

FIRST TOWER GP(1) LIMITED
Registered Number: SC132920

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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FIRST TOWER GP(1) LIMITED

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FIRST TOWER GP(1) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report with the audited financial statements for the year ended 31 December 2011. This report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

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.

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

As shown in the company's profit and loss account, the company's profit after tax for the year was £1 (2010: £2).

The balance sheet shows the company's financial position at the year end and indicates that net assets were £141 (2010: £140).

DIVIDENDS AND RESERVES

The profit and loss account for the year ended 31 December 2011 is set out on page 6. No dividends have been paid or proposed (2010: £Nil) and the retained profit of £1 (2010: profit of £2) has been transferred to reserves.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position, are set out in this Directors' Report. The finances of the company and its liquidity position and borrowings are, where appropriate, also described in this report.

The company is in a net asset position at the year end. In addition, as a member of the Canary Wharf Group, the company has access to considerable resources.

Having made the requisite enquiries, the directors have a reasonable expectation that the company will have adequate resources to continue its operations for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

FIRST TOWER GP(1) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS

The directors of the company throughout the year ended 31 December 2011 were:

A P Anderson II
Sir George Iacobescu CBE
R J J Lyons


The company provides an indemnity to all directors (to the extent permitted by law) in respect of liabilities incurred as a result of their office. The company also has in place liability insurance covering the directors and officers of the company. Both the indemnity and insurance were in force during the year ended 31 December 2011 and at the time of the approval of this Directors' Report. Neither the indemnity nor the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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 auditor is aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

BY ORDER OF THE BOARD


..... Company Secretary
J R Garwood

3 August 2012

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

Registered Number: SC132920

FIRST TOWER GP(1) LIMITED

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

The directors are responsible for preparing the 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FIRST TOWER GP(1) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST TOWER GP(1) LIMITED

We have audited the financial statements of First Tower GP(1) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet and the related Notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

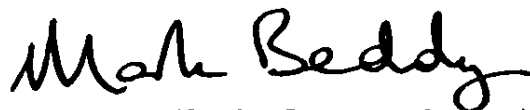
FIRST TOWER GP(1) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST TOWER GP(1) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.



**Mark Beddy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountant and Statutory Auditor**

3 August 2012

FIRST TOWER GP(1) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

		Year Ended 31 December 2011 £	Year Ended 31 December 2010 £
	Note		
OPERATING PROFIT	2	—	—
Income from fixed asset investments	4	1	2
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1	2
Tax on profit on ordinary activities	3	—	—
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	7	1	2

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 2011 or the year ended 31 December 2010 other than those included in the profit and loss account.

The Notes on pages 8 to 10 form an integral part of these financial statements.

FIRST TOWER GP(1) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	31 December 2011 £	31 December 2010 £
FIXED ASSETS			
Investments	4	38	37
CURRENT ASSETS			
Debtors	5	103	103
TOTAL ASSETS		<u>141</u>	<u>140</u>
NET ASSETS		<u>141</u>	<u>140</u>
CAPITAL AND RESERVES			
Called-up share capital	6	67	67
Revaluation reserve	7	26	26
Profit and loss account	7	48	47
SHAREHOLDERS' FUNDS	8	<u>141</u>	<u>140</u>

The Notes on pages 8 to 10 form an integral part of these financial statements.

APPROVED BY THE BOARD ON 3 AUGUST 2012 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 2011

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, with the exception of certain investments as discussed below and in accordance with applicable United Kingdom accounting standards. The financial statements have been prepared on the going concern basis as described in the Directors' Report.

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

The investment in the Partnership is revalued annually to reflect the share of the company's net assets in the Partnership. The company's share of the Partnership's profits and losses is included in the profit and loss account and the company's share of unrealised gains and losses is taken to the revaluation reserve.

Trade and other debtors

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

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. The company is part of a UK group for group relief purposes and accordingly may take advantage of the group relief provisions whereby current taxable profits can be offset by current tax losses arising in other companies in that group. The group's policy is that no payment will be made for tax losses surrendered under the group relief provisions.

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.

Auditor's remuneration of £500 (2010: £500) for the audit of the company has been borne by another group undertaking.

FIRST TOWER GP(1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

3. TAXATION

No provision for corporation tax has been made since the taxable 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. There is no unprovided deferred taxation.

4. INVESTMENTS

Investment in partnerships

	£
CAPITAL ACCOUNT	
At 1 January 2011	27
At 31 December 2011	27
CURRENT ACCOUNT	
At 1 January 2011	10
Income for the year	1
At 31 December 2011	11
NET BOOK VALUE	
At 31 December 2011	38
At 1 January 2011	37

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. The investment in the Partnership has since been revalued annually to reflect the share of the company's net assets in the Partnership.

5. DEBTORS

	31 December 2011 £	31 December 2010 £
Amounts owed by fellow subsidiary undertakings	103	103

FIRST TOWER GP(1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

6. CALLED-UP SHARE CAPITAL

	31 December 2011 £	31 December 2010 £
Allotted, called-up and fully paid:		
2 deferred ordinary shares of £1 each	2	2
100 ordinary shares of \$1 each	65	65
	<u>67</u>	<u>67</u>

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

	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2011	26	47	73
Profit for the year	-	1	1
At 31 December 2011	<u>26</u>	<u>48</u>	<u>74</u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2011 £	31 December 2010 £
Opening shareholders' funds	140	138
Profit for the year	1	2
Closing shareholders' funds	<u>141</u>	<u>140</u>

9. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The company's immediate parent undertaking is CWE SPV HCo Limited.

As at 31 December 2011, the smallest group of which the company is a member and for which group financial statements are drawn up is the consolidated financial statements of Canary Wharf Group plc. The largest group of which the company is a member for which group financial statements are drawn up is the consolidated financial statements of Songbird Estates plc, the ultimate parent undertaking and controlling party. Copies of the financial statements of both companies 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 FRS 8 allowing the company not to disclose related party transactions with respect to other group companies.

FIRST TOWER LIMITED PARTNERSHIP
Registered Number: LP4097

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

FIRST TOWER LIMITED PARTNERSHIP

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FIRST TOWER LIMITED PARTNERSHIP

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The First Tower Limited Partnership was registered as an English limited partnership on 22 August 1991 and comprises two General Partners and twelve Limited Partners. The General Partners and Limited Partners are incorporated in Scotland. In addition there are two trustee companies which hold legal title to certain property as trustees for the Partnership. The two trustees are incorporated in England and Wales.

Until 5 September 1996, all of the partners were members of the Canary Wharf Group ('CWG'). On that date the sale of shares in the Partnership's limited partners to a company outside CWG was completed.

The Limited Partnership Deed dated 22 August 1991 (the 'Agreement') requires that the General Partners prepare accounts for each financial period. In preparing these accounts, the General Partners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume the Partnership will continue in existence.

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

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

These accounts have been prepared under Regulation 7 of the Partnership (Accounts) Regulations 2008.

FIRST TOWER LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF FIRST TOWER LIMITED PARTNERSHIP

We have audited the non-statutory financial statements of First Tower Limited Partnership ("the Partnership") for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet and the related Notes 1 to 9. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the provisions of the Companies Act 2006 that would have applied were these statutory financial statements.

This report is made solely for the exclusive use of the Partners, as a body, and solely for the purpose of reporting to the company's Partners those matters we are required to state to them in an auditor's report. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without prior written express consent. We accept no duty, responsibility or liability to any other party in connection with the report or this engagement.

Respective responsibilities of the General Partner and auditor

As explained more fully in the Statement of General Partner's Responsibilities, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the partnerships' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Partner; and the overall presentation of the financial statements.

FIRST TOWER LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF FIRST TOWER LIMITED PARTNERSHIP

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the Partnership's affairs as at 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the provisions of the Companies Act 2006 which would have applied if the financial statements were statutory financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants

3 August 2012

FIRST TOWER LIMITED PARTNERSHIP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Year Ended 31 December 2011 £	Year Ended 31 December 2010 £
TURNOVER - RENTAL INCOME		5,000	5,000
Cost of sales		(2,000)	(2,000)
GROSS PROFIT		<u>3,000</u>	<u>3,000</u>
OPERATING PROFIT	2	<u>3,000</u>	<u>3,000</u>
Interest receivable and similar income	3	<u>3</u>	<u>4</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,003	3,004
Tax on profit on ordinary activities	4	<u>—</u>	<u>—</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE YEAR	8	<u>3,003</u>	<u>3,004</u>

Movements in reserves are shown in Note 8 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 2011 or the year ended 31 December 2010 other than those included in the profit and loss account.

The Notes on pages 6 to 9 form an integral part of these accounts.

FIRST TOWER LIMITED PARTNERSHIP

BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	31 December 2011 £	31 December 2010 £
FIXED ASSETS			
Tangible assets	5	52,500	52,500
CURRENT ASSETS			
Debtors	6	23,187	43,836
Cash at bank		—	2,488
		23,187	46,324
CREDITORS: Amounts falling due within one year	7	—	(26,140)
NET CURRENT ASSETS		23,187	20,184
TOTAL ASSETS LESS CURRENT LIABILITIES		75,687	72,684
NET ASSETS		75,687	72,684
CAPITAL AND RESERVES			
Capital accounts	8	2,000	2,000
Revaluation reserve	8	52,500	52,500
Partners' current accounts	8	21,187	18,184
		75,687	72,684

The Notes on pages 6 to 9 form an integral part of these accounts.

APPROVED BY THE PARTNERS ON 3 AUGUST 2012 AND SIGNED ON THEIR BEHALF
BY:


R J J LYONS

FIRST TOWER LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

The Partnership has net assets. Having made the requisite enquiries and assessed the resources at the disposal of the Partnership, the General Partners have a reasonable expectation that the Partnership will have adequate resources to continue its operations for the foreseeable future. Accordingly the going concern basis continues to be adopted in preparing the financial statements.

The Partnership qualifies for an exemption from the requirements of regulations 4 to 6 of the Partnerships (Accounts) Regulations 2008, on the grounds that the general partners and the Partnership are included in the consolidated financial statements of CWG.

Accounting convention

The accounts have been prepared under the historical cost convention, modified to include the revaluation of properties and in accordance with applicable United Kingdom accounting standards.

No cash flow statement has been prepared as there were no cash flows during the year ended 31 December 2011 or the year ended 31 December 2010 other than the receipt of bank interest (Note 3).

Turnover

Turnover represents rents receivable net of VAT and is recognised on an accruals basis in the period in which the rents become due.

Interest receivable and interest payable

Interest receivable and payable are recognised on an accruals basis in the period in which they fall due.

Investment properties

Investment properties are revalued annually and in accordance with SSAP 19 (Accounting for Investment Properties) no provision is made for depreciation. This departure from the requirements of the statutory accounting rules, which requires all properties to be depreciated is, in the opinion of the directors, necessary for the accounts to show a true and fair view. Depreciation is only one of the factors reflected in the annual valuation and the amount attributable to this factor is not capable of being separately identified or quantified. Surpluses or deficits are transferred to the revaluation reserve, unless a deficit exceeds previous surpluses recognised on the same property, in which case the excess is charged to the profit and loss account.

FIRST TOWER LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

Leases

Rentals payable under operating leases are charged to the profit and loss account in the period in which the rents become due.

Where lease incentives, including rent free periods, are received upon entering into the lease, the benefit is recognised as an adjustment to rents payable allocated evenly over the lease term or the term to the first open market rent review if earlier.

Trade and other debtors

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

2. OPERATING PROFIT

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

Auditors' remuneration of £500 (2010: £500) for the audit of the Partnership has been borne by a CWG company.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31 December 2011 £	Year Ended 31 December 2010 £
Bank interest receivable	<u>3</u>	<u>4</u>

4. TAXATION

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

FIRST TOWER LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

5. TANGIBLE FIXED ASSETS

	Freehold Investment & Leasehold Investment Property £
VALUATION	
At 1 January 2011 and 31 December 2011	<u>52,500</u>
NET BOOK VALUE	
At 31 December 2011	<u>52,500</u>
At 31 December 2010	<u>52,500</u>

On 22 August 1991, the Partnership purchased the residual 95 year term of a 99 year lease in certain areas of the Canary Wharf development for £105 million and entered into a leaseback arrangement with Canary Wharf Limited ('CWL') in respect of those areas. On 8 December 1991 the Partnership purchased the residual 95 year term of a 99 year lease in certain other areas of the Canary Wharf development for £10 million and again entered into leaseback arrangements with CWL in respect of those areas.

On 22 December 1995 the leaseback arrangements referred to above were varied by means of the Partnership granting to CWL new overriding leases in respect of the interests in the Canary Wharf development held by the Partnership. The new overriding leases were then merged with the existing lease to CWL, the net effect of which was that the Partnership became entitled to receive 99% of the rents due from occupational tenants with effect from 22 December 1995. The consideration for granting these leases was a premium payable by CWL to the Partnership of £78.5 million. Following this variation the Partnership transferred its interest in certain retail areas to a CWG undertaking for a consideration of £10.4 million.

On 5 September 1996, the Partnership granted an overriding lease at a nominal ground rent to its then immediate parent and paid a commutation sum to its immediate landlord in commutation of its obligations under its leasehold interest. The net consideration received from these transactions was £23.8 million, determined on the basis of an external valuation. On a historic cost basis, investment properties would have been included as follows:

	31 December 2011 £	31 December 2010 £
Historic cost	<u>-</u>	<u>-</u>

As at 31 December 2011 the company's leasehold property interest was valued by CB Richard Ellis Limited, Surveyors and Valuers, on the basis of Market Value in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors. No allowance was made for any expenses of realisation nor for any taxation which might arise in the event of disposal.

FIRST TOWER LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

6. DEBTORS

	31 December 2011 £	31 December 2010 £
Amounts due from CWG	<u>23,187</u>	<u>43,836</u>

7. CREDITORS: Amounts falling due within one year

	31 December 2011 £	31 December 2010 £
Amounts due to CWG	<u>-</u>	<u>26,140</u>

8. CAPITAL AND RESERVES

		Capital Account £	Revaluation £	Current Account £	Total £
At 1 January 2011		2,000	52,500	18,184	72,684
Profit for the year		-	-	3,003	3,003
At 31 December 2011		<u>2,000</u>	<u>52,500</u>	<u>21,187</u>	<u>75,687</u>
Attributable as follows:	%	£	£	£	£
First Tower GP(1) Limited	0.050	1.00	26.22	10.58	37.80
First Tower GP(2) Limited	0.050	1.00	26.22	10.58	37.80
First Tower LP(1) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(2) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(3) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(4) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(5) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(6) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(7) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(8) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(9) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(10) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(11) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
First Tower LP(12) Limited	8.325	166.50	4,370.63	1,763.82	6,300.95
		<u>2,000.00</u>	<u>52,500.00</u>	<u>21,187.00</u>	<u>75,687.00</u>

9. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

The company has annual commitments of £2,000, which expire after more than five years, in respect of operating leases on land and buildings.