

**PARTNERSHIP  
ACCOUNTS**



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

Registered number: SC132920

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**



**FIRST TOWER GP(1) LIMITED**

**CONTENTS**

	Page
<b>Directors' Report</b>	1
<b>Directors' Responsibilities Statement</b>	2
<b>Independent Auditor's Report</b>	3 - 4
<b>Statement of Comprehensive Income</b>	5
<b>Statement of Financial Position</b>	6
<b>Statement of Changes in Equity</b>	7
<b>Notes to the Financial Statements</b>	8 - 13

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

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

In preparing this report, the directors have taken advantage of the small companies exemptions.

#### **PRINCIPAL ACTIVITY**

The company owns a partnership interest as a General Partner in the First Tower Limited Partnership ('the Partnership'), as described in Note 7 to the financial statements. 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.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £2 (2015 - £1).

No dividends have been paid or proposed (2015 - £nil).

#### **DIRECTORS**

The directors who served during the year 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 2016 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.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 27 July 2017 and signed on its behalf.



J R Garwood  
Secretary

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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*.

**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 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 11. The relevant financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Directors' Responsibilities Statement, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit: the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

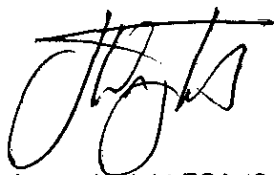
**FIRST TOWER GP(1) LIMITED**

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

**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* or from the requirement to prepare a *Strategic Report*.



James Wright FCA (Senior Statutory Auditor)  
for and on behalf of  
**Deloitte LLP**  
Statutory Auditor  
London, UK

27 July 2017

**FIRST TOWER GP(1) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Share of income from investment in partnership		1	1
<b>PROFIT BEFORE TAX</b>		1	1
Tax on profit	6	1	-
<b>PROFIT FOR THE YEAR</b>		2	1
<b>OTHER COMPREHENSIVE INCOME NET OF TAX</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		2	1

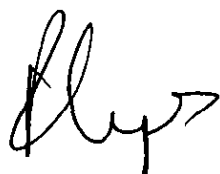
The notes on pages 8 to 13 form part of these financial statements.

**FIRST TOWER GP(1) LIMITED**  
**REGISTERED NUMBER: SC132920**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Investments	7	43	42
		<u>43</u>	<u>42</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	8	103	103
<b>NET CURRENT ASSETS</b>		<u>103</u>	<u>103</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>146</u>	<u>145</u>
Deferred tax	9	(4)	(5)
<b>NET ASSETS</b>		<u>142</u>	<u>140</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	67	67
Retained earnings		75	73
		<u>142</u>	<u>140</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2017.



**R J J Lyons**  
Director

The notes on pages 8 to 13 form part of these financial statements.



**FIRST TOWER GP(1) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2016	67	73	140
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	2	2
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	2	2
<b>AT 31 DECEMBER 2016</b>	67	75	142

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	67	72	139
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	1	1
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	1	1
<b>AT 31 DECEMBER 2015</b>	67	73	140

The notes on pages 8 to 13 form part of these financial statements.

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

#### **1. GENERAL INFORMATION**

First Tower GP(1) Limited is a Scottish Limited Company registered at Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN.

The nature of the company's operations and its principal activities are set out in the Directors' Report.

#### **2. ACCOUNTING POLICIES**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland").

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see Note 3).

The principal accounting policies have been applied consistently throughout the year and the preceding year and are summarised below:

##### **2.2 Going concern**

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

##### **2.3 Cash flow statement**

The company has taken the exemption from preparing the cash flow statement under Section 1.12(b) as it is a member of a group where the parent of the group prepares publicly available consolidated accounts which are intended to give a true and fair view.

##### **2.4 Investments**

Investments in partnerships are stated at fair value, with changes recognised in other comprehensive income unless the carrying amount of the investment falls below its original cost, after which the deficit is recognised in the income statement.

Revenue profits and losses in partnerships are recognised on an accruals basis.

##### **2.5 Financial instruments**

The directors have taken advantage of the exemption in paragraph 1.12c of FRS 102 allowing the company not to disclose the summary of financial instruments by the categories specified in paragraph 11.41.

##### **Trade and other receivables**

Trade and other receivables 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.

##### **Trade and other payables**

Trade and other creditors are stated at cost.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.6 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

**Valuation of investments**

Investments in partnerships are stated at fair value, with changes recognised in other comprehensive income unless the carrying amount of the investment falls below its original cost, after which the deficit is recognised in the income statement.

**4. AUDITOR'S REMUNERATION**

Auditor's remuneration of £800 (2015 - £800) for the audit of the company has been borne by another group undertaking.

**5. EMPLOYEES**

The company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

6. TAXATION

	2016 £	2015 £
Current tax on profits for the year	-	-
<b>TOTAL CURRENT TAX</b>	-	-
<b>DEFERRED TAX</b>		
Changes to tax rates	(1)	-
<b>TOTAL DEFERRED TAX</b>	(1)	-
<b>TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	(1)	-

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1	1
<b>EFFECTS OF:</b>		
Changes to the rates of tax	(1)	-
<b>TOTAL TAX CREDIT FOR THE YEAR</b>	(1)	-

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The standard rate of corporation tax payable reduced from 21.0% to 20.0% with effect from 1 April 2015.

Enacted in the Finance Act (No.2) 2015 is a reduction in the corporation tax rate to 19.0% on 1 April 2017 and a further reduction to 17.0% on 1 April 2020. Deferred tax has been provided by reference to this enacted corporation tax rate.

**FIRST TOWER GP(1) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**7. FIXED ASSET INVESTMENTS**

	Investment in partnerships £
<b>COST OR VALUATION</b>	
At 1 January 2016	42
Share of profit/(loss)	1
	<hr/>
At 31 December 2016	43
	<hr/>
<b>NET BOOK VALUE</b>	
	<hr/>
At 31 December 2016	43
	<hr/>
At 31 December 2015	42
	<hr/>

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.

**8. DEBTORS**

	2016 £	2015 £
Amounts owed by group undertakings	103	103
	<hr/>	<hr/>
	103	103
	<hr/>	<hr/>

Amounts owed by group undertakings is interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

9. DEFERRED TAXATION

	2016 £
At beginning of year	(5)
Charged to profit or loss	1
<b>AT END OF YEAR</b>	<b>(4)</b>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Revaluation of investments	(4)	(5)
	(4)	(5)

10. SHARE CAPITAL

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**11. CONTROLLING PARTY**

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

As at 31 December 2016, 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 Investment Holdings plc. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB.

The largest group of which the company is a member for which group financial statements are drawn up is the consolidated financial statements of Stork HoldCo LP, an entity registered in Bermuda and the ultimate parent undertaking and controlling party. Stork HoldCo LP is registered at 73 Front Street, 5th Floor, Hamilton HM12, Bermuda.

Stork HoldCo LP is controlled as to 50% by Brookfield Property Partners LP and as to 50% by Qatar Investment Authority.

The directors have taken advantage of the exemption in paragraph 33.1A of FRS 102 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 2016**

TUESDAY

SCT

\*S6BX4MBC\*  
01/08/2017  
COMPANIES HOUSE

#208



# **FIRST TOWER LIMITED PARTNERSHIP**

## **CONTENTS**

---

	<b>PAGE</b>
Statement of the General Partners' Responsibilities in Respect of the Accounts	<b>1</b>
Independent Auditor's Report	<b>2</b>
Statement of Comprehensive Income	<b>4</b>
Statement of Financial Position	<b>5</b>
Statement of Changes in Equity	<b>6</b>
Notes to the Accounts	<b>7</b>

## **FIRST TOWER LIMITED PARTNERSHIP**

### **STATEMENT OF GENERAL PARTNERS' 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;
- 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 2016 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related Notes 1 to 12. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely for the exclusive use of the Partners, as a body, and solely for the purpose of reporting to the 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 partnership's 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.

In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

# **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 2016 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 Limited Partnership Deed.



**Deloitte LLP**  
**London, UK**  
**27 July 2017**

# FIRST TOWER LIMITED PARTNERSHIP

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

		Year Ended 31 December 2016	Year Ended 31 December 2015
	Note	£	£
<b>Turnover - rental income</b>		5,000	5,000
<b>Gross profit</b>		5,000	5,000
Administrative expenses		(960)	(960)
<b>Operating profit</b>	<b>3</b>	4,040	4,040
Interest payable and similar charges	<b>4</b>	(2,000)	(2,000)
<b>Profit on ordinary activities before taxation</b>		2,040	2,040
Tax on profit on ordinary activities	<b>5</b>	–	–
<b>Profit for the year</b>		2,040	2,040
<b>Other comprehensive income</b>		–	–
<b>Total comprehensive income</b>		2,040	2,040

Movements in reserves are shown in Note 11 of these financial statements.

All amounts relate to continuing activities in the United Kingdom.

The Notes on pages 7 to 12 form an integral part of these accounts.

# FIRST TOWER LIMITED PARTNERSHIP

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	31 December 2016 £	31 December 2015 £
<b>Fixed assets</b>			
Tangible assets	6	78,029	78,029
<b>Current assets</b>			
Debtors	7	34,422	32,382
<b>Creditors: Amounts falling due within one year</b>	8	(960)	(960)
<b>Net current assets</b>		33,462	31,422
<b>Total assets less current liabilities</b>		111,491	109,451
<b>Creditors: Amounts falling due after more than one year</b>	9	(25,529)	(25,529)
<b>Net assets</b>		85,962	83,922
<b>Capital and reserves</b>			
Share capital	11	2,000	2,000
Current accounts	11	83,962	81,922
		85,962	83,922

The Notes on pages 7 to 12 form an integral part of these accounts.

Approved by the General Partner on 27 July 2017 and signed on its behalf by:



R J J LYONS

# FIRST TOWER LIMITED PARTNERSHIP

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	2,000	79,882	81,882
Profit for the financial year	–	2,040	2,040
Total comprehensive income	–	2,040	2,040
<b>At 31 December 2015</b>	<b>2,000</b>	<b>81,922</b>	<b>83,922</b>
Profit for the financial year	–	2,040	2,040
Total comprehensive income	–	2,040	2,040
<b>At 31 December 2016</b>	<b>2,000</b>	<b>83,962</b>	<b>85,962</b>

The Notes on pages 7 to 12 form an integral part of these accounts.

# **FIRST TOWER LIMITED PARTNERSHIP**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016**

---

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

#### **General Information**

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.

#### **Accounting convention**

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

The preparation of accounts in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Partnership's accounting policies (see Note 2).

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

#### **Going Concern**

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.

#### **Cash flow**

No cash flow statement has been prepared as there were no cash flows during the year ended 31 December 2016 or the year ended 31 December 2015.

#### **Turnover**

Rental income from operating leases is recognised in the Income Statement on a straight line basis over the term of the lease. Lease incentives granted, including rent free periods, are recognised as an integral part of the net consideration for the use of the property and are therefore also recognised on the same straight line basis. Direct costs incurred in negotiating and arranging new leases are also amortised on the same straight line basis. An adjustment is made to ensure that the carrying value of the related property, including the accrued rent, amortised lease incentives and negotiation costs, does not exceed the external valuation.



# FIRST TOWER LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

### Investment properties

Investment properties, including land and buildings held for development and investment properties under construction, are measured initially at cost including related transaction costs. The finance costs associated with direct expenditure on properties under construction or undergoing refurbishment are capitalised.

Where a property interest is acquired under a lease the investment property and the associated lease liability are initially recognised at the lower of the fair value and the present value of the minimum lease payments including any initial premium. Lease payments are apportioned between the finance charge and a reduction in the outstanding obligation for future amounts payable. The total finance charge is allocated to accounting periods over the lease term so as to produce a constant periodic charge to the remaining balance of the obligation for each accounting period.

Investment properties are subsequently revalued, at each reporting date, to an amount comprising the fair value of the property interest plus the carrying value of the associated lease liability. The gain or loss on remeasurement is recognised in the income statement.

### Trade and other receivables

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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

### Valuation of investment properties

The Trust uses valuations performed by independent valuers as the fair value of its properties. The valuations are based upon assumptions including future rental income, anticipated void costs and the appropriate discount rate or yield. The valuers also make reference to market evidence of transaction prices for similar properties.

## 3. OPERATING PROFIT

Operating profit is stated after charging:

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Remuneration of the auditor:		
Audit fees for the audit of the Partnership	800	800

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

# FIRST TOWER LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Operating lease charges (Note 10)	2,000	2,000

### 5. TAXATION

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

### 6. TANGIBLE FIXED ASSETS

	Leasehold Investment Property £
<b>Cost or valuation</b>	
At 1 January 2016 and 31 December 2016	78,029
<b>Net book value</b>	
At 31 December 2016	78,029
At 31 December 2015	78,029

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.

# FIRST TOWER LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

On a historic cost basis, investment properties would have been included as follows:

	31 December 2016 £	31 December 2015 £
Historic cost	—	—

At 31 December 2016, the property was valued externally by CB Richard Ellis Limited, qualified valuers with recent experience in office properties at Canary Wharf. The fair value was determined in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, using:

- Discounted cash flows based on inputs provided by the Partnership (current rents, terms and conditions of lease agreements) and assumptions and valuation models adopted by the valuers (estimated rental values, terminal values and discount rates).
- Yield methodology based on inputs provided by the Partnership (current rents) and assumptions and valuation models adopted by the valuers (estimated rental values and market capitalisation rates).

The resulting valuations are cross checked against the initial yields and the fair market values per square foot derived from actual market transactions.

No allowance was made for any expenses of realisation nor for any taxation which might arise in the event of disposal.

The fair value has been allocated to the following balance sheet items:

	31 December 2016 £	31 December 2015 £
Leasehold properties	78,029	78,029
Operating lease liabilities	(25,529)	(25,529)
Fair value	52,500	52,500

The property interest is let to CWCB Properties (DS7) Limited at a ground rent of £5,000 per annum. The lease expires on 14 July 2987.

The future minimum payments under non-cancellable operating leases is as follows:

	31 December 2016 £	31 December 2015 £
Within one year	5,000	5,000
In one to five years	20,000	20,000
After more than five years	4,827,671	4,832,671
	4,852,671	4,857,671

# FIRST TOWER LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 7. DEBTORS

	31 December 2016 £	31 December 2015 £
Amounts due from CWG	<u>34,422</u>	<u>32,382</u>

Amounts due from CWG are interest free and repayable on demand.

### 8. CREDITORS: Amounts falling due within one year

	31 December 2016 £	31 December 2015 £
Accruals	<u>960</u>	<u>960</u>

### 9. CREDITORS: Amounts falling due after more than one year

	31 December 2016 £	31 December 2015 £
Operating lease liabilities (Note 10)	<u>25,529</u>	<u>25,529</u>

### 10. OPERATING LEASE COMMITMENTS

The amount at which operating lease liabilities are stated comprise:

	31 December 2016 £	31 December 2015 £
At 1 January	25,529	25,529
Operating rents paid	(2,000)	(2,000)
Finance charges	<u>2,000</u>	<u>2,000</u>
At 31 December	<u>25,529</u>	<u>25,529</u>

The maturity profile of the undiscounted minimum lease payments is as follows:

	31 December 2016 £	31 December 2015 £
Due within one year	2,000	2,000
Between one and five years	8,000	8,000
After more than five years	<u>1,931,085</u>	<u>1,933,085</u>
	<u>1,941,085</u>	<u>1,943,085</u>

# FIRST TOWER LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 11. CAPITAL AND RESERVES

	%	Share capital £	Retained earnings £	Total £
First Tower GP(1) Limited	0.050	1.00	41.96	42.96
First Tower GP(2) Limited	0.050	1.00	41.96	42.96
First Tower LP(1) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(2) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(3) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(4) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(5) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(6) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(7) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(8) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(9) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(10) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(11) Limited	8.325	166.50	6,989.84	7,156.34
First Tower LP(12) Limited	8.325	166.50	6,989.84	7,156.34
		<u>2,000.00</u>	<u>83,962.00</u>	<u>85,962.00</u>

### 12. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The Partnership is jointly operated and controlled by First Tower GP (1) Limited and First Tower GP (2) Limited.

As at 31 December 2016, the smallest group of which the Partnership is a member and for which group financial statements are drawn up is the consolidated financial statements of Canary Wharf Group Investment Holdings plc. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB.

The largest group of which the Partnership is a member for which group financial statements are drawn up is the consolidated financial statements of Stork HoldCo LP, an entity registered in Bermuda and the ultimate parent undertaking and controlling party. Stork HoldCo LP is registered at 73 Front Street, 5th Floor, Hamilton HM12, Bermuda.

Stork HoldCo LP is controlled as to 50% by Brookfield Property Partners LP and as to 50% by Qatar Investment Authority.

The partners have taken advantage of the exemption in paragraph 33.1A of FRS 102 allowing the company not to disclose related party transactions with respect to other group companies.

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.