

TOWER GENERAL PARTNER LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004



Company No. 3541867

TOWER GENERAL PARTNER LIMITED

COMPANY INFORMATION

Directors

K Bugden
Q Burgess
AM Craven
R Dawson
A Evans – Appointed 16 October 2003
RA Harrold – Resigned 16 October 2003
C Lacey
I Mason
P Taylor
MJ Wheeldon

Secretary

NC Brown

Company Number

3541867

Registered Office

9 Savoy Street
London
WC2E 7EG

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

TOWER GENERAL PARTNER LIMITED

CONTENTS

| | Page |
|-------------------------------------|--------------|
| Directors' Report | 1 - 2 |
| Independent Auditors' Report | 3 |
| Profit and Loss Account | 4 |
| Balance Sheet | 5 |
| Notes to the Accounts | 6 - 9 |

TOWER GENERAL PARTNER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2004

The directors present their report together with the audited accounts for the year ended 31 March 2004.

Principal Activities and Review of Business

The company's principal activity is that of an investment company. The company acts as general partner to the Tower Limited Partnership in which it holds a 0.49% interest.

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 do not recommend the payment of a dividend.

Directors

The directors as at 16 December 2004 are shown in the Company Information.

None of the directors has any direct interest in the shares of the Company or its subsidiary undertakings.

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts 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.

TOWER GENERAL PARTNER LIMITED


DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2004

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 accounts 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

In accordance with section 386 Companies Act 1985, Ernst & Young LLP will be deemed to be reappointed on the expiry of 28 days from the date on which the accounts are sent to members of the company.



NC Brown, Secretary
16 December 2004

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF TOWER GENERAL PARTNER LIMITED

We have audited the company's accounts for the year ended 31 March 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. These accounts have been prepared on the basis of the accounting policies set out therein.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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.

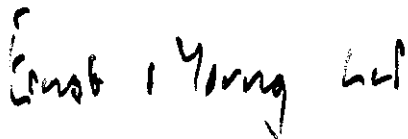
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London
16 December 2004

TOWER GENERAL PARTNER LIMITED**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2004

| | Notes | Year ended 31 March 2004 £ | Year ended 31 March 2003 £ |
|--|-------|-------------------------------------|-------------------------------------|
| Operating Result | | - | - |
| Income from fixed asset investments | | 35,976 | 43,642 |
| Revaluation of listed investments | | 3,531 | (1,458) |
| Profit on Ordinary Activities before Taxation | | <u>39,507</u> | <u>42,184</u> |
| Taxation | 4 | (4,568) | (5,177) |
| Retained (Loss) Profit for the Year | 9 | <u>34,939</u> | <u>37,007</u> |
| Retained profit brought forward | | 49,314 | 12,307 |
| Retained profit carried forward | | <u>84,253</u> | <u>49,314</u> |

All amounts relate to continuing activities.

Statement of Total Recognised Gains and Losses

There were no recognised gains or losses for the years ended 31 March 2004 and 31 March 2003 other than those included in the profit and loss account.

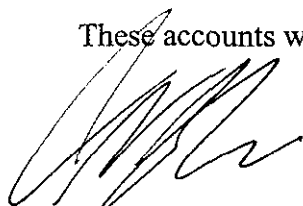
The notes on pages 6 to 9 form part of these accounts.

TOWER GENERAL PARTNER LIMITED**BALANCE SHEET**

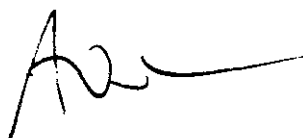
AS AT 31 MARCH 2004

| | Notes | £ | 31 March 2004 £ | £ | 31 March 2003 £ |
|--|-------|--------|-----------------------|---------------|-----------------------|
| Fixed Assets | | | | | |
| Investments | 5 | | 9,688 | | 6,157 |
| Current Assets | | | | | |
| Debtors | 7 | 75,006 | | 43,598 | |
| Net Current Assets | | | <u>75,006</u> | <u>43,598</u> | 43,598 |
| Total Assets Less Current Liabilities | | | <u>84,694</u> | | <u>49,755</u> |
| Capital and Reserves | | | | | |
| Share capital | 8 | | 441 | | 441 |
| Profit and loss account | 9 | | 84,253 | | 49,314 |
| Shareholders' Funds | 10 | | <u>84,694</u> | | <u>49,755</u> |

These accounts were approved by the board on 16 December 2004 and signed on its behalf.



Director



The notes on pages 6 to 9 form part of these accounts.

TOWER GENERAL PARTNER LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting Policies

Basis of Accounting

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

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The accounts present information about the company and not about the group. Advantage has been taken of section 248 of the Companies Act 1985 not to produce group accounts as the group qualifies as a small group.

Income from Investments

Investment income comprises dividends declared during the accounting period and interest and distributions receivable on listed and unlisted investments as well as drawings from The Tower Limited Partnership.

Investments

Unlisted investments are included at cost less provisions. Listed investments are included at market value at the balance sheet date. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

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 taxation 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 Income from Fixed Asset Investments

Income from fixed asset investments comprises dividends from listed investments and drawings from The Tower Limited Partnership.

3 Administration Expenses

None of the directors received any remuneration for their services as directors.

The audit fees are borne by another group undertaking.

TOWER GENERAL PARTNER LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2004

4 Taxation

| | 31 March 2004 £ | 31 March 2003 £ |
|-----------------|-----------------------|-----------------------|
| Corporation tax | 4,568 | 5,177 |

There is no provision or additional potential liability for deferred taxation in respect of the company.

5 Fixed Asset Investments

| | Shares in Group Undertakings (at cost) | Listed Investments (at valuation) | Total |
|---------------------------|---|---|-------|
| | £ | £ | £ |
| At 31 March 2003 | 467 | 5,690 | 6,157 |
| Write back of investments | - | 3,531 | 3,531 |
| At 31 March 2004 | 467 | 9,221 | 9,688 |

The market value of the investments which were listed on the London Stock Exchange at 31 March 2004 was £9,221.

The only trading subsidiary is Tower Management Services Limited which made a profit of £101,120 during the year to 31 March 2004 and had capital and reserves of £399,283 at that date.

The aggregate value of the investment in subsidiary undertakings is not less than the amount at which they are stated in the accounts.

Included within shares in group undertakings is £441 of capital contribution made to The Tower Limited Partnership. This constitutes a 0.49% interest in the Partnership.

TOWER GENERAL PARTNER LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2004

6 Subsidiary Undertakings

| Name of Company | Country of registration (or incorporation and operation) | Holding | Proportion of voting rights and shares held | Nature of business |
|---------------------------------|--|-----------------------|---|------------------------------|
| Tower Management Services Ltd | England & Wales | 2 £1 ordinary shares | 100% | Property management services |
| The Tower Nominees No. 1 Ltd | England & Wales | 2 £1 ordinary shares | 100% | Investment |
| The Tower Nominees No. 2 Ltd | England & Wales | 2 £1 ordinary shares | 100% | Investment |
| Tower Nominees No. 1 Jersey Ltd | Jersey | 10 £1 ordinary shares | 100% | Investment |
| Tower Nominees No. 2 Jersey Ltd | Jersey | 10 £1 ordinary shares | 100% | Investment |

7 Debtors

| | 31 March 2004 £ | 31 March 2003 £ |
|--|--------------------|--------------------|
| Amounts due from the Tower Limited Partnership | 75,006 | 43,598 |

8 Share Capital

| | 31 March 2004 £ | 31 March 2003 £ |
|---|--------------------|--------------------|
| Authorised Equity Shares | | |
| 44,100 Ordinary shares of 1p each | 441 | 441 |
| Allotted, Called Up and Fully Paid Equity Shares | | |
| 44,100 Ordinary shares of 1p each | 441 | 441 |

TOWER GENERAL PARTNER LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2004

9 Movement on Reserves

| | 31 March 2004 £ | 31 March 2003 £ |
|---------------------------------|--------------------------------|--------------------------------|
| Retained profit for the year | 34,939 | 37,007 |
| Retained profit brought forward | 49,314 | 12,307 |
| Retained profit carried forward | 84,253 | 49,314 |

10 Reconciliation of Shareholders' Funds

| | 31 March 2004 £ | 31 March 2003 £ |
|---------------------------------|--------------------------------|--------------------------------|
| Profit for the year | 34,939 | 37,007 |
| Increase in shareholders' funds | 34,939 | 37,007 |
| Opening shareholders' funds | 49,755 | 12,748 |
| Closing shareholders' funds | 84,694 | 49,755 |

11 Ultimate Beneficial Owner

The ultimate beneficial owners of the Company are Merrill Investment Managers Group Services Ltd and Possfund Nominees Ltd who each own 50% of the issued share capital.