

Company Registration No. 04085769

BLACKSTONE REAL ESTATE PARTNERS LIMITED

Report and Financial Statements

For the year ended 31 December 2014

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BLACKSTONE REAL ESTATE PARTNERS LIMITED
REPORT AND FINANCIAL STATEMENTS 2014

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BLACKSTONE REAL ESTATE PARTNERS LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Vijay Bharadia
Farhad Karim

SECRETARY

Intertrust (UK) Limited
7th Floor, 11 Old Jewry
London
England EC2R 8DU
United Kingdom

REGISTERED OFFICE

40 Berkeley Square
London
W1J 5AL
United Kingdom

SOLICITORS

Simpson Thacher & Bartlett LLP
City Point
One Ropemaker St
London
EC2Y 9HU
United Kingdom

AUDITOR

Deloitte LLP
1 Little New Street
London
EC4A 3TR
United Kingdom

BLACKSTONE REAL ESTATE PARTNERS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Blackstone Real Estate Partners Limited ("the Company") for the year ended 31 December 2014.

DIRECTORS

The directors who served throughout the period were:

Vijay Bharadia
Farhad Karim

None of the directors had any disclosable interests in the shares of the Company during the year.

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in place throughout the year and remain in force at the date of this report.

SMALL COMPANIES EXEMPTION

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each person who is a director at the date of the approval of this report confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 2) the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



Vijay Bharadia

Director

7 September 2015

BLACKSTONE REAL ESTATE PARTNERS LIMITED

STRATEGIC REPORT

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company was formed for the purpose of holding investments in limited partnerships. The results and the financial position of the Company at the year-end are satisfactory.

The Company's loss on ordinary activities after taxation is \$1,712 (2013: \$17,667 loss). The directors do not recommend the payment of a dividend in respect of the year (2013: \$nil). The amount transferred to reserves in respect of the year is a loss of \$1,712 (2013: \$17,667 loss).

The Financial Reporting Council has replaced the current UK GAAP with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, with effect from periods beginning on or after 1 January 2015. The Company will apply the new standards from the period 1 January 2015.

The Company's immediate parent undertaking is The Blackstone Real Estate Partners Holdings Limited. The ultimate parent undertaking is The Blackstone Group L.P.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board and signed on its behalf by:



Vijay Bharadia

Director

7 September 2015

BLACKSTONE REAL ESTATE PARTNERS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BLACKSTONE REAL ESTATE PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKSTONE REAL ESTATE PARTNERS LIMITED

We have audited the financial statements of Blackstone Real Estate Partners Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet and the related notes 1 to 11. 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).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BLACKSTONE REAL ESTATE PARTNERS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKSTONE REAL ESTATE PARTNERS LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- 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 in preparing the directors' report; or
- we have not received all the information and explanations we require for our audit.



Calum Thomson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

15. September 2015

BLACKSTONE REAL ESTATE PARTNERS LIMITED

PROFIT AND LOSS 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Revenue		779	-
Other income		-	139
Impairment on investments		(2,478)	(249)
Administrative expenses		(13)	(17,557)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(1,712)	(17,667)
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	9	(1,712)	(17,667)

All results derive from continuing operations. There have been no recognised gains or losses attributable to the members in either the current or prior year, other than those included in the profit and loss account. Accordingly, no Statement of Total Recognised Gains and Losses is presented in these financial statements.

The notes on pages 9 to 12 form part of these financial statements.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 \$	2013 \$
Retained loss for the financial year	(1,712)	(17,667)
Opening shareholders' funds	13,510	31,177
Closing shareholders' funds	11,798	13,510

The notes on pages 9 to 12 form part of these financial statements.

BLACKSTONE REAL ESTATE PARTNERS LIMITED**BALANCE SHEET
31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
FIXED ASSETS			
Investments	5	4,421	7,182
CURRENT ASSETS			
Debtors	6	1,497	435
Cash at bank and in hand		6,613	6,837
		<u>8,110</u>	<u>7,272</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	7	<u>(732)</u>	<u>(943)</u>
NET CURRENT ASSETS		<u>7,378</u>	<u>6,329</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>11,799</u></u>	<u><u>13,511</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account	9	<u>11,798</u>	<u>13,510</u>
SHAREHOLDERS' FUNDS		<u><u>11,799</u></u>	<u><u>13,511</u></u>

The notes on pages 9 to 12 form part of these financial statements.

The financial statements of Blackstone Real Estate Partners Limited, registered number 4085769 were approved by the Board of Directors and authorised for issue 7 September 2015 and signed on its behalf by:



Vijay Bharadia
Director

BLACKSTONE REAL ESTATE PARTNERS LIMITED

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies that have been adopted and applied consistently throughout the current and prior years are described below.

Going concern

The Company's principal activity is set out in the Strategic Report. The directors consider the principal risk to be financial risk and believe that the Company has sufficient procedures in place to manage its risks successfully, and continue in operational existence despite the current uncertain economic climate. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Preparation of the financial statements in US dollars

It is considered that a fair reflection of the Company's activities is given by presenting the financial statements in US dollars, since the US dollar is the main currency of the Company's primary economic environment.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Foreign currencies

All monetary assets and liabilities denominated in currencies other than US dollars are translated into US dollars at the rate ruling at the balance sheet date. Transactions in currencies other than US dollars are recorded at the rate of exchange at the date of the transaction. Translation differences are dealt with through the profit and loss account.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that 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 taxation computations in periods different from those in which they are included in financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are not discounted.

Revenue recognition

Investment income is recognised on an accruals basis. Turnover is composed entirely of investment income arising from the company's holding in real estate investment limited partnerships and is derived from activities performed in the United Kingdom.

Cash flow statement

The Company has taken advantage of the small company exemption available under Financial Reporting Standard 1, "Cash Flow Statements" paragraph 5 (f) and therefore, has not prepared a cash flow statement.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee and other expenses of the Company have been borne by an affiliate of the Company in the current and prior year. The audit fee for 2014 was \$7,900 (2013: \$11,200).

BLACKSTONE REAL ESTATE PARTNERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) YEAR ENDED 31 DECEMBER 2014

3. INFORMATION REGARDING THE DIRECTORS AND EMPLOYEES

The Company has no employees (2013: none). The Directors were not remunerated for their services to the Company either in the current or prior year.

4. TAX CHARGE ON ORDINARY ACTIVITIES

The tax charge for the year comprises:

	2014 \$	2013 \$
UK corporation tax at 21.50% (2013: 23.25%)	-	-
Total tax charge	-	-

Factors affecting current tax charge for the year

The current tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). The differences are explained below:

	2014 \$	2013 \$
Loss on ordinary activities before tax	(1,712)	(17,667)
Tax at 21.50% (2013: 23.25%)	368	4,108
Effects of:		
Tax losses not expected to be realised	(368)	(4,108)
Current tax charge for the year	-	-

The UK Government announced that it will reduce the standard rate of corporation tax, which will affect the current and total tax charges or credits in future periods. It is proposed that the rate will decrease from the current rate of 21% to 20% with effect from 1 April 2015.

BLACKSTONE REAL ESTATE PARTNERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) YEAR ENDED 31 DECEMBER 2014

5. INVESTMENTS

The Company has made investments in Blackstone Real Estate Partners I.D L.P., Blackstone Real Estate Partners I.D.2 L.P. and Blackstone Real Estate Partners I.E L.P., three registered limited partnerships governed by English law, which themselves make investments in real estate and real estate companies to generate an investment return. The Blackstone Real Estate Partners Limited share in the three investments is 0.01% in each of the three investments.

	2014	2013
	\$	\$
Cost at 1 January	7,182	7,867
Impairment of investment	(2,478)	(249)
Return of capital	(283)	(436)
Cost at 31 December	<u>4,421</u>	<u>7,182</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	\$	\$
Amounts due from affiliates	1,497	435
	<u>1,497</u>	<u>435</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	\$	\$
Corporation Tax	732	943
	<u>732</u>	<u>943</u>

8. CALLED UP SHARE CAPITAL

	2014	2013
	\$	\$
Allotted, called up and fully paid:		
1 ordinary share of £1 (2013: £1)	1	1
	<u>1</u>	<u>1</u>

BLACKSTONE REAL ESTATE PARTNERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) YEAR ENDED 31 DECEMBER 2014

9. PROFIT AND LOSS ACCOUNT

	2014	2013
	\$	\$
At 1 January	13,510	31,177
Loss for the year	(1,712)	(17,667)
At 31 December	<u>11,798</u>	<u>13,510</u>

10. RELATED PARTIES

Included in debtors is an amount of \$1,497 (2013: \$435) which relates to cash legally held by The Blackstone Group International Partners LLP on behalf of the Company.

11. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Blackstone Real Estate Partners Holdings Limited, a Company incorporated in the United Kingdom, which is a wholly owned subsidiary of Blackstone Group International (Cayman) Limited, a company incorporated in the Cayman Islands. The Company's ultimate parent undertaking and controlling party is The Blackstone Group L.P, a Limited Partnership incorporated in Delaware, United States of America.

The Blackstone Group L.P. is the smallest and largest group which includes the Company and for which financial statements are prepared.

Copies of the group financial statements are available from 345 Park Avenue, New York, NY 10154, United States of America.