



FIRST TOWER GP(1) LIMITED

Registered number: SC132920

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



FIRST TOWER GP(1) LIMITED

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FIRST TOWER GP(1) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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 £1 (2018 - £5).

No dividends have been paid or proposed (2018 - £Nil).

DIRECTORS

The directors who served during the year were:

A P Anderson II (resigned 31 December 2019)
Sir George Iacobescu CBE
S Z Khan (appointed 31 December 2019)
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 2019 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 18 December 2020 and signed on its behalf.

DocuSigned by:

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C E Hillsdon
Secretary

FIRST TOWER GP(1) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 judgements and accounting estimates that are reasonable and prudent; 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 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 to 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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of First Tower GP(1) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

FIRST TOWER GP(1) LIMITED

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

RESPONSIBILITIES OF DIRECTORS

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters 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 the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 and from the requirement to prepare a strategic report.

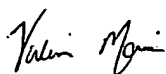
We have nothing to report in respect of these matters.

FIRST TOWER GP(1) LIMITED

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

USE OF OUR REPORT

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.



Valerie Main (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
18 December 2020

FIRST TOWER GP(1) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Share of income from investment in partnership	7	1	1
PROFIT BEFORE TAX		<u>1</u>	<u>1</u>
Tax on profit	6	-	4
PROFIT FOR THE FINANCIAL YEAR		<u>1</u>	<u>5</u>
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1</u></u>	<u><u>5</u></u>


The notes on pages 9 to 14 form part of these financial statements.

FIRST TOWER GP(1) LIMITED
REGISTERED NUMBER: SC132920

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investments	7	46	45
		<u>46</u>	<u>45</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	103	103
		<u>103</u>	<u>103</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>149</u>	<u>148</u>
NET ASSETS		<u>149</u>	<u>148</u>
CAPITAL AND RESERVES			
Called up share capital	9	67	67
Retained earnings		82	81
		<u>149</u>	<u>148</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2020.

DocuSigned by:

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R J J Lyons
 Director

The notes on pages 9 to 14 form part of these financial statements.

FIRST TOWER GP(1) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2019	67	81	148
Profit for the year	-	1	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	1	1
AT 31 DECEMBER 2019	67	82	149

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2018	67	76	143
Profit for the year	-	5	5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	5	5
AT 31 DECEMBER 2018	67	81	148

The notes on pages 9 to 14 form part of these financial statements.

FIRST TOWER GP(1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

First Tower GP(1) Limited is a private company limited by shares incorporated in the UK under the Companies Act 2006 and registered in England and Wales at One Canada Square, Canary Wharf, London, E14 5AB.

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.

The impact of the Covid-19 virus is disclosed in Note 11.

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 and unit trusts are stated at fair value. The fair value is calculated by reference to the company's share of the net assets of the investment, as adjusted for assets and liabilities which are not carried at fair value. The movement that relates to income earned from unit trusts and partnerships is taken to the income statement. The remaining fair value movement is 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 unit trusts and partnerships are recognised on an accruals basis.

FIRST TOWER GP(1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

The preparation of financial statements also requires use of judgements, apart from those involving estimation, that management makes in the process of applying the company's accounting policies.

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.

For the year ended 31 December 2019, the financial statements of the company did not contain any significant items that required the application of judgements, apart from those involving estimation.

4. AUDITOR'S REMUNERATION

Auditor's remuneration of £800 (2018 - £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 (2018 - £NIL).

FIRST TOWER GP(1) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****6. TAXATION**

	2019 £	2018 £
Current tax on profits for the year	-	-
TOTAL CURRENT TAX	-	-
DEFERRED TAX		
Origination and reversal of timing differences	-	(4)
TOTAL DEFERRED TAX	-	(4)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	-	(4)

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 19.0% (2018 - 19.0%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	1	1
EFFECTS OF:		
Deferred tax eliminated on conversion to a REIT	-	(4)
TOTAL TAX CREDIT FOR THE YEAR	-	(4)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Enacted in the Finance Act (No.2) 2015 is a reduction in the corporation tax rate to 17.0% on 1 April 2020.

Following the year end, in the 2020 Budget, HM Treasury announced their intention not to cut corporation tax beyond 19%.

The company is a member of a REIT headed by Stork Holdings Limited . As a consequence all qualifying property rental business is exempt from corporation tax. Only income and expenses relating to non-qualifying activities will continue to be taxable

FIRST TOWER GP(1) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****7. FIXED ASSET INVESTMENTS**

	Investment in Partnership £
VALUATION	
At 1 January 2019	45
Share of profit/(loss)	1
At 31 December 2019	<u>46</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. The investment in the Partnership has since been revalued annually to reflect the share of the company's net assets in the Partnership.

The investment in the Partnership comprises:

	2019 £	2018 £
Cost of investment in Partnership	1	1
Share of accumulated capital profits	26	26
Share of accumulated revenue profits	19	18
	<u>46</u>	<u>45</u>

The share of capital profits relates to the movement in fair value of an investment property recognised in the income statement of the Partnership.

FIRST TOWER GP(1) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****8. DEBTORS**

	2019 £	2018 £
Amounts owed by group undertakings	103	103
	<u>103</u>	<u>103</u>

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

9. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
2 (2018 - 2) Deferred ordinary shares of £1.00 each	2	2
100 (2018 - 100) Ordinary shares of \$1.00 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.

10. RESERVES

The distributable reserves of the company differ from its retained earnings as follows:

	2019 £	2018 £
Retained earnings	82	81
Revaluation of investment in Partnership	(26)	(26)
Distributable reserves	<u>56</u>	<u>55</u>

11. POST BALANCE SHEET EVENTS

Since 31 December 2019 the UK economy has been significantly impacted by the Covid-19 virus which has caused widespread disruption and economic uncertainty. This is considered to be a non-adjusting post balance sheet event and as at the date of signing, the uncertainty is not expected to give rise to a material impact on the assets, liabilities or performance of the company.

FIRST TOWER GP(1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. CONTROLLING PARTY

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

As at 31 December 2019, 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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

FIRST TOWER LIMITED PARTNERSHIP

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FIRST TOWER LIMITED PARTNERSHIP

GENERAL PARTNER'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The general partner is responsible for preparing the General partner's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the general partner to prepare financial statements for each financial year. Under that law the general partner has 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 general partner must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period.

In preparing these financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 partnership will continue in business.

The general partner is responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FIRST TOWER LIMITED PARTNERSHIP

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

REPORT ON THE AUDIT OF THE NON-STATUTORY FINANCIAL STATEMENTS

OPINION

In our opinion the non-statutory financial statements of First Tower Limited Partnership (the 'Partnership'):

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Limited Partnership Agreement.

We have audited the non-statutory financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 14.

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' and the Limited Partnership Agreement.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the non-statutory financial statements section of our report.

We are independent of the partnership in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are required by ISAs (UK) to report in respect of the following matters where:

- the partners use of the going concern basis of accounting in preparation of the non-statutory financial statements is not appropriate; or
- the partners have not disclosed in the non-statutory financial statements any identified material uncertainties that may cast significant doubt about the partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the non-statutory financial statements are authorised for issue.

We have nothing to report in respect of these matters.

FIRST TOWER LIMITED PARTNERSHIP

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

RESPONSIBILITIES OF PARTNERS

As explained more fully in the statement of General Partner's Responsibilities, the General Partner is responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view, and for such internal control as the General Partner determines is necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, the General Partner is responsible for assessing the partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE NON-STATUTORY FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

A further description of our responsibilities for the audit of the non-statutory financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely for the exclusive use of the partners and solely for the purpose set out in our engagement letter. 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.



Deloitte LLP
London, United Kingdom
18 December 2020

FIRST TOWER LIMITED PARTNERSHIP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover		5,000	5,000
GROSS PROFIT		<u>5,000</u>	<u>5,000</u>
Administrative expenses		(1,056)	(1,044)
Movement in fair value of investment property	7	<u>(9)</u>	<u>(8)</u>
OPERATING PROFIT		3,935	3,948
Interest payable and similar charges	5	<u>(1,991)</u>	<u>(1,992)</u>
PROFIT BEFORE TAX		1,944	1,956
Tax on profit	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		1,944	1,956
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,944</u></u>	<u><u>1,956</u></u>


The notes on pages 7 to 13 form part of these financial statements.

FIRST TOWER LIMITED PARTNERSHIP
REGISTERED NUMBER:LP4097

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investment property	7	78,012	78,021
		<u>78,012</u>	<u>78,021</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	40,458	38,502
		<u>40,458</u>	<u>38,502</u>
Creditors: amounts falling due within one year	9	(1,090)	(1,077)
		<u>39,368</u>	<u>37,425</u>
NET CURRENT ASSETS			
		<u>117,380</u>	<u>115,446</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	10	(25,502)	(25,512)
		<u>91,878</u>	<u>89,934</u>
NET ASSETS			
		<u>91,878</u>	<u>89,934</u>
CAPITAL AND RESERVES			
Capital accounts		2,000	2,000
Current accounts	12	89,878	87,934
		<u>91,878</u>	<u>89,934</u>

The financial statements were approved and authorised for issue by the general partner and were signed on its behalf on 18 December 2020.

DocuSigned by:

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R J J LYONS

The notes on pages 7 to 13 form part of these financial statements.

FIRST TOWER LIMITED PARTNERSHIP

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Capital accounts £	Current accounts £	Total equity £
At 1 January 2019	2,000	87,934	89,934
Profit for the year	-	1,944	1,944
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	1,944	1,944
AT 31 DECEMBER 2019	2,000	89,878	91,878

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Capital accounts £	Current accounts £	Total equity £
At 1 January 2018	2,000	85,978	87,978
Profit for the year	-	1,956	1,956
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	1,956	1,956
AT 31 DECEMBER 2018	2,000	87,934	89,934

The notes on pages 7 to 13 form part of these financial statements.

FIRST TOWER LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

First Tower Limited Partnership is an English limited partnership registered in England and Wales at One Canada Square, Canary Wharf, London, E14 5AB.

The Partnership holds a head leasehold interest in certain floors of One Canada Square, Canary Wharf.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The accounts have been prepared under the historical cost convention, modified to include investment properties 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 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 3).

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

2.2 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.

The impact of the Covid-19 virus is described in Note 13.

2.3 Cash flow

No cash flow statement has been prepared as there were no cash flows during the year ended 31 December 2019 or the year ended 31 December 2018.

2.4 Revenue

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. Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example turnover rents, are recorded in the periods in which they are earned.

FIRST TOWER LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****2. ACCOUNTING POLICIES (CONTINUED)****2.5 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 less separately identified accrued rent, amortised lease incentives and negotiation costs. The gain or loss on remeasurement is recognised in the income statement.

2.6 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.

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.

The preparation of financial statements also requires use of judgements, apart from those involving estimation, that management makes in the process of applying the Partnership's accounting policies.

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.

For the year ended 31 December 2019, the financial statements of the Partnership did not contain any significant items that required the application of judgements, apart from those involving estimation.

4. AUDITOR'S REMUNERATION

	2019 £	2018 £
Fees payable to the partnership's auditor for the audit of the partnership's annual financial statements	900	870

FIRST TOWER LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2019 £	2018 £
Operating lease charges	1,991	1,992
	<u>1,991</u>	<u>1,992</u>

6. TAXATION

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

7. INVESTMENT PROPERTY

	Leasehold investment property £
VALUATION	
At 1 January 2019	78,021
Revaluation	(9)
AT 31 DECEMBER 2019	<u><u>78,012</u></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.

FIRST TOWER LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

On a historic cost basis, investment properties would have been included as £Nil (2018 - £Nil).

At 31 December 2019, 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 allocated to the following balance sheet items:

	2019 £	2018 £
Leasehold properties	78,012	78,021
Operating lease liabilities	(25,512)	(25,521)
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 2086.

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

	2019 £	2018 £
Within one year	5,000	5,000
In one to five years	20,000	20,000
After more than five years	307,671	312,671
	332,671	337,671

FIRST TOWER LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****8. DEBTORS**

	2019 £	2018 £
Amounts due from CWG	40,458	38,502
	<u>40,458</u>	<u>38,502</u>

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

9. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Operating lease liabilities	10	9
Accruals and deferred income	1,080	1,068
	<u>1,090</u>	<u>1,077</u>

10. CREDITORS: Amounts falling due after more than one year

	2019 £	2018 £
Operating lease liabilities	25,502	25,512
	<u>25,502</u>	<u>25,512</u>

FIRST TOWER LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****11. OPERATING LEASE LIABILITIES**

The amount at which operating lease liabilities are stated comprise:

	2019 £	2018 £
At 1 January	25,521	25,529
Operating rents paid	(2,000)	(2,000)
Finance charges	1,991	1,992
At 31 December	25,512	25,521

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

	2019 £	2018 £
Due within one year	2,000	2,000
Between one and five years	8,000	8,000
After more than five years	123,085	125,085
	133,085	135,085

12. CAPITAL AND RESERVES

	%	Capital accounts £	Current accounts £	Total £
First Tower GP(1) Limited	0.050	1.00	44.94	45.94
First Tower GP(2) Limited	0.050	1.00	44.94	45.94
First Tower LP(1) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(2) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(3) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(4) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(5) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(6) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(7) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(8) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(9) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(10) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(11) Limited	8.325	166.50	7,482.34	7,648.84
First Tower LP(12) Limited	8.325	166.50	7,482.34	7,648.84
		2,000.00	89,878.00	91,878.00

FIRST TOWER LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13. POST BALANCE SHEET EVENTS

Since 31 December 2019 the UK economy has been significantly impacted by the Covid-19 virus which has caused widespread disruption and economic uncertainty. This is considered to be a non-adjusting post balance sheet event and as at the date of signing, the uncertainty is not expected to give rise to a material impact on the assets, liabilities or performance of the company.

14. CONTROLLING PARTY

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

As at 31 December 2019, 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.