following The White Company's successful upsize to the Jubilee Place mall extension. In Canada Place, Boots expanded into an adjoining unit to enable them to offer a more extensive range of cosmetics.

High profile bar and restaurateur ETM Group opened 'One Canada Square', their new restaurant in the lobby of the main tower. It both complements and adds to the extensive restaurant offer which already exists at Canary Wharf.

The Jubilee Place mall extension of 44,000 sq ft opened for trade in November 2013. New international retailers here include Banana Republic, Cos, Bare Minerals, Rituals, Oliver Bonas, Tiger of Sweden, Wolford, Le Pain Quotidien, Pretty Ballerinas, Godiva and Asics. These offerings were blended with niche, London focused retailers Orlebar Brown, Monica Vinader, Cath Kidston and Emmett Shirts. Subsequent to the year end, Mac, Michael Kors and Paul have opened for trade and will be joined by Barbour International in April. The enlarged Jubilee Place mall is enjoying stronger footfall and two asset management initiatives have been implemented to freshen the tenant mix in the original mall.

The top 4 levels of the Crossrail station, which accounts for 96,000 sq ft out of the total 115,000 sq ft of space, will open in May 2015, ahead of the anticipated station opening in 2018. As at 31 December 2013, 12 lettings had been exchanged or were in solicitors' hands representing 56.0% by area. Since then a further 3 lettings have been agreed increasing the percentage either let or in solicitors' hands to 70.5% of the accommodation opening in 2015.

Construction

As well as the retail expansion projects, work continued towards completion of 25 Churchill Place, a new 545,000 sq ft office building to be occupied by EMA and EY. Work on the building began in February 2012 and the structure was formally topped out in February 2013. Cladding and building services installation are complete and undergoing testing. Construction is on schedule for delivery with the EMA floors fitted out in mid 2014.

In addition to the construction projects at Canary Wharf, the Group is also acting as construction manager for the development at 20 Fenchurch Street (see Strategic Report – 20 Fenchurch Street) and for the redevelopment of the Shell Centre (see Strategic Report – Shell Centre).

Crossrail

Construction commenced on the Canary Wharf Crossrail station in May 2009 and has progressed ahead of schedule. The station will be delivered to CRL for a fixed price of £350.0m and the Group bears the risk for the difference between actual costs and the fixed price payable by CRL. The Group's contribution to construction of the station will be credited against any Crossrail Section 106 and/or CIL contributions for certain agreed development sites on the Estate (comprising North Quay, Heron Quays West, Newfoundland and Riverside South) which may be required as part of the London Plan. Accordingly, any costs borne by the Group on construction of the station have been allocated to these development properties.

The project is performing well against budget. The tunnel boring machines have passed through the station and the platform levels handed back to the Group for the next phase of works. The first trains are due to run in 2018 when Crossrail opens for passenger service. The structure is complete and internal works are well advanced. Work is now progressing on the retail levels above the station and the feature roof, which is almost complete.

Development

Wood Wharf

In January 2012, the Group acquired full control of the Wood Wharf joint venture and entered into a new overriding 250 year lease of the site.

The Group secured 100.0% ownership of Wood Wharf by combining its original 25.0% effective interest with the 75.0% interests acquired from its joint venture partners, CRT and Ballymore. It also agreed the restructuring of CRT's ongoing participation as freeholder of Wood Wharf. As a result, the Group now has control over the timing and design of the scheme.

Wood Wharf will be a new mixed use development scheme adjacent to the existing Estate. In May 2009, the current master plan received planning consent for 4.6m sq ft net. This consent, which was renewed in 2012 and represents an area almost one third of the size of the Estate, currently comprises approximately 1.25m sq ft of residential, 3.1m sq ft of offices, 0.2m sq ft of retail and a 0.2m sq ft hotel. Having gained full control of the scheme, the best uses for the site have been reviewed, leading to an alteration to the mix of uses in favour of residential, reducing the size of individual office buildings to appeal to new target sectors and to integrate and connect this new district to the existing Estate.

An application for a revised outline planning consent reflecting this mix was submitted in December 2013 for a 4.9m sq ft mixed use development comprising 3,100 residential units, around 1.9 sq ft of commercial and 270,000 sq ft of retail space. In addition, design work is proceeding on the first phase of private and affordable residential property and on 2 office buildings.

Other sites

Heron Quays West currently has consent for an office scheme of over 1.3m sq ft. However, in view of changing market conditions, the Group has reviewed alternative development options and in July 2013 submitted an application for an office development comprising approximately 700,000 sq ft on the eastern half of the site. Outline consent for this scheme was awarded on 30 August 2013. The Group is now working on the submission of detailed planning for the scheme. An application has also been made for outline consent on a second 700,000 sq ft office development on the western half of the site and this is currently being considered by LBTH.

In March 2014, the Group received planning consent for a residential scheme on the adjacent Newfoundland site subject to concluding a Section 106 agreement. The scheme extends to 470,000 sq ft over 58 floors and replaces the existing consent for 230,000 sq ft of hotel and serviced apartments. Construction is anticipated to start in mid 2014 and initial utility works are already underway.

One Park Place benefits from planning consent for approximately 950,000 sq ft of development. However, in December 2013 the Group submitted a new application for a revised scheme of approximately 650,000 sq ft. This scheme is being considered by LBTH and is expected to receive consent in mid 2014.

The remaining development site at North Quay has planning consent for almost 2.4m sq ft of office space. However, this is being reviewed to determine whether an alternative mixed use scheme would be more appropriate.

In summary, the total development capacity at each of the Group's development sites, excluding sites under development, is currently as follows:

	NIA m sq ft
Total development pipeline:	
Canary Wharf, based on existing and/or proposed consents:	
– Heron Quays West	1.40
– North Quay	2.39
– Newfoundland	0.48
– One Park Place	0.65
– Wood Wharf	4.90
	9.82
Sold to J.P. Morgan:	
– Riverside South (the Group acting as development and construction manager)	1.90
In joint venture with Qatari Diar:	
– Shell Centre (see Strategic Report – Shell Centre)	1.40

The site at Riverside South was acquired by J.P. Morgan in November 2008 and the Group was appointed to act as development and construction manager under a contract with a term to October 2016. The contract includes a right of first offer in the event J.P. Morgan decides to sell the site. In 2012, J.P. Morgan instructed the Group to proceed with the next phase of infrastructure works consisting of river wall protection, utilities installation and the lower ground level floor slabs. These works are now substantially completed and J.P. Morgan has agreed that the riverside walkway should be reopened until the next stage of construction commences.

The Group has received £76.0m as an advance of developer's profit in conjunction with the development. This sum will be set against the Group's entitlement to future profits should J.P. Morgan proceed with full construction.

Joint ventures

20 Fenchurch Street

In 2010, the Group and Land Securities formed 20 FSLP, a 50:50 joint venture to develop 20 Fenchurch Street in the City. After syndication, the Group has retained a 15.0% equity interest in this project. Canary Wharf Contractors Limited, a wholly owned subsidiary of the Group, was appointed as sole construction manager. Land Securities and the Group were appointed as joint development managers and both are responsible for leasing.

Planning consent for a 37 storey building was granted in October 2009. The building will provide approximately 690,000 sq ft of world class space in floor plate sizes of 14,000 sq ft to 28,000 sq ft, with a sky garden on the top 3 floors. Construction commenced on site in January 2011 and is progressing on schedule and within budget. The building was topped out at the end of 2012 and the cladding is substantially completed. The development remains on schedule to achieve practical completion for tenant fitout in April 2014, with the first tenant due to move in shortly afterwards.

A solar glare issue was identified in the third quarter of 2013. A solution has been identified and was submitted to the planning authority in February 2014. The joint venture expects that this will be installed during 2014 and completed within the overall budget for the development.

As referred to in Strategic Report – Leasing, the building is currently 87.0% prelet or under offer. The joint venture has now set up the property management team, ready to take over the building on completion.

Shell Centre

In July 2011, the Group and Qatari Diar concluded a 50:50 joint venture agreement to redevelop the Shell Centre. The joint venture agreed to pay £300.0m to secure the 5.25 acre site on a 999 year lease. Of this total, £30.0m was paid on exchange of the agreement with Shell and the balance is conditional on planning permission being received for the project within 3 years.

The Group will act as construction manager for the project and is also joint development manager with Qatari Diar. The joint development manager fees generated from the transaction are being apportioned between the parties.

The development will be mixed use, comprising office, residential and retail space, which will regenerate an important section of the South Bank in central London. The existing 27 storey tower in the middle of the Shell Centre will be preserved and retained by Shell. Shell initially agreed to take a 210,000 sq ft prelet of one of the 2 new office buildings to be constructed on the site but have subsequently agreed to increase the lease to the full 245,000 sq ft available in the building. In total the redevelopment will comprise 523,000 sq ft of office space, 79,000 sq ft of shops, restaurants, cafes and a health club, together with 835,000 sq ft of residential, creating 877 homes.

In May 2013, a resolution to grant planning permission was achieved subject to finalising a Section 106 agreement and stage 2 referral to the GLA and Secretary of State. In July the GLA issued its stage 2 report endorsing Lambeth's right to determine the application and support the development plans. Subsequently, in September 2013, the joint venture was notified that the Secretary of State had called in the planning application. The planning inquiry concluded in December 2013 and we understand that the planning inspector submitted his report to the Secretary of State in the last week of February.

Valuations

The net assets of the Group, as stated in the Consolidated Balance Sheet at 31 December 2013, were £2,952.3m. In arriving at this total:

(i) properties held as investments were carried at £5,457.2m, which represents the market value of those properties of £5,515.0m at that date as determined by the Group's external valuers, CBRE, Savills or Cushman, less an adjustment of £57.8m for tenant incentives;

(ii) properties under construction were carried at £251.1m, representing their cost to the Group; and

(iii) properties held for development were carried at £358.7m, representing their cost to the Group.

At 31 December 2013, the yields applied in deriving the market valuation of the investment properties were as follows:

	31 December 2013 %	30 June 2013 %	31 December 2012 %
Office portfolio:			
Weighted average initial yield:			
– excluding 7 Westferry Circus and 15 Westferry Circus	**5.0**	5.0	5.0
– including 7 Westferry Circus and 15 Westferry Circus	**5.2**	5.3	–
Weighted average equivalent yield	**5.1**	5.3	5.4
Retail portfolio:			
Weighted average initial yield	**4.4**	4.8	5.0
Weighted average equivalent yield	**4.8**	5.0	5.1

The weighted average initial yield for the portfolio at 30 June 2013 was impacted by the acquisition of 7 Westferry Circus in March 2013, let on a lease expiring in December 2014. Excluding this acquisition, the weighted average initial yield for the remainder of the portfolio at 30 June 2013 was 5.0%, unchanged from 31 December 2012. 15 Westferry Circus was acquired in July 2013 and is let on a lease expiring in 2026.

In the second half of 2013, the investment market continued to r0ecover strongly and this resulted in a 25bp reduction to 4.75% in the benchmark initial yield applied to properties let on long leases. This served to increase the value of such properties as One Churchill Place which is let to Barclays and 33 Canada Square which is let to Citibank, by approximately 5.0%.

Larger increases in value were, however, recorded on 10 Cabot Square and 20 Cabot Square which both benefit from RPI linked rent reviews.

Elsewhere in London, the transactions in relation to Broadgate and More London have served to demonstrate the depth of demand for larger lot sizes let to good covenants. This has helped to drive the valuations at Canary Wharf, particularly for 10 Upper Bank Street, a 1 million sq ft building let to Clifford Chance until 2028. Taking these factors into account, the overall increase in the valuation of the office portfolio in the second half, excluding acquisitions, was 6.9%. The total increase for the year was 8.6%.

The retail investment portfolio also performed strongly with market value increasing by 14.7% over the year, of which 8.2% was in the second half. The increase in valuation was driven by a combination of a 15bp reduction in yields in the second half, rental growth and the opening of the Jubilee Place mall extension.

Taking office and retail together, the market value of the investment portfolio increased by £465.5m or 9.6% in the year and by 7.1% in the second half, excluding acquisitions. After allowing for capital expenditure, including the acquisitions of 7 Westferry Circus and 15 Westferry Circus, and adjustments in respect of lease incentives, the carrying value of the investment portfolio increased by £482.7m over the year or 9.7%.

The properties under construction were valued at £356.5m in comparison with an aggregate historical cost of £251.1m. The increase in valuation of these sites reflects their stage of construction and letting at the year end. In the case of 25 Churchill Place, the full benefit to the valuation of the EY transaction will not be seen until the 2014 interim results.

The valuers have also provided their opinions of the market value for sites held for development, which comprised North Quay, Heron Quays West, Newfoundland, One Park Place and Wood Wharf. These sites were valued in aggregate at £700.0m at 31 December 2013, in comparison with £415.0m at 31 December 2012. The significant increase in value reflects the demand for sites capable of accommodating residential development. The valuation at the year end is equivalent to a value of £74.00 psf of developable space in comparison with significantly higher land values in the City. The Group therefore believes that its sizeable land bank is a significant competitive advantage in the current market.

Notwithstanding recent increases in value, the market value of one of the development sites remains below its carrying value. In assessing the requirement for an impairment provision, the directors have had regard to the net realisable value of the sites as supplied by the external valuers. On this basis the Board has concluded that no provision for impairment is required as at 31 December 2013.

The market value of the entire property portfolio, after adjusting for property acquisitions and other capital expenditure, increased by £850.1m or 14.9% in the year and by 9.7% in the second half. This increase in value was driven by the factors stated previously.

As previously disclosed, a number of properties are subject to leases back to the Group. These have been taken into account in the valuations summarised in the following table, which shows the carrying value of the Group's properties for accounts purposes in comparison with the supplementary valuations provided by the external valuers.

	Note	**31 December 2013** Carrying value £m	**31 December 2013** Market value in existing state £m	30 June 2013 Carrying value £m	30 June 2013 Market value in existing state £m	31 December 2012 Carrying value £m	31 December 2012 Market value in existing state £m
Retained portfolio: Investment properties	(i)	**5,457.2**	**5,515.0**	4,957.5	5,020.5	4,783.6	4,862.5
Properties under construction		**251.1**	**356.5**	205.5	212.5	143.3	137.5
Properties held for development		**358.7**	**700.0**	354.6	440.0	351.0	415.0
		6,067.0	**6,571.5**	5,517.6	5,673.0	5,277.9	5,415.0
Sold property: Property under construction at Riverside South	(ii)	**75.2**	**151.2**	70.0	143.1	69.6	139.7
		6,142.2	**6,722.7**	5,587.6	5,816.1	5,347.5	5,554.7

Note:

(i) The carrying value of investment properties represents market value less an adjustment for UITF 28. The UITF 28 adjustment attributable to investment properties at 31 December 2013 was £57.8m (30 June 2013 – £63.0m, 31 December 2012 – £78.9m). Market value in existing state is shown prior to this adjustment.

(ii) The carrying value in the balance sheet at 31 December 2013 is stated net of £79.4m transferred to cost of sales (30 June 2013 – £70.3m, 31 December 2012 – £66.6m) and £4.2m transferred to payments on account (30 June 3013 – £0.3m, 31 December 2012 – £3.0m). Market value in existing state includes the present value of the minimum developer's profit which will be generated from the development of the Riverside South site, assuming J.P. Morgan does not proceed with full build out, and excludes the profit already recognised in the profit and loss account on the disposal of the site in 2008.

All of Canary Wharf Group's properties are valued externally by qualified valuers, with office properties and future development sites valued by either CBRE or Savills and retail properties valued by Cushman & Wakefield.

Operating results

The following review of the Group's operating results relates to the year ended 31 December 2013. The comparatives relate to the year ended 31 December 2012.

Turnover is generated primarily by the rents and service charges earned by the Group from its property interests on the Estate, together with the recognition of amounts in respect of work performed under long term contracts and fees earned from construction and development management agreements.

Turnover for 2013 was £364.3m against £335.3m for 2012, of which rental income, after the adjustments required by UITF 28, was £253.2m (2012 – £233.1m).

The impact of UITF 28 was to reduce rental income by £21.1m compared with £30.7m for 2012. Excluding the impact of UITF 28, rental income increased from £263.8m in 2012 to £274.3m in 2013, an increase of £10.5m or 4.0%, of which £9.4m was attributable to the acquisitions of 7 Westferry Circus and 15 Westferry Circus during the year. The balance of the increase was attributable to increased retail rents.

Service charge income reduced from £79.4m for 2012 to £77.1m for 2013, a reduction of £2.3m or 2.9%. However, miscellaneous income, including insurance rents, the provision of tenant specific services outside the standard service charge and fees recognised on the provision of development and construction management services, increased from

£16.9m for 2012 to £20.2m for 2013. During 2013, the Group recognised £1.0m of income in connection with the termination by tenants of certain leases on the Estate (2012 – £0.3m).

Turnover and cost of sales for 2013 also included £12.8m recognised on the long term contract for Riverside South (Note 10) compared with £5.6m in 2012. No profit has been recognised on this long term contract although the potential surplus has been taken into account in calculating adjusted NAV (see Strategic Report – Balance sheet and key performance indicators).

Cost of sales includes rents payable, property management costs including refurbishment and repair costs, movements on provisions for certain lease commitments, as well as costs recognised on construction contracts.

STRATEGIC REPORT (Continued)

In the first half of the year the Group substantially completed the refurbishment of the mechanical and engineering systems in One Canada Square and determined that £6.0m of the total cost of £34.0m plus VAT should be classified as repairs and taken to cost of sales in the year. The remainder of the costs have been capitalised and included as additions to investment properties within fixed assets as they were incurred. The £6.0m taken to cost of sales has been shown as an exceptional item.

Excluding the adjustment to One Canada Square referred to above, rents payable and property management costs were £100.1m for 2013 in comparison with £96.1m for 2012. Taking into account service charge and miscellaneous property income totalling £94.2m for 2013 (2012 – £93.3m), a deficit was recorded on property management of £5.9m (2012 – £2.8m). This deficit was attributable to unlet space on which service charges were not recoverable.

Cost of sales for 2013 also included £3.5m of ground rent payable in relation to Wood Wharf (2012 – £2.9m) and £1.0m of costs attributable to the termination of leases (2012 – £0.9m).

An increase in provisions of £0.6m (before any adjustment for discounting) was recognised in 2013 relating to certain rent support commitments and other obligations (2012 – £0.6m).

Gross profit (net property income) for 2013 was £240.3m, an increase of £11.1m in comparison with 2012. The improvement was largely attributable to the increase in rental income recognised after adjusting for UITF 28 of £20.1m, offset by the £6.0m refurbishment adjustment in relation to One Canada Square and the increase in service charge voids of £3.1m.

Administrative expenses for 2013 were £43.3m in comparison with £36.0m for 2012. The increase in administrative expenses was in part attributable to a £3.3m charge recognised in relation to an allocation of shares to certain directors and senior employees of the Group in the year. In addition, professional fees were higher in the year, primarily as a result of fees incurred in pursuing a claim against Lehman Brothers Inc. as a guarantor of the Lehman lease at Canary Wharf. Leasing costs were also higher as a result of the lease up of the retail expansion projects.

Including other operating income of £2.4m for 2013 (2012 – £2.3m), operating profit for the year was £199.4m in comparison with £195.5m for 2012. The net increase in operating profit of £3.9m was largely attributable to the factors impacting on gross profit and administrative expenses detailed above.

Net interest payable for 2013, excluding exceptional items, was £207.3m against £198.3m in 2012. Interest payable for 2013 has been stated net of £14.2m which has been capitalised and transferred to properties under construction within fixed assets in accordance with FRS 15 (2012 – £6.3m). This amount represents the finance charge relating to the Group's borrowings which are deemed to have been utilised in financing the properties under construction. The increase in net interest payable was largely attributable to the additional facilities taken out to fund the acquisitions of 7 Westferry Circus and 15 Westferry Circus. In addition, interest receivable was £4.3m lower than the previous year.

In April 2009, the Group repurchased an aggregate principal amount of £119.7m of certain Notes. These Notes remain in issue and continue to be fully hedged in accordance with the terms of the securitisation. However, from the perspective of the consolidated accounts the hedges relating to the repurchased Notes are deemed to be uneconomic and are therefore carried at fair value. The movement in the mark to market of the hedges in 2013 of £15.7m (2012 – loss of £0.9m) has been treated as an exceptional item (Note 4).

The profit on ordinary activities before tax for 2013 was £6.7m in comparison with a loss of £3.7m for 2012. Excluding exceptional items, the loss on ordinary activities before tax for 2013 was £3.0m in comparison with a loss of £2.8m for 2012.

Tax for 2013 comprised a corporation tax charge of £6.1m (2012 – credit of £7.5m) and a deferred tax credit of £10.5m (2012 – charge of £2.2m) (Note (5)).

Profit after tax for 2013 was £11.1m in comparison with a profit of £1.6m for 2012. Basic and diluted earnings per share for 2013 were 1.7p in comparison with 0.3p for 2012 (Note (9)).

Excluding the exceptional items totalling £9.7m and tax relief of £1.6m thereon, adjusted earnings per share for 2013 were 0.5p (2012 – earnings per share of 0.3p after excluding exceptional items of £0.9m and tax relief thereon of £0.3m). No further adjustment is made to adjusted earnings per share for deferred tax other than for the deferred tax which is directly applicable to the exceptional items. The weighted average number of shares in issue was 639.0m at both 31 December 2013 and 31 December 2012. There were no instruments which gave rise to a dilution of earnings as defined by FRS 22 at either 31 December 2013 or 31 December 2012.

Tax

If the Group were to dispose of its property portfolio at the market value disclosed in this Strategic Report, a tax liability of £240.8m would arise (31 December 2012 – £127.5m). This amount includes tax on trading profits and net chargeable gains that would arise on the sale of properties under construction and properties held for development, including land interests. This contingent liability is included in calculating adjusted NNNAV. The liability is stated after taking into account the tax liabilities relating to deferred accounting profits on the property under construction held for sale.

STRATEGIC REPORT (Continued)

Consolidated balance sheet and key performance indicators

On the basis of the Group's statutory balance sheet, which does not reflect any revaluation of properties held for development or under construction, net assets at 31 December 2013 were £2,952.3m in comparison with £2,498.4m at 31 December 2012 and £2,626.7m at 30 June 2013. The increase in NAV over the year of £453.9m or 18.2% was attributable to a revaluation surplus of £482.7m and the profit after tax for the year of £11.1m, partly offset by the dividend paid of £39.9m. The increase in NAV since 30 June 2013 was £325.6m or 12.4%, net of the dividend of £39.9m paid in December 2013.

The Group's main objective is to maximise net assets through managing its property investment and development activities, although the Group is impacted by movements in the wider property market. The Board considers that the most appropriate indicator of the Group's performance is the movement in adjusted NAV per share. This measure serves to capture the Board's judgements concerning, inter alia, letting strategy, redevelopment and financial structure.

Adjusted NAV takes into account the valuation of properties under construction and properties held for development which are held in the balance sheet at cost including the Group's share of properties being developed by joint ventures. It also adds back the provision for deferred tax required by accounting standards but which, in the judgement of the Board, is for the most part unlikely to crystallise.

Adjusted NAV per share at 31 December 2013 is set out in the table below, which for comparison purposes also includes adjusted NNNAV per share.

	Note	**31 December 2013 £m**	30 June 2013 £m	31 December 2012 £m
Net assets per consolidated balance sheet		**2,952.3**	2,626.7	2,498.4
Add back:				
– deferred tax		**3.2**	8.9	13.7
– provision for uneconomic hedge	(i)	**30.8**	35.5	46.5
Net assets prior to deferred tax		**2,986.3**	2,671.1	2,558.6
Revaluation of property portfolio:				
– properties held for development	(ii)	**341.3**	85.4	64.0
– properties under construction	(ii)	**105.4**	7.0	(5.8)
– properties under construction held for sale	(iii)	**76.0**	73.1	70.1
Group's share of revaluation of associate's property under construction	(iv)	**21.9**	15.5	11.2
Adjusted NAV		**3,530.9**	2,852.1	2,698.1
Fair value adjustments in respect of financial assets and liabilities less tax thereon	(v)	**(344.8)**	(391.6)	(522.8)
Contingent tax on property disposals	(vi)	**(240.8)**	(128.4)	(127.5)
Undiscounted deferred tax	(vii)	**(1.9)**	(8.3)	(12.8)
Uneconomic hedge	(i)	**(30.8)**	(35.5)	(46.5)
Adjusted NNNAV		**2,912.6**	2,288.3	1,988.5
Adjusted net assets per share	(viii)	**£5.53**	£4.46	£4.22
Adjusted NNNAV per share	(viii)	**£4.56**	£3.58	£3.11

Note:

(i) Adjusted NAV is calculated after adding back the provision in respect of uneconomic hedges (Note 17) of £30.8m (30 June 2013 – £35.5m, 31 December 2012 – £46.5m). These hedges relate to certain Notes which were repurchased by the Group in 2009 but which remain in issue and continue to be fully hedged by the issuing subsidiary and are deemed to be uneconomic. As the Board does not consider this item to be a liability of the Group that will crystallise, for the purposes of calculating adjusted NAV the adjustment for the uneconomic hedge provision has been added back. In calculating NNNAV per share, the full provision in respect of uneconomic hedges has been deducted.

(ii) Revalued at market value in existing state.

(iii) Deferred profit on construction of Riverside South (refer to Strategic Report – Valuations).

(iv) Revalued to market value in existing state at 30 September 2013.

(v) Refer to Note 16(13).

(vi) Refer to Strategic Report – Tax.

(vii) Refer to Note 17.

(viii) Calculated by reference to the closing number of shares of 639.0m at each balance sheet date. There were no dilutive instruments outstanding at any of the balance sheet dates.

Adjusted NAV per share was £5.53 at 31 December 2013 in comparison with £4.22 at 31 December 2012, an increase of £1.31 or 31.0%. There was also a £1.07 or 24.0% increase from £4.46 at 30 June 2013. These increases in adjusted NAV per share were primarily attributable to the revaluation surplus and the profit for the year, partly offset by the dividend payment of 6.25p per share in December 2013.

In arriving at adjusted NAV per share the provision recognised in accordance with FRS 19 has been added back. In calculating NNNAV per share, however, the full undiscounted liability has been deducted, along with the contingent tax payable on disposal of properties at their revalued amount. NNNAV per share also factors in the fair value of financial assets and liabilities.

Principal risks and uncertainties

Continuous monitoring of the principal risks and uncertainties facing the business of the Group is undertaken through regular assessment and formal quarterly reports to the audit committee and Board. The Board and audit committee focus on the risks identified as part of the Group's systems of internal control which highlight, amongst others, key risks faced by the Group and allocate specific day to day monitoring and control responsibilities as appropriate. The current key risks of the consolidated Group include the cyclical nature of the property market, concentration risk, financing risk and policy and planning risks.

Cyclical nature of the property market
The valuation of the Group's assets is subject to many external economic and market factors. Following the turmoil in the financial markets and uncertainty in the Eurozone of recent years the London real estate market had to cope with a decline in demand and a potential oversupply of office space. The possible oversupply of available space in the market was, however, mitigated by the difficulty in securing finance for speculative development leading to reduced supply. The market was assisted by the continuing presence of overseas investors attracted by the relative transparency of the real estate market in London which is still viewed as both stable and secure. The market has also been underpinned by continuing demand for sites capable of incorporating residential development. In the latter half of 2013, there was strong evidence of increasing demand for office space and a related increase in confidence in the office real estate market. Changes in financial and property markets are kept under constant review so that the Group can react appropriately and tailor the business plans of the Group accordingly.

Concentration risk
The majority of the Group's real estate assets are currently located on or adjacent to the Estate with a majority of tenants linked to the financial services industry. Wherever possible steps are taken to mitigate or avoid material consequences arising from this concentration and to diversify the tenant base. Although the focus of the Group has been on and around the Estate, where value can be added the Group will also consider opportunities elsewhere. The Group is involved in joint ventures developing 20 Fenchurch Street and the Shell Centre and is also reviewing the current consents for development. This review has already led to an increased focus on residential development as reflected in the revised composition of the proposed master plan for the mixed use development on land immediately east of the Estate.

Financing risk
The broader economic cycle inevitably leads to movements in inflation, interest rates and bond yields. Further details on the management of treasury risk can be found in Strategic Report − Treasury objectives and risks.

Policy and planning risks
All of the Group's assets are currently located within London. Appropriate contact is maintained with local and national government, but changes in governmental policy on planning or tax could limit the ability of the Group to maximise the long term potential of its assets. These risks are closely monitored.

Treasury objectives and risks

The principal objectives of the Group's treasury function are to ensure the availability of finance to meet the Group's current and anticipated requirements and to minimise the Group's cost of capital. The treasury function operates as a cost centre rather than a profit centre and does not engage in trading of financial instruments.

The Group's financial instruments, other than derivatives, comprise borrowings, cash and liquid resources and various items such as trade debtors and trade creditors that arise directly from its operations. The Group enters into derivative transactions (principally interest rate swaps) only in order to manage the interest rate risk arising from the Group's variable rate borrowings. The Board reviews and agrees policies for managing the risks associated with the Group's financial instruments and these policies, which have been applied consistently throughout the year, are summarised in the following paragraphs.

Interest rate risk
The Group finances its operations through a mixture of surplus cash, bank borrowings and debentures. The Group borrows in sterling at floating rates of interest and then uses interest rate swaps to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. The Group's policy is to keep the majority of its borrowings at fixed rates and at both 31 December 2013 and 31 December 2012 substantially all of the Group's borrowings were fixed after taking account of interest rate hedging and cash deposits held as cash collateral (see Note 16(12)).

Liquidity risk

The Group's policy is to ensure continuity of funding and at 31 December 2013 the average maturity of the Group's debt was 11.6 years (2012 – 13.0 years). Shorter term flexibility historically has been achieved by holding cash on deposit and through construction facilities typically with a term of 3 to 5 years arranged to fund the development of new properties. Other than the Group's £350.0m retail loan facility, and a loan facility assumed as part of the acquisition of Wood Wharf in 2012 with an outstanding balance of £4.1m, none of the Group's facilities matures before December 2014.

Loan covenants

The Group's loan facilities are subject to financial covenants which include maximum LTV ratios and minimum ICRs. The key covenants for each of the Group's main facilities are as follows:

(i) CWF II securitisation, encompassing 7 investment properties representing 63.3% of the investment property portfolio by value. The principal amount outstanding at 31 December 2013 was £2,285.7m or £2,166.0m excluding the repurchased Notes.

Maximum LMCTV ratio of 100.0%. Based on the valuations at 31 December 2013, the LMCTV ratio at the interest payment date in January 2014 would have been 63.4%.

The securitisation has no minimum ICR covenant. The Group has the ability to remedy a breach of covenant by depositing eligible investments (including cash). The final maturity date of the securitisation is 2035, subject to earlier amortisation on certain classes of Notes.

(ii) Loan of £541.1m secured against One Churchill Place, representing 14.9% of the investment property portfolio by value.

This facility is not subject to any LTV or ICR covenants and has a final maturity of 2034, subject to amortisation over that term.

(iii) Loan of £350.0m secured against the retail and infrastructure parking properties of the Group, representing 15.7% of the investment property portfolio by value.

Maximum LTV ratio of 70.0%. Based on the valuations at 31 December 2013, the LTV was 40.7%.

Minimum ICR covenant of 120.0%. The covenant was satisfied throughout the year. The Group has the ability to remedy any potential breach of covenant by depositing cash.

The facility repayment date is 17 December 2014.

(iv) Loan of £92.3m secured against 50 Bank Street, representing 2.7% of the investment property portfolio by value.

Maximum LTV ratio of 75.0% for the first 3 years of the loan, reducing to 72.5% thereafter. Based on the valuation at 31 December 2013 the LTV was 61.7%.

The minimum ICR covenant is 150.0%. The covenant was satisfied throughout the year.

The facility repayment date is 7 June 2016.

(v) Construction loan facility of £190.0m secured against 25 Churchill Place.

Maximum LTV ratio of 65.0%, based on the projected valuation at completion, and maximum loan to cost ratio of 65.0%. These covenants were satisfied throughout the year.

(vi) Loan of £26.0m secured against 7 Westferry Circus, representing 0.8% of the investment property portfolio by value.

Maximum LTV ratio of 65.0%. Based on the valuations at 31 December 2013, the LTV was 58.4%. This facility is not subject to any ICR covenant.

The facility repayment date is 5 September 2018.

(vii) Loan of £126.5m secured against 15 Westferry Circus, representing 2.6% of the investment property portfolio by value.

The minimum ICR covenant is 100% which was satisfied throughout the period. The loan is not subject to any LTV covenant.

The facility repayment date is 25 April 2016. STRATEGIC REPORT **(Continued)**

STRATEGIC REPORT (Continued)

Borrowings

At 31 December 2013, net debt (after cash in hand and cash collateral) stood at £2,980.1m, up from £2,624.0m at 31 December 2012, and comprised:

	31 December 2013 £m	31 December 2012 £m
Securitised debt	**2,242.6**	2,305.6
Loans	**1,130.1**	971.6
Wood Wharf loan notes	**58.5**	67.0
Construction loans	**103.5**	–
Total borrowings	**3,534.7**	3,344.2
Less:		
– cash collateral for borrowings	**(108.6)**	(118.5)
– cash collateral for construction	**(2.3)**	(2.3)
– other cash collateral	**(21.2)**	(12.5)
	3,402.6	3,210.9
Less: cash deposits	**(422.5)**	(586.9)
Net debt	**2,980.1**	2,624.0

In December 2011, the Group entered into a 5 year £190.0m development loan facility to fund the construction of a new building at 25 Churchill Place. This facility carries interest at 3 month LIBOR plus a margin of 300 bps until rent commencement, following which the margin may drop to 250 bps or 225 bps, subject to satisfaction of certain interest cover tests. A forward starting interest rate swap was entered into in October 2012 at a rate of 1.017% which fixes the interest rate payable under the loan. The fixed rate payable during the construction phase, including the 300 bps margin, is 4.017%. The termination date under the swap is in December 2016. The loan is also repayable in December 2016. Finance costs incurred on this loan during the construction of the building will be capitalised and included as part of the cost of construction. The first drawdown under this loan facility was in January 2013 and at 31 December 2013, £108.2m had been drawn down.

In July 2013, the Group entered into a £128.0m loan facility to fund the acquisition of 15 Westferry Circus. The facility comprises a fixed interest loan of £31.5m and a floating rate loan of £96.5m, of which £1.5m was repaid immediately. Interest on the fixed rate loan is 2.722% and on the floating rate loan is 3 month LIBOR plus a margin of 2.3%. At the same time, the Group assumed a pre existing interest rate swap which serves to fix LIBOR at 4.75%, taking the total cost of borrowing on this tranche to 7.05%. The loan is repayable in April 2016.

In September 2013, the Group entered into a £26.0m loan facility secured against 7 Westferry Circus. The facility carries interest at 3 month LIBOR plus a margin of 295 bps and will amortise by reference to the rents received. There is no interest rate hedging on this facility.

The Group's borrowings are secured against designated property interests and are subject to lending covenants that include maximum LTV ratios and minimum ICRs as outlined earlier in the Loan Covenants section of this Strategic Report. For all of its loans, the Group was in compliance with its lending covenants at 31 December 2013 and throughout the year then ended.

Borrowings increased from £3,344.2m at 31 December 2012 to £3,534.7m at 31 December 2013 primarily as a result of the drawdown of new loans in the year, partly offset by scheduled loan amortisation totalling £84.6m. The reduction in cash and term deposits from £720.2m to £554.6m is primarily attributable to construction and development expenditure, the acquisition of investment properties and investments in associates and joint ventures, together with the dividend paid in 2013 totalling £39.9m.

Comparing net debt at 31 December 2013 of £2,980.1m (31 December 2012 – £2,624.0m) with the total portfolio valuation at that date of £6,571.5m (31 December 2012 – £5,415.0m), the overall corporate LTV ratio was 45.3% (31 December 2012 – 48.5%).

At 31 December 2013, the fair value adjustment in respect of the Group's financial assets and liabilities calculated in accordance with FRS 13 (excluding debtors and creditors falling due within one year) was an unrecognised liability of £447.8m before tax (31 December 2012 – £687.9m).

The Group's weighted average cost of debt at 31 December 2013 was 5.7% including credit wraps (31 December 2012 – 5.8%).

Cash flow

The net cash inflow from operating activities for 2013 was £257.3m in comparison with £240.0m for 2012, an increase of £17.3m. This increase was primarily attributable to changes in working capital.

Returns on investments and servicing of finance resulted in an outflow of £200.5m for 2013 compared with £234.0m for 2012, which included £29.1m of swap breakage costs.

Capital expenditure and financial investment for 2013 resulted in a cash outflow of £363.0m, compared with £118.7m for 2012. Expenditure for 2013 included £142.5m of development expenditure and £183.5m incurred on acquiring 7 Westferry Circus and 15 Westferry Circus. Expenditure for 2012 included £75.1m of development expenditure. Funding of the Group's equity investment in and loans to associated and joint venture undertakings totalled £29.8m (2012 – £43.3m, including the payments made to secure 100.0% ownership of Wood Wharf).

The financing cash inflow for 2013 was £176.6m compared with an outflow of £43.1m for 2012. The cash inflow for 2013 included drawdowns of £108.2m against the Group's construction facility and £154.0m under the new facilities secured against 7 Westferry Circus and 15 Westferry Circus, partly offset by £84.6m of scheduled loan amortisation. The cash outflow for 2012 included £74.7m of scheduled loan amortisation, offset by £32.6m of loan notes assumed upon acquiring full control of Wood Wharf.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position (including the principal risks and uncertainties) are set out in this Strategic Report. The finances of the Group, its liquidity position and borrowing facilities are described in Strategic Report – Treasury objectives and risks. This includes reference to the position in respect of the loan covenants under the Group's facilities.

The Group has considerable financial resources and at 31 December 2013 had free cash balances totalling £422.5m. In addition, the Group enjoys the benefit of leases with a weighted average unexpired lease term of 12.9 years, assuming the exercise of all break options, and at 31 December 2013 the occupancy level in the Group's portfolio was 97.0%. The Group's £350.0m retail loan facility is repayable in December 2014. The Group is actively seeking refinancing opportunities and expects a replacement facility to be in place ahead of December 2014. The year end average maturity of the Group's debt was 11.6 years. Accordingly, the directors believe that the Group is well placed to manage its business risks successfully.

Having made the requisite enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue their operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	**2013 £m**	2012 £m
Turnover		**364.3**	335.3
Cost of sales		**(118.0)**	(106.1)
Exceptional item:			
– refurbishment costs		**(6.0)**	–
GROSS PROFIT		**240.3**	229.2
Administrative expenses		**(43.3)**	(36.0)
Other operating income		**2.4**	2.3
OPERATING PROFIT	2	**199.4**	195.5
Share of associates' operating losses	12	**(1.1)**	–
Interest receivable	3	**3.1**	7.4
Interest payable before exceptional item	4	**(210.4)**	(205.7)
Exceptional item:			
– movement in uneconomic hedge provision	4	**15.7**	(0.9)
		(194.7)	(206.6)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX		**6.7**	(3.7)
Tax	5	**4.4**	5.3
PROFIT FOR THE FINANCIAL YEAR	19	**11.1**	1.6
Basic and diluted earnings per share	9	**1.7p**	0.3p

The above results relate to the continuing activities of the Group and its share of associates.

The Notes numbered 1 to 27 form an integral part of these financial statements.

Movements in reserves are shown in Note 19 to these financial statements.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	**2013 £m**	2012 £m
Profit for the financial year after tax:			
– Group		**12.2**	1.6
– share of losses of associates		**(1.1)**	–
Unrealised movement on revaluation of investment properties	10	**482.7**	174.1
Reserves movement for share allocation		–	(0.1)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		**493.8**	175.6

The Notes numbered 1 to 27 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013

	Note	**2013** **£m**	2012 £m
FIXED ASSETS			
Investment properties	10	**5,457.2**	4,783.6
Properties held for development	10	**358.7**	351.0
Properties under construction	10	**251.1**	143.3
Other tangible fixed assets	11	**0.8**	0.6
Investments	12	**114.4**	78.8
		6,182.2	5,357.3
CURRENT ASSETS			
Debtors: Amounts due in more than one year	13	**57.8**	78.9
Debtors: Amounts due within one year	13	**44.3**	46.2
Cash at bank and in hand	14	**554.6**	720.2
		656.7	845.3
Creditors: Amounts due within one year	15	**(772.5)**	(403.8)
NET CURRENT (LIABILITIES)/ASSETS		**(115.8)**	441.5
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,066.4**	5,798.8
Creditors: Amounts due after more than one year	16	**(3,074.5)**	(3,232.7)
Provisions	17	**(39.6)**	(67.7)
NET ASSETS		**2,952.3**	2,498.4
CAPITAL AND RESERVES			
Called up share capital	18	**6.4**	6.4
Reserves:			
– share premium	19	**146.2**	146.2
– revaluation reserve	19	**2,877.1**	2,394.4
– capital redemption reserve	19	**0.7**	0.7
– special reserve	19	**264.8**	264.8
– profit and loss account	19	**(342.9)**	(314.1)
SHAREHOLDERS' FUNDS	20	**2,952.3**	2,498.4

The Notes numbered 1 to 27 form an integral part of these financial statements.

Approved by the Board on 27 March 2014 and signed on its behalf by:

A PETER ANDERSON, II
Managing Director, Finance

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	**2013 £m**	2012 £m
NET CASH INFLOW FROM OPERATING ACTIVITIES	22	**257.3**	240.0
Returns on investments and servicing of finance	23	**(200.5)**	(234.0)
Tax		**3.9**	2.6
Capital expenditure and financial investment	23	**(363.0)**	(118.7)
Equity dividend paid	7	**(39.9)**	(115.1)
		(599.5)	(465.2)
Cash outflow before management of liquid resources and financing		**(342.2)**	(225.2)
Management of liquid resources	23	**1.2**	1.7
Financing	23	**176.6**	(43.1)
DECREASE IN CASH IN THE YEAR	24	**(164.4)**	(266.6)

The above cash flows relate to the continuing activities of the Group.

Note 7 together with the Notes numbered 22 to 24 form an integral part of this cash flow statement.

DEFINITIONS

20 FSLP	20 Fenchurch Street Limited Partnership
Act	The Companies Act 2006
Ballymore	Ballymore Properties Limited
Board	Board of directors of Canary Wharf Group plc
bps	Basis points
CBRE	CB Richard Ellis Limited, Surveyors and Valuers
Chairman and Chief Executive Officer	Chairman and Chief Executive Officer of the Company
CIL	Community Infrastructure Levy
City	The City of London
CRL	Crossrail Limited
CRT	Canal and River Trust (formerly British Waterways Board)
Cushman	Cushman & Wakefield, Real Estate Consultants
CWEL	Canary Wharf Estate Limited
CWF II	Canary Wharf Finance II plc
EMA	European Medicines Agency
EPRA	European Public Real Estate Association
Estate/Canary Wharf	Canary Wharf Estate including Heron Quays West, Newfoundland, Riverside South, North Quay and Park Place
EY	Ernst & Young LLP
FCA	The Financial Conduct Authority
Fintech Company	Financial technology company
FRS 13	Financial Reporting Standard 13 (Derivatives and Other Financial Instruments)
FRS 15	Financial Reporting Standard 15 (Tangible fixed assets)
FRS 19	Financial Reporting Standard 19 (Deferred tax)
FRS 22	Financial Reporting Standard 22 (Earnings per share)
Group	Canary Wharf Group plc and its subsidiaries
ICR	Interest Cover Ratio
Land Securities	Land Securities Group plc
LIBOR	London Interbank Offered Rate
LBTH	London Borough of Tower Hamlets
Lloyds	Lloyds Banking Group plc
LMCTV	Loan Minus Cash to Value
London Plan	Mayor of London planning document published by the Greater London Authority
LTV	Loan to Value
m	million
Moody's	Moody's Investor Services Limited
Morgan Stanley	Morgan Stanley & Co Limited
NAV	Net Asset Value
NIA	Net Internal Area
NNNAV	Triple Net Asset Value
Notes	Notes of Canary Wharf Group's securitisation
psf	per sq ft
Qatari Diar	Qatari Diar Real Estate Investment Company
RPI	Retail Price Index
Savills	Savills Commercial Limited, Chartered Surveyors
Section 106	Section 106 of the Town and Country Planning Act 1990
SDLT	Stamp Duty Land Tax
Shell	Shell International Limited
Shell Centre	A 5.25 acre site on the South Bank in London
Skadden	Skadden Arps Slate Meagher & Flom LLP
Songbird	Songbird Estates plc
sq ft	square foot/feet
UITF 28	Urgent Issue Task Force 28 (Operating Leases)
VAT	Value Added Tax
Wood Wharf	Site adjacent to the Estate