

**TOWER GENERAL PARTNER LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



**Company No. 03541867**

## **TOWER GENERAL PARTNER LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	P Lewis M Rosenberg
<b>Secretary</b>	E MacPherson
<b>Company Number</b>	03541867
<b>Registered Office</b>	York Gate 100 Marylebone Road London NW1 5DX
<b>Auditors</b>	RSM UK Audit LLP Statutory Auditor Chartered Accountants 25 Farringdon Street London, EC4A 4AB

# **TOWER GENERAL PARTNER LIMITED**

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# **TOWER GENERAL PARTNER LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report together with the audited financial statements for the year ended 31 December 2020.

### **Principal Activities**

The Company's principal activity is that of an investment company. The Company acts as general partner to The Tower Limited Partnership in which it holds a 0.054% interest and has control over the Partnership's day-to-day operations.

### **Directors**

The directors who served during the year and subsequent to that date were:

P Lewis  
M Rosenberg

### **Directors' Responsibilities Statement**

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 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 for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently.
- b. make judgements and accounting estimates that are reasonable and prudent.
- c. 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.

# **TOWER GENERAL PARTNER LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Statement as to Disclosure of Information to the Auditor**

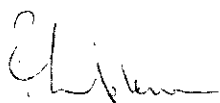
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### **Auditor**

The auditor, RSM UK Audit LLP, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



**P Lewis, Director**

19 March 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER GENERAL PARTNER LIMITED (CONTINUED)**

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### **Opinion**

We have audited the financial statements of Tower General Partner Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, statement of financial position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER GENERAL PARTNER LIMITED (CONTINUED)**

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### **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.

### **Matters on which we are required to report by exception**

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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
- if small - the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOWER GENERAL PARTNER LIMITED (CONTINUED)**

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

### **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.

RSM UK Audit LLP

Christopher Tate (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

25 Farringdon Street

London

EC4A 4AB

Date 19 March 2021



**TOWER GENERAL PARTNER LIMITED****STATEMENT OF INCOME AND RETAINED EARNINGS****FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Income from fixed asset investments</b>	3	-	4,417
<b>Fair value movements of listed investments</b>	5	(2,668)	773
<b>(Loss)/Profit before taxation</b>		<u>(2,668)</u>	<u>5,190</u>
<b>(Loss) / Profit and total comprehensive income for the year</b>		<b>(2,668)</b>	<b>5,190</b>
<b>Retained Earnings 1 January</b>		<b>6,111</b>	<b>106,589</b>
<b>Dividends Paid</b>		-	(105,668)
<b>Retained Earnings as at 31 December 2020</b>		<u><b>3,443</b></u>	<u><b>6,111</b></u>

**All amounts relate to continuing activities.**

**TOWER GENERAL PARTNER LIMITED**

Company Number: 03541867

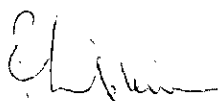
## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b>Fixed Assets</b>			
Investments	5	3,910	6,578
		<hr/>	<hr/>
<b>Current Assets</b>			
Creditors: Amounts falling due within one year	6	(26)	(26)
		<hr/>	<hr/>
<b>Net Current (Liabilities)/Assets</b>		<b>(26)</b>	<b>(26)</b>
		<hr/>	<hr/>
<b>Total Assets Less Current Liabilities</b>		<b>3,884</b>	<b>6,552</b>
		<hr/>	<hr/>
<b>Capital and Reserves</b>	7		
Share capital		441	441
Profit and loss account		3,443	6,111
		<hr/>	<hr/>
<b>Shareholders' Funds</b>		<b>3,884</b>	<b>6,552</b>
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements on pages 6 to 10 were approved by the board of directors and authorised for issue on 19 March ..... 2021 and signed on its behalf.



**P Lewis**  
Director



**M Rosenberg**  
Director

# **TOWER GENERAL PARTNER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 General Information**

Tower General Partner Limited (“the Company”) is a private company limited by shares incorporated and registered in England. It acts as general partner to The Tower Limited Partnership in which it holds a 0.054% interest and has control over the Partnership’s day-to-day operations. The registered office of Tower General Partner Limited is York Gate, 100 Marylebone Road, London NW1 5DX.

### **2 Accounting Policies**

#### ***Basis of Accounting***

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention modified to include certain financial instruments at fair value. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

Given the nature of the company’s activities all liabilities are settled by collection service charges from the tenants the company represents. The COVID-19 outbreak is currently having a very limited and manageable impact on the business. On that basis, the director feels it is appropriate to prepare the accounts on a going concern basis.

#### ***Income from Investments***

Investment income comprises dividends declared during the accounting period and interest and distributions receivable on listed and unlisted investments.

#### ***Investments***

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

#### ***Deferred Taxation***

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### ***Financial Instruments***

The Company has elected to apply the provisions of Section 11 of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

### **3 Income from Fixed Asset Investments**

Income from fixed asset investment comprises dividends from listed investments of £0 (2019: £98). There was no distribution from Tower Limited Partnership (2019: £4,319).

## TOWER GENERAL PARTNER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 4 Employees

There were no employees other than directors (2019: none). None of the directors received any remuneration for their services as directors.

#### 5 Fixed Asset Investments

	Listed Investments (at valuation)	Other investments (at cost)	Investment in The Tower Limited Partnership (at cost)	Total
At cost or valuation and net book value	£	£	£	£
At 1 January 2020	6,111	26	441	6,578
Fair value movements	(2,668)	-	-	(2,668)
At 31 December 2020	3,443	26	441	3,910
<b>Listed Investments</b>				

The market value of the investments which were listed on the London Stock Exchange at 31 December 2020 was £3,443 (2019: £6,111). The historical cost of these listed investments is £7,680 (2019: £7,680).

#### Investment in The Tower Limited Partnership

The company is the general partner of The Tower Limited Partnership, a qualifying limited partnership established under the Limited Partnership Act 1907, whose registered office is at York Gate, 100 Marylebone Road, London, NW1 5DX. The company's capital contribution of £441 constitutes a 0.054% interest. A copy of the financial statements for The Tower Limited Partnership will be appended to the company's financial statements filed with the Registrar of Companies.

#### 6 Creditors

	2020 £	2019 £
Amounts due to The Tower Limited Partnership	26	26

## TOWER GENERAL PARTNER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 7 Share Capital

	2020	2019
	£	£
<b>Allotted, Called Up and Fully Paid</b>		
44,100 Ordinary shares of 1p each	<b>441</b>	441

#### 8 Contingent Liabilities

The company is party to a cross guarantee arrangement in connection with the secured borrowings of The Tower Limited Partnership which were £187.1m at 31 December 2020 (2019: £189.9m). This guarantee is secured by a fixed and floating charge over the assets of the company.

#### 9 Consolidated Accounts

Ki Corporation Limited, is the parent of the smallest group for which consolidated accounts are prepared of which the company is a member. The registered office of Ki Corporation Limited is 28 Esplanade, St. Helier, Jersey, Channel Islands, JE2 3QA.

**THE TOWER LIMITED PARTNERSHIP**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**PARTNERSHIP NUMBER: LP005833**

# **THE TOWER LIMITED PARTNERSHIP**

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# THE TOWER LIMITED PARTNERSHIP

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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The General Partner submits the Strategic Report for the year ended 31 December 2020.

### Financial Review

A summary of the financial results for the year ended 31 December 2020 and the partnerships financial position as at that date (including certain key financial performance indicators) are set out in the table below:

	2020 £000	2019 £000
Rent receivable	25,951	25,773
Operating profit	21,805	22,935
Profit for the year before investment property fair value gains	9,353	9,125
Net assets attributable to partners	327,236	329,366
Cash generated from operations	20,806	21,215

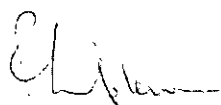
The General Partner report a decrease in the rent receivable for the year and a decrease in the net assets attributable to partners as at 31 December 2020. The decrease is due to the challenging environment faced by retail tenants. Further details are disclosed in the attached financial statements.

In December 2020 the partnership repaid the loan to its fellow subsidiary and obtained a new loan from the Tower Unit Trust (TUT). Further details are disclosed in note 11 of the financial statements.

### Principal risks and uncertainties

The General Partner considers that the key risks and uncertainties for the future relate to the Central London property market, COVID-19 and other factors that impact the valuation of the investment property.

Signed on behalf of the General Partner



P Lewis  
Director  
Tower General Partner Limited

19 March 2021



# **THE TOWER LIMITED PARTNERSHIP**

## **GENERAL PARTNERS REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2020

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The General Partner presents its report together with the audited financial statements for the year ended 31 December 2020.

### **Principal Activities**

The Tower Limited Partnership was established and registered on 17 July 1998 as a limited partnership under the Limited Partnerships Act 1907. The principal activity of the Partnership is investment in Tower 42 and its attached estate.

### **Partners Responsibilities Statement**

The General Partner is responsible for preparing the Strategic Report, the General Partners Report and the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 as applied to qualifying partnerships requires the General Partner to prepare financial statements for each financial year. Under that Law and in accordance with the Limited Partnership Agreement, the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The General Partner must not approve the financial statements unless it 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 those financial statements, the General Partner is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 partnerships transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable it to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships. It 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.

### **Financial instrument risks**

The partnerships only material financial instruments are long-term loans disclosed in note 11 to the financial statements. These loans are at fixed interest rates minimising the partnerships cash flow risk.

### **Strategic Report disclosures**

Details of likely future developments are disclosed in the Strategic Report in accordance with section 414c(11) of the Companies Act.

### **Statement as to Disclosure of Information to the Auditor**

The General Partner has confirmed that, as far as it is aware, there is no relevant audit information of which the auditor is unaware. The General Partner has confirmed that it has taken all steps that it ought to have taken as a General Partner in order to make itself aware of any relevant audit information and to establish that it has been communicated to the auditor.

## **THE TOWER LIMITED PARTNERSHIP**

GENERAL PARTNERS REPORT (continued)

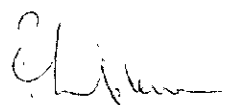
FOR THE YEAR ENDED 31 DECEMBER 2020

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### **Auditor**

The auditor, RSM UK Audit LLP, has indicated its willingness to continue in office.

Signed on behalf of the General Partner



P Lewis  
Director  
Tower General Partner Limited

19 March 2021

## **INDEPENDENT AUDITORS REPORT**

### **TO THE PARTNERS OF THE TOWER LIMITED PARTNERSHIP**

FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Opinion**

We have audited the financial statements of The Tower Limited Partnership (the qualifying partnership) for the year ended 31 December 2020 which comprise statement of comprehensive income, statement of financial position, reconciliation of partners interests, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnerships affairs as at 31 December 2020 and of the loss 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 as applied to qualifying partnerships.

#### **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 auditors responsibilities for the audit of the financial statements section of our report. We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including FRCs 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**

In auditing the financial statements, we have concluded that the members use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the qualifying partnerships ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. The members are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

### **Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the members report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the members report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the members report.

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to qualifying partnerships, 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 members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of members**

As more fully explained in the Members Responsibilities Statement set out on page 2, the members 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 members 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 members are responsible for assessing the qualifying partnerships 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 members either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

### **Auditors 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 auditors 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected

fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the partnership operates in and how the partnership is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and compliance with the The Partnerships (Accounts) Regulations 2008 and Tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures, and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, the Landlord and Tenant Act, and similar regulations applying to landlords. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected legal expenditure in the period to identify any potentially undisclosed non-compliance.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates applied in the valuation of investment property.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: <http://www.frc.org.uk/auditorsresponsibilities> this description forms part of our auditors report.

**Use of our report**

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

RSM UK Audit LLP

Christopher Tate (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

19 March 2021

**THE TOWER LIMITED PARTNERSHIP**

**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
<b>Turnover</b>	4	<b>25,434</b>	25,929
Property outgoings		<b>(3,318)</b>	(2,843)
<b>Gross profit</b>		<b>22,116</b>	23,086
Administrative expenses		<b>(311)</b>	(151)
<b>Operating profit</b>		<b>21,805</b>	22,935
Fair value (loss)/gain on investment property	8	(11,483)	17,943
Interest receivable		<b>7</b>	4
Interest payable and similar charges	6	<b>(12,459)</b>	(13,814)
<b>(Loss)/Profit and total comprehensive income for the year attributable to partners</b>		<b>(2,130)</b>	27,068

All of the above results were derived from continuing operations.

# THE TOWER LIMITED PARTNERSHIP

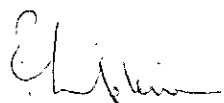
PARTNERSHIP NUMBER: LP005833

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
<b>Fixed assets</b>			
Investment properties	8	572,674	584,157
<b>Current assets</b>			
Debtors	9	17,647	16,533
Cash at bank and in hand		17,461	13,322
		35,108	29,855
<b>Creditors: amounts falling due within one year</b>	10	(16,266)	(17,390)
<b>Net current assets</b>		18,842	12,465
<b>Total assets less current liabilities</b>		591,516	596,622
<b>Creditors: amounts falling due after more than one year</b>	11	(264,280)	(267,256)
<b>Net assets attributable to partners</b>		327,236	329,366
<b>Partners equity interests:</b>			
Partners capital contribution accounts		93	93
Partners current accounts		31,299	21,946
Partners advance accounts		42,575	42,575
Partners premium accounts		18,232	18,232
Revaluation reserve account		235,037	246,520
<b>Total partners interests</b>		327,236	329,366

The financial statements on pages 8 to 17 were approved by the General Partner and authorised for issue on 19 March 2021



P Lewis  
Director  
Tower General Partner Limited



M Rosenberg  
Director  
Tower General Partner Limited



# THE TOWER LIMITED PARTNERSHIP

## RECONCILIATION OF PARTNERS INTERESTS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Partners Capital Contribution Accounts	Partners Current Accounts	Partners Advance Accounts	Partners Premium Accounts	Revaluation Reserve Account	Total Partners Interests
	£000	£000	£000	£000	£000	£000
<b>At 1<sup>st</sup> January 2019</b>	93	20,821	42,575	18,232	228,577	310,298
Total comprehensive income for the year	-	27,068	-	-	-	27,068
Transfer investment property fair value gain to revaluation reserve	-	(17,943)	-	-	17,943	-
Distribution	-	(8,000)	-	-	-	(8,000)
<b>At 31 December 2019</b>	<b>93</b>	<b>21,946</b>	<b>42,575</b>	<b>18,232</b>	<b>246,520</b>	<b>329,366</b>
Total comprehensive income for the year	-	(2,130)	-	-	-	(2,130)
Transfer investment property fair value loss	-	11,483	-	-	(11,483)	-
<b>At 31 December 2020</b>	<b>93</b>	<b>31,299</b>	<b>42,575</b>	<b>18,232</b>	<b>235,037</b>	<b>327,236</b>

The categories of the partners interests are defined within the Limited Partnership Agreement and are all only repayable out of capital proceeds that arise if the partnership sells or refinances its freehold investment property and the partnership is dissolved or may be distributable at the discretion of the directors of the General Partner. The revaluation reserve comprises all unrealised revaluation surpluses on the freehold land and buildings since 20 May 2004, being the date of the amended Limited Partnership Agreement. All unrealised revaluation surpluses prior to this date of £33,722,625 were credited directly to the partners current accounts in accordance with the previous Limited Partnership Agreement.

# THE TOWER LIMITED PARTNERSHIP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020	2019
		£000	£000
<b>Operating activities</b>			
Cash generated from operations	13	20,806	21,215
Interest received		7	4
Interest paid		(12,459)	(13,814)
<b>Net cash from operating activities</b>		<b>8,355</b>	<b>7,405</b>
<b>Investing activities</b>			
Investment properties additions		-	(38)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(38)</b>
<b>Financing activities</b>			
Repayments of third party borrowings		(4,216)	(2,607)
Repayment of fellow subsidiary loan		(80,00)	-
Proceeds of parent entity loan		80,000	-
Distribution		-	(8,000)
<b>Net cash from financing</b>		<b>(4,216)</b>	<b>(10,607)</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,139</b>	<b>(3,240)</b>
Cash and cash equivalents at beginning of year		13,322	16,562
<b>Cash and cash equivalents at end of year</b>		<b>17,461</b>	<b>13,322</b>

# THE TOWER LIMITED PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 General Information

The Tower Limited Partnership was established and registered on 17 July 1998 as a limited partnership under the Limited Partnerships Act 1907. The General Partner is Tower General Partner Limited. The registered office of Tower General Partner Limited is York Gate, 100 Marylebone Road, London NW1 5DX. The principal activity of the Partnership is investment in Tower 42 and its attached estate.

### 2 Principal Accounting Policies

#### ***Basis of accounting***

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the requirements of the Companies Act 2006 as applied to qualifying partnerships and under the historical cost convention, modified to include investment properties at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### ***Going Concern***

The value of the Partnerships assets is substantially in excess of its liabilities. The directors of the General Partner consider that the Partnership has sufficient cash resources to be able to pay its third party liabilities as they fall due for the foreseeable future and consequently have concluded that it is appropriate to adopt the going concern basis for the preparation of the financial statements. Whilst COVID-19 has affected rent collections, this is being managed and has not impacted the Partnerships going concern status.

#### ***Investment Properties***

Investment properties are initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in profit or loss.

#### ***Turnover***

Turnover principally comprises rental income which is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

#### ***Taxation***

The partnership does not constitute a separate taxable entity and as such there is no tax charge provided in these financial statements.

#### ***Finance Costs***

The costs relating to the obtaining of loan finance are amortised to the profit and loss at a constant periodic rate. Loans are included in the statement of financial position at the amount received from the lender less the unamortised costs.

# THE TOWER LIMITED PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 Principal Accounting Policies (continued)

#### *Financial instruments*

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument, and are offset only when the Partnership currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Partnership has applied the provisions of Section 11 Basic Financial Instruments of FRS 102 to all of its financial instruments. The partnerships financial assets are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. The partnerships financial liabilities are initially measured at transaction price and are subsequently carried at amortised cost.

### 3 Critical accounting estimates, assumptions and areas of judgement

The General Partner makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The directors of the General Partner deem the main accounting estimate and area of judgement to be in relation to the valuation of the investment property (see note 8).

### 4 Turnover

The turnover was derived from the partnerships principal activity, which is property investment, which was carried out wholly in the UK.

	2020 £000	2019 £000
Rent receivable	25,951	25,733
Adjustment for operating lease incentives	(517)	196
	<u>25,434</u>	<u>25,929</u>

### 5 Auditors remuneration and employee information

Auditors remuneration payable to RSM UK Audit LLP for the year ended 31 December 2020 is £26,250 (2019: £25,000).

There were no employees of the partnership during the year (2019: None).

The directors of the General Partner are considered to be the key management personnel of the partnership.

None of the key management personnel nor the partners received any remuneration for management services provided to the partnership.

# THE TOWER LIMITED PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Interest payable and similar charges

	2020 £000	2019 £000
Loan interest	8,830	8,914
Fellow subsidiary undertaking loan interest	3,529	4,800
Finance arrangement fees	100	100
	<b>12,459</b>	<b>13,814</b>

### 7 Subsidiary Undertakings

The following shares are held in the name of Tower General Partner Limited in its capacity as General Partner of The Tower Limited Partnership. The Tower Limited Partnership holds the beneficial interest in these shares.

Name of Company	Country of Registration / Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Tower Management Services Limited	England & Wales	2 £1 ordinary shares	100%	Property management services
The Tower Nominees No. 1 Limited	England & Wales	2 £1 ordinary shares	100%	Dormant
The Tower Nominees No. 2 Limited	England & Wales	2 £1 ordinary shares	100%	Dormant
Tower Nominees No. 1 Jersey Limited	Jersey	10 £1 ordinary shares	100%	Dormant
Tower Nominees No. 2 Jersey Limited	Jersey	10 £1 ordinary shares	100%	Dormant

The only trading subsidiary is Tower Management Services Limited which made a profit of £8,355 during the year ended 31 December 2020 (2019: £11,814 profit) and had capital and reserves of £210,504 at that date (2019: £202,149). None of the other subsidiaries have traded since incorporation.

The registered office address of Tower Management Services Limited, The Tower Nominees No. 1 Limited and The Tower Nominees No. 2 Limited is York Gate, 100 Marylebone Road, London, NW1 5DX. The registered office address of Tower Nominees No. 1 Jersey Limited and Tower Nominees No. 2 Jersey Limited is IFC 1 The Esplanade, St Helier, Jersey, Channel Islands, JE1 5BP.

The financial statements present information about the partnership as an individual undertaking and not about its group, as the partnership has taken advantage of the exemption provided by section 402 of the Companies Act 2006 not to prepare consolidated financial statements as the directors of the General Partner consider that all the partnerships subsidiaries may be excluded from consolidation as they are immaterial for purpose of giving a true and fair view.

# THE TOWER LIMITED PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Investment properties

	2020 £000	2019 £000
<b>At fair value</b>		
At 1 January 2020	584,157	566,176
Additions	-	38
Fair value (loss)/gain	(11,483)	17,943
At 31 December 2020	572,674	584,157
The investment property is stated in the financial statements net of operating lease incentives as detailed below		
	2020 £000	2019 £000
Fair value open market basis	588,000	600,000
Operating Lease incentives not deducted in third party valuation (see below)	(15,326)	(15,843)
Valuation net of operating lease incentives	572,674	584,157

The investment properties comprise freehold land and buildings and were valued on an open market basis by the General Partner at 31 December 2020. This valuation was based upon a third-party report valuing the property as at 5 April 2019, and was been updated to reflect changes in the market.

The historical cost of the freehold land and buildings at 31 December 2020 was £303,914,755 (2019: £303,914,755).

### 9 Debtors

	2020 £000	2019 £000
Due within one year:		
Amounts due from tenants	2,041	623
Other debtors	82	8
Prepayments	198	59
Accrued income from operating lease incentives	15,326	15,843
	17,647	16,533

# THE TOWER LIMITED PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Commercial loan (secured see note 11)	2,996	2,842
Other taxation and social security	2,335	1,221
Other creditors - rent deposits held	2,442	3,237
Other creditors	251	-
Accruals	1,930	3,448
Deferred income - rents invoiced in advance	6,313	6,642
	<u>16,266</u>	<u>17,390</u>

### 11 Creditors: amounts falling due after more than one year

	2020 £000	2019 £000
Commercial loan (secured)	182,768	185,665
Deferred income	1,511	1,591
Loan from group undertakings	80,000	80,000
	<u>264,280</u>	<u>267,256</u>

The term loan facility with Aviva Commercial Finance Limited terminates on 20 March 2032. The £125m facility is at a fixed rate of 5.1% per annum. Part of the loan (£80m) is interest only with the balance (£45m) being repayable in quarterly instalments. During 2016 the loan agreement was restated to include a £62m facility to fund the development of 15 Bishopsgate. This tranche of the loan is interest only at a fixed rate of 3.8%. The loan is secured by a fixed and floating charge over the property.

In December 2020 the £80m loan from a fellow subsidiary was repaid and a new loan of £80m was received from its parent entity, The Tower Unit Trust (TUT). The interest rate for the old loan up to the date of repayment was 4% (2019: 6%). The new £80m loan from TUT is interest free and unsecured. The loan is repayable on demand subject to written notice period of one calendar year plus one day and agreement with the secured lender.

# THE TOWER LIMITED PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

### 12 Financial instruments

The carrying amounts of the Partnerships financial instruments at 31 December were as follows.

	2020 £000	2019 £000
Financial assets:		
- Debtors (excluding prepayments and accrued income) stated at amortised cost	2,122	631
Financial liabilities:		
- Creditors (excluding other tax and social security and deferred income) stated at amortised cost	270,387	275,189

### 13 Reconciliation of profit for the year to net cash generated from operations

	2020 £000	2019 £000
(Loss)/Profit for the year	(2,130)	27,068
Adjustments for:		
- Fair value loss/(gain) on investment properties	11,483	(17,943)
- Interest receivable	(7)	(4)
- Interest payable	12,459	13,814
Movements in working capital		
- (Decrease)/Increase in debtors	(1,427)	641
- Increase/(Decrease) in creditors	428	(2,361)
Net cash generated from operations	20,806	21,215

### 14 Immediate and Ultimate Controlling Party

In the opinion of the General Partner, the immediate parent entity is the Tower Unit Trust (TUT), and the ultimate parent company is Ki Corporation Limited, a company registered in Jersey.

Ki Corporation Limited is the parent of the group for which consolidated accounts are prepared of which the partnership is a member. The registered office of Ki Corporation Limited is 28 Esplanade, St Helier, Jersey, JE2 3QA, Channel Islands.