TOWER MANAGEMENT SERVICES LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Company No. 03554336

TOWER MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	P Lewis M Rosenberg
Secretary	E MacPherson
Company Number	03554336
Registered Office	York Gate 100 Marylebone Road London NW1 5DX
Auditors	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London, EC4A 4AB

TOWER MANAGEMENT SERVICES LIMITED

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TOWER MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report together with the audited accounts for the year ended 31 December 2018.

Principal Activities

The Company's principal activity is that of providing property management services to Tower 42 and its estate.

Directors

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

P Lewis	
M Rosenberg	(appointed 03 April 2018)
B Stiefel	(resigned 03 April 2018)

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 of the company 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 MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

P Lewis, Director

26 February 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOWER MANAGEMENT SERVICES LIMITED

Opinion
We have audited the financial statements of Tower Management Services Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and notes to the financial statements, including a summary of 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 2018 and of its profit 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
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

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. 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.

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 this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOWER MANAGEMENT SERVICES LIMITED (CONTINUED)

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
- 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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TOWER MANAGEMENT SERVICES LIMITED (CONTINUED)

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

RICHARD COATES (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

26 February 2019

TOWER MANAGEMENT SERVICES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	**572,470**	578,555
Administrative expenses		**(558,492)**	(567,257)
Operating Profit		**13,978**	11,298
Interest Receivable		**31**	1,137
Profit before taxation		**14,009**	12,435
Tax	5	**(2,661)**	(2,393)
Profit for the Year		**11,348**	10,042
Retained earnings at the start of the period		**178,986**	168,944
Retained earnings at the end of the period		**190,334**	178,986

All amounts relate to continuing activities.

TOWER MANAGEMENT SERVICES LIMITED

Company Number: 03554336

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	**2018**	2017
		£	£
Current Assets			
Debtors	6	**795,409**	1,108,230
Cash at bank		**2,114,927**	1,977,623
		2,910,336	3,085,853
Creditors: Amounts Falling Due Within One Year	7	**(2,720,000)**	(2,906,865)
Total Assets Less Current Liabilities		**190,336**	178,988
Capital and Reserves			
Share capital	8	**2**	2
Profit and loss account		**190,334**	178,986
Shareholders' Funds		**190,336**	178,988

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and Section 1A "Smaller Entities" of FRS102 "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 26 February 2019 and signed on its behalf.

P Lewis
Director

M Rosenberg
Director

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1 General Information

Tower Management Services Limited ("the Company") is a private company limited by shares incorporated and registered in England to provide property management services to Tower 42 and its estate. The registered office of Tower Management Services 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. 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.

Turnover

Fees and commissions received for management and other property services are included in income as earned net of Value Added Taxation and trade discounts.

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.

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

3 Turnover

The company provides property management services for Tower 42 and its attached estate. The company incurs all service charge expenditure and recharges these costs to tenants. These costs and equal recharges are excluded from sales and cost of sales. The amounts outstanding at the year end in relation to these costs and equally recharged are included within debtors and creditors.

4 Employees

There were no employees of the company during the year other than the directors (2017: none).

No directors received any remuneration for their services as directors of the company (2017: £nil).

5 Taxation

	2018	2017
	£	£
Corporation tax for the year	**2,661**	2,393

6 Debtors

	2018	2017
	£	£
Due within one year:		
Amounts due from tenants	**730,870**	1,090,492
Other debtors	**64,539**	17,738
	795,409	1,108,230

7 Creditors: Amounts Falling Due Within One Year

	2018	2017
	£	£
Trade creditors	**94,124**	76,687
Service charge creditors	**1,600,313**	2,013,617
Corporation tax	**2,661**	2,393
Other taxation and social security	**169,655**	177,128
Amounts owed to group undertakings	**22,636**	22,601
Other creditors	**270,834**	259,630
Accruals and deferred income	**559,777**	354,809
	2,720,000	2,906,865

8 Share Capital

	2018	2017
	£	£
Allotted, called up and fully paid		
2 ordinary shares of £1 each	**2**	2

9 Contingent Liabilities

The company is party to a cross guarantee arrangement in connection with the secured borrowings of The Tower Limited Partnership which were £192.7m as at 31 December 2018 (2017: £195.3m). This guarantee is secured by a fixed and floating charge over the assets of the company.

10 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, JE2 3QA.