

GREYCOAT TOWER LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006



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COMPANIES HOUSE

Company No. 3541862 (England and Wales)

GREYCOAT TOWER LIMITED

COMPANY INFORMATION

Directors	PA Thornton CN Strickland MA Poole AM Craven
Secretary	NC Brown
Company Number	3541862
Registered Office	9 Savoy Street London WC2E 7EG
Auditors	Baker Tilly UK Audit LLP 2 Bloomsbury Street London WC1B 3ST

GREYCOAT TOWER LIMITED

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GREYCOAT TOWER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2006

The directors present their report together with the audited accounts for the year ended 30 June 2006

Principal Activities, Review of Business and Future Developments

The company did not trade during the year and there are no plans to commence trading in the foreseeable future

Results and Dividends

The results for the year are set out in the profit and loss account on page 4

The directors consider the state of the company's affairs to be satisfactory

The directors are unable to recommend a payment of a dividend (2005 £nil)

Directors

The directors who served during the year and subsequent to that date were

PA Thornton
C Strickland
MA Poole
AM Craven

Statement as to Disclosure of Information to Auditors

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors

GREYCOAT TOWER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2006

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors

- 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 accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, S26(5).

A resolution to re-appoint Baker Tilly UK Audit LLP as auditor will be proposed at the Annual General Meeting of the Company.

This report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



M A Poole, Director
5 July 2007

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREYCOAT TOWER LIMITED

We have audited the financial statements on pages 4 to 9

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

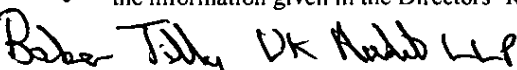
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

Opinion

In our opinion -

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 June 2006 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST
5 July 2007

GREYCOAT TOWER LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Provision against loan to fellow subsidiary undertaking		-	(100,000)
		<hr/>	<hr/>
(Loss) on Ordinary Activities before Taxation		-	(100,000)
Tax on (Loss) on Ordinary Activities	3	-	-
		<hr/>	<hr/>
Retained (Loss) for the Year	7	-	(100,000)
		<hr/>	<hr/>

Statement of Total Recognised Gains and Losses

There were no recognised gains or losses for the years ended 30 June 2006 and 30 June 2005 other than those included in the profit and loss account

GREYCOAT TOWER LIMITED

BALANCE SHEET

AS AT 30 JUNE 2006

	Notes	30 June 2006 £	30 June 2005 £
Current Assets			
Debtors	4	40,000,000	40,000,000
Creditors: Amounts Falling Due Within One Year	5	(40,000,013)	(40,000,013)
Net Current Liabilities		<u>(13)</u>	<u>(13)</u>
Capital and Reserves			
Share capital	6	210,002	210,002
Profit and loss account	7	(210,015)	(210,015)
Equity Shareholders' Funds	8	<u>(13)</u>	<u>(13)</u>

These financial statements on pages 4 to 9 were approved by the board of directors and authorised for issue on 5 July 2007 and signed on its behalf



MA Poole
Director

GREYCOAT TOWER LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

1 Accounting Policies

Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention

Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of tangible fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Administrative Expenses

Messrs PA Thornton, C Strickland, MA Poole and AM Craven are also directors of Greycoat Estates Limited which was the ultimate parent undertaking at 30 June 2006.

The directors and auditors receive their remuneration from a fellow subsidiary undertaking.

The directors do not believe that it is practicable to apportion this remuneration or the remuneration of the auditors between their services to the company and their services to the ultimate parent undertaking and fellow subsidiaries.

GREYCOAT TOWER LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2006

3 Taxation

There is no tax charge for the year (2005 £nil) There is no provision or additional potential liability for deferred taxation in respect of the company

Factors affecting tax charge for the year

	30 June 2006 £	30 June 2005 £
The tax assessed for the period is different from the standard rate of corporation tax in the UK (30%) The differences are explained below		
Loss on ordinary activities before tax	-	(100,000)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	-	(30,000)
Provision against loan to group company	-	30,000
Current tax charge for the year	<u>-</u>	<u>-</u>

4 Debtors

	30 June 2006 £	30 June 2005 £
Amounts due from fellow subsidiary undertakings	<u>40,000,000</u>	<u>40,000,000</u>

5 Creditors: Amounts Falling Due Within One Year

	30 June 2006 £	30 June 2005 £
Amounts due to parent and fellow subsidiary undertakings	<u>40,000,013</u>	<u>40,000,013</u>

GREYCOAT TOWER LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

6 Share Capital

	30 June 2006 No	30 June 2005 No	30 June 2006 £	30 June 2005 £
Authorised Equity Shares				
Ordinary shares of £1 each	210,100	210,100	210,100	210,100
Allotted Equity Shares				
Allotted, called up and fully paid				
Ordinary shares of £1 each	210,002	210,002	210,002	210,002

7 Reserves

	Profit and Loss Account £
At 1 July 2004	(110,015)
Loss for the year	(100,000)
At 30 June 2005	(210,015)
Result for the year	-
At 30 June 2006	(210,015)

8 Reconciliation of Equity Shareholders' Funds

	30 June 2006 £	30 June 2005 £
Result/ (Loss) for the year	-	(100,000)
(Decrease)/increase in equity shareholders' funds	-	(100,000)
Opening equity shareholders' funds	(13)	99,987
Closing equity shareholders' funds	(13)	(13)

GREYCOAT TOWER LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2006

9 Immediate and Ultimate Parent Undertaking

The company's immediate and ultimate parent undertaking and controlling party at 30 June 2006 is Greycoat Estates Limited, registered in England and Wales

10 Transactions with Related Parties

As at 30 June 2006, Greycoat Management Limited owed the company £100,000 (2005 £100,000)
Full provision was made against this loan during the previous year

As at 30 June 2005 and 30 June 2006, Moor House Property Development Limited owed Greycoat Tower Limited £40,000,000 and Greycoat Tower Limited owed Greycoat Construction Limited £40,000,000

Greycoat Management Limited, Moor House Property Development Limited and Greycoat Construction Limited are all fellow subsidiaries of Greycoat Estates Limited