

**FIRST TOWER GP(1) LIMITED**  
**Registered Number: SC 132920**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**



# **FIRST TOWER GP(1) LIMITED**

## **FINANCIAL STATEMENTS**

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# **FIRST TOWER GP(1) LIMITED**

## **THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006**

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The directors present their report with the audited financial statements for the year ended 31 December 2006. This report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The company is a wholly owned subsidiary of Canary Wharf Group plc and its ultimate parent undertaking is Songbird Estates plc.

The company owns a partnership interest as a General Partner in the First Tower Limited Partnership ('the Partnership'), as described in Note 4 to the accounts. The Partnership comprises two General Partners and twelve Limited Partners.

Until 5 September 1996, all of the partners were members of the group. On that date the company's investment in the Partnership was reduced to £1 as a result of a return of capital. On the same date the group disposed of its interest in the shares of the Limited Partners.

As shown in the company's profit and loss account, the company's profit after tax for the year was £1 (2005: £2).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £107 (2005: £106).

The Canary Wharf Group (comprising Canary Wharf Group plc and its subsidiaries) manages its operations on a unified basis. For this reason, the company's directors believe that key performance indicators specific to the company are not necessary or appropriate for an understanding of the development, performance or position of its business. The performance of the Canary Wharf Group, which includes the company, is discussed in the Annual Report of Canary Wharf Group plc, which does not form part of this report.

There have been no significant events since the balance sheet date.

### **DIVIDENDS AND RESERVES**

The profit and loss account for the year ended 31 December 2006 is set out on page 6. No dividends have been paid or proposed (2005: £Nil) and the retained profit of £1 (2005: profit of £2) has been transferred to reserves.

### **DIRECTORS**

The directors of the company throughout the year ended 31 December 2006 were:

A P Anderson II  
G Iacobescu  
R J J Lyons

The group has in place liability insurance covering the directors and other officers of group companies.

# **FIRST TOWER GP(1) LIMITED**

## **THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006**

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### **DIRECTORS' INTERESTS**

Details of directors' interests in and options to subscribe for ordinary class B shares in Songbird Estates plc are disclosed in the financial statements of either of the intermediate parent companies, Canary Wharf Estate Limited or Canary Wharf Group plc, as appropriate

Other than the above, no director had any beneficial interest in the shares of the company, its parent undertakings or other group undertakings at 31 December 2006 or at any time throughout the year then ended

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each director holding office at the date of this report has taken all the steps that he ought to have taken as a director in order to make himself aware of relevant audit information and to establish that the company's auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware

### **AUDITORS**

Elective resolutions to dispense with holding annual general meetings, the laying of financial statements before the company in general meeting and the appointment of auditors annually are currently in force. The auditors, Deloitte & Touche LLP, will therefore be deemed to have been reappointed at the end of the period of 28 days, beginning the day on which copies of this report and financial statements are sent to members unless a resolution is passed under section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end

BY ORDER OF THE BOARD



J R Garwood

Company Secretary

28 June 2007

Registered office  
Dundas & Wilson  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

# **FIRST TOWER GP(1) LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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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 affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,  
make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that 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.

# **FIRST TOWER GP(1) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST TOWER GP(1) LIMITED**

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We have audited the financial statements of First Tower GP(1) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 9. These financial statements have been prepared under 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**

The directors' responsibilities for preparing 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 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 other transactions 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.

# **FIRST TOWER GP(1) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST TOWER GP(1) LIMITED**

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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 company's affairs as at 31 December 2006 and of its profit for the year then ended,
  - the financial statements 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



**Deloitte & Touche LLP**  
**Chartered Accountants and Registered Auditors**  
London

28 June 2007

# FIRST TOWER GP(1) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

		Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
	Note		
<b>OPERATING PROFIT</b>	<b>2</b>	—	—
Income from fixed asset investments		1	2
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1	2
Tax on profit on ordinary activities	<b>3</b>	—	—
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR</b>	<b>7</b>	<b>1</b>	<b>2</b>

Movements in reserves are shown in Note 7 of these financial statements

All amounts relate to continuing activities in the United Kingdom

There were no recognised gains and losses for the year ended 31 December 2006 or the year ended 31 December 2005 other than those included in the profit and loss account

The notes on pages 8 to 11 form an integral part of these financial statements



# FIRST TOWER GP(1) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	31 December 2006 £	31 December 2005 £
<b>FIXED ASSETS</b>			
Investments	4	1	1
<b>CURRENT ASSETS</b>			
Debtors	5	20	19
Cash at bank		86	86
		106	105
<b>TOTAL ASSETS</b>		107	106
<b>NET ASSETS</b>		107	106
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	67	67
Profit and loss account	7	40	39
<b>SHAREHOLDERS' FUNDS</b>	8	107	106

The notes on pages 8 to 11 form an integral part of these financial statements

APPROVED BY THE BOARD ON 28 JUNE 2007 AND SIGNED ON ITS BEHALF BY



R J J LYONS  
DIRECTOR

# **FIRST TOWER GP(1) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006**

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### **1. PRINCIPAL ACCOUNTING POLICIES**

A summary of the principal accounting policies of the company, all of which have been applied consistently throughout the year and the preceding year, is set out below

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom law and accounting standards

In accordance with the provisions of FRS 1 (Revised) the company is exempt from the requirements to prepare a cash flow statement, as it is a wholly owned subsidiary of Canary Wharf Group plc, which has prepared a consolidated cash flow statement

#### **Investments in Partnership**

The investment in the Partnership is stated in the company's balance sheet at cost less any provision for impairment

The company's share of the Partnership's profits and losses is included in the profit and loss account

### **2. OPERATING PROFIT**

None of the directors received any emoluments in respect of their services to the company during the year or the prior year

No staff were employed by the company during the year or the prior year

Auditors' remuneration for the year and the prior year have been borne by another group undertaking

### **3. TAXATION**

No provision for corporation tax has been made since the profit for the year will be covered by the group relief expected to be made available to the company by other companies in the group. No charge will be made by other group companies for the surrender of group relief. It is anticipated that group relief and other tax reliefs will impact on future tax charges. There is no unprovided deferred taxation

# FIRST TOWER GP(1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

### 4. INVESTMENTS

	Shares in Group Undertakings
	£
<b>COST</b>	
At 1 January 2006 and 31 December 2006	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 December 2006	<u>1</u>
At 31 December 2005	<u>1</u>

As a general partner, the company has contributed 0.05% of the capital of the Partnership, an entity which commenced business on 22 August 1991. Upon commencing business the Partnership acquired an interest in certain floors within One Canada Square at Canary Wharf and certain retail areas within the Canary Wharf estate. On 27 December 1995 the Partnership sold its retail interests to a fellow group undertaking. On 5 September 1996, the Partnership granted an overriding lease in its remaining interests to a fellow subsidiary undertaking. Also on 5 September 1996, the company's investment in the Partnership was reduced to £1 as a result of a return of capital by the Partnership. On the same date the group disposed of its interest in the shares of the Limited Partners in the Partnership.

### 5. DEBTORS

	31 December 2006	31 December 2005
	£	£
Amounts owed by Partnership	3	2
Amount owed by fellow subsidiary undertaking	<u>17</u>	<u>17</u>
	<u>20</u>	<u>19</u>

# FIRST TOWER GP(1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

### 6 CALLED-UP SHARE CAPITAL

	Year Ended 31 December 2006 £	Year Ended 31 December 2005 £
Authorised		
1,000 deferred ordinary shares of £1 each	1,000	1,000
100 ordinary shares of \$1 each	65	65
Allotted, called up and fully paid		
2 deferred ordinary shares of £1 each	2	2
100 ordinary shares of \$1 each	65	65
	67	67

The holders of the deferred ordinary shares are entitled to a restricted participation in the profits or assets of the company and do not have any right to attend or vote at any general meeting

### 7. RESERVES

	Profit and loss account £
At 1 January 2006	39
Profit for the year	1
At 31 December 2006	40

### 8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2006 £	31 December 2005 £
Opening shareholders' funds equity	106	104
Profit for the year	1	2
Closing shareholders' funds equity	107	106

# **FIRST TOWER GP(1) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006**

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### **9. RELATED PARTIES**

The company's immediate parent undertaking is CWE SPV HCo Limited and its ultimate parent undertaking is Songbird Estates plc, both companies are registered in England and Wales

As at 31 December 2006, Songbird Estates plc was the parent company of the largest group of which the company is a member and Canary Wharf Group plc was the parent undertaking of the smallest group of which the company is a member. Copies of the financial statements of Songbird Estates plc and Canary Wharf Group plc may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB

The directors have taken advantage of the exemption in paragraph 3(c) of FRS8 allowing the company not to disclose related party transactions with respect to other group companies