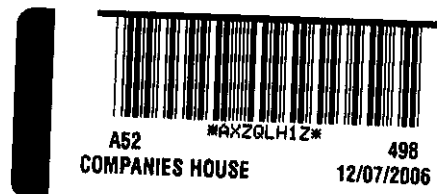


**TOWER PLACE DEVELOPMENTS (WEST) LIMITED**

**Report and Financial Statements**

**31 December 2005**



# **TOWER PLACE DEVELOPMENTS (WEST) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

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# TOWER PLACE DEVELOPMENTS (WEST) LIMITED

## DIRECTORS' REPORT

**For the year ended 31 December 2005**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2005.

## PRINCIPAL ACTIVITIES

The company's principal activity was to deal with matters relating to the building at Tower Place, London. It is anticipated that the business will continue along existing lines.

## FINANCIAL RISK MANAGEMENT

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are insufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's balance sheet the only financial risk the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the nature of the debtor balances owed, with *these due from other group companies who are able to repay these if required.*

## DIRECTORS

The directors who served throughout the year, except as noted, were:

P P C Gregory (appointed 1 January 2006)

T E Foster

B S Bridge (*resigned 31 December 2005*)

M W Cooper-Mitchell (*resigned 31 December 2005*)

## DIRECTORS' INTERESTS

The company's ultimate holding company is Marsh & McLennan Companies, Inc., a company incorporated in the State of Delaware, USA. As the ultimate holding company is a body corporate incorporated outside Great Britain, the directors are exempt from the requirement to notify the company of interests in other group companies outside Great Britain. There are no other interests requiring disclosure.

## RESULTS AND DIVIDEND

The company reports a profit on ordinary activities after taxation for the financial year of £13,000 (2004 - £50,000 profit).

The directors do not recommend the payment of a final dividend (2004 - £nil).

# **TOWER PLACE DEVELOPMENTS (WEST) LIMITED**

## **DIRECTORS' REPORT (continued)** **For the year ended 31 December 2005**

### **ELECTIVE RESOLUTIONS**

In accordance with Section 379A of the Companies Act 1985 the company has elected to dispense with the laying of accounts and reports before the company in General Meeting, the holding of Annual General Meetings and the obligation to appoint auditors annually.

### **AUDITORS**

Deloitte & Touche LLP will continue as auditors of the company.

Approved by the Board of Directors  
and signed on behalf of the Board



Marsh Secretarial Services Limited  
Secretary

20 June 2006

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed;
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWER PLACE DEVELOPMENTS (WEST) LIMITED**

We have audited the financial statements of Tower Place Developments (West) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

*The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.*

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWER PLACE DEVELOPMENTS (WEST) LIMITED (continued)**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants & Registered Auditors  
London

*23 June* 2006

# TOWER PLACE DEVELOPMENTS (WEST) LIMITED

## PROFIT AND LOSS ACCOUNT For the year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Turnover	1	9,359	9,233
Administrative expenses	3	(9,334)	(9,162)
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>25</u>	<u>71</u>
Tax charge on profit on ordinary activities	4	(12)	(21)
<b>RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	8	<u>13</u>	<u>50</u>

All amounts arise from continuing activities.

There are no recognised gains or losses other than those disclosed in the profit and loss account in the current year.

Accordingly, no statement of total recognised gains and losses is presented.



# TOWER PLACE DEVELOPMENTS (WEST) LIMITED


## BALANCE SHEET

31 December 2005

	Note	2005 £'000	2004 £'000
<b>CURRENT ASSETS</b>			
Debtors	5	337	9,583
<b>CREDITORS: Amounts falling due within one year</b>	6	(1,138)	(10,397)
<b>NET CURRENT LIABILITIES</b>		<u>(801)</u>	<u>(814)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	-	-
Profit and loss account	8	(801)	(814)
<b>EQUITY SHAREHOLDERS' DEFICIT</b>		<u>(801)</u>	<u>(814)</u>

The financial statements on pages 6 to 10 were approved by the Board of Directors on 20 June 2006.

Signed on behalf of the Board of Directors

  
P H C Gregory  
Director

# TOWER PLACE DEVELOPMENTS (WEST) LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2005

### 1. PRINCIPAL ACCOUNTING POLICIES

#### *Basis of preparation*

These financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

#### *Accounting convention*

The financial statements have been prepared under the historical cost convention.

#### *Turnover*

Turnover represents rents receivable from another group company and is taken to profit in the year to which it relates.

All turnover arises in the United Kingdom.

#### *Expenses*

Administrative expenses include rental of property, including service charge. This is charged to profit in the year to which it relates.

#### *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2. REMUNERATION OF DIRECTORS, EMPLOYEES AND AUDITORS

No remuneration was paid or is payable to the directors of Tower Place Developments (West) Limited in respect of their services to the company during the year. The directors are remunerated for their services to other companies in the Marsh & McLennan Companies, Inc. Group and their remuneration is dealt with in the accounts of other companies in the group. The company had no other employees during the year. The audit fee has been borne by another group company for the current and prior year.

### 3. ADMINISTRATIVE EXPENSES

	2005 £'000	2004 £'000
Administrative expenses include the following:		
Rental of property, including service charge	9,334	9,162

### 4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2005 £'000	2004 £'000
United Kingdom corporation tax at 30%	(12)	(21)

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK 2005:30% (2004:30%).

# TOWER PLACE DEVELOPMENTS (WEST) LIMITED

## NOTES TO THE ACCOUNTS (continued)

For the year ended 31 December 2005

### 4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES (continued)

The differences are explained below:

	2005 %	2004 %
Standard tax rate for period as a percentage of profits	30.00	30.00
Effects of:		
Prior year	16.36	-
Current tax rate for period as a percentage of profits	<u>46.36</u>	<u>30.00</u>

### 5. DEBTORS

	2005 £'000	2004 £'000
Amounts owed by fellow subsidiary undertaking		
Taxation	337	349
Other	-	9,234
	<u>337</u>	<u>9,583</u>

### 6. CREDITORS

	2005 £'000	2004 £'000
<i>Amounts falling due within one year</i>		
Amounts owed to group undertakings	249	9,468
Accruals and deferred income	889	929
	<u>1,138</u>	<u>10,397</u>

### 7. CALLED UP SHARE CAPITAL

	2005		2004	
	Number	£	Number	£
Authorised ordinary shares of £1 each	1,000	1,000	1,000	1,000
Called up, allotted and fully paid ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 8. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £'000	Total £'000
As at 1 January 2005	1	(814)	(814)
Retained profit for the financial year	-	13	13
As at 31 December 2005	<u>1</u>	<u>(801)</u>	<u>(801)</u>

# TOWER PLACE DEVELOPMENTS (WEST) LIMITED

## NOTES TO THE ACCOUNTS (continued)

For the year ended 31 December 2005

### 8. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS (continued)

	Share capital £	Profit and loss account £'000	Total £'000
As at 1 January 2004	1	(864)	(864)
Retained profit for the financial year	-	50	50
As at 31 December 2004	1	(814)	(814)

### 9. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under Financial Reporting Standard 8 not to disclose transactions between entities, 90% or more of whose voting rights are controlled within the Marsh & McLennan Companies, Inc., Group. There were no other related party transactions during the year.

### 10. CASH FLOW STATEMENT

The company is exempt from producing a cash flow statement under FRS1 "Cash Flow Statements" (revised 1996) as more than 90% of the voting rights are owned by its ultimate parent undertaking. A consolidated cash flow statement can be found in the published accounts of the ultimate parent company Marsh & McLennan Companies, Inc.

### 11. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The company's immediate parent company is Tower Hill Limited, a company registered in England and Wales. The company's ultimate parent company and controlling entity is Marsh & McLennan Companies, Inc., incorporated in the state of Delaware, United States of America.

The largest group in which the financial statements of the company are consolidated is that headed by Marsh & McLennan Companies, Inc. The smallest group in which they are consolidated is that headed by Marsh & McLennan Companies UK Limited a company registered in England and Wales. The consolidated accounts of Marsh & McLennan Companies UK Limited and Marsh & McLennan Companies, Inc. are available to the public and may be obtained from:

Companies House  
Crown Way  
Cardiff  
CF14 3UZ

and also from:

The Company Secretary  
Marsh & McLennan Companies UK Limited  
1 Tower Place West  
Tower Place  
London EC3R 5BU