

Company Registration No. 3949032

**The Blackstone Group International Limited
Annual Report and Financial Statements
for the year ended 31 December 2015**



THE BLACKSTONE GROUP INTERNATIONAL LIMITED

CONTENTS

	Page
Officers and Professional Advisers	2
Directors' Report	3
Directors' Responsibilities Statement	5
Independent Auditor's Report	6
Income Statement	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Geoffrey Bailhache
Vijay Bharadia

COMPANY SECRETARY

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

REGISTERED OFFICE

40 Berkeley Square
London W1J 5AL
United Kingdom

SOLICITORS

Freshfields Bruckhaus Deringer
65 Fleet Street
London EC4Y 1HS
United Kingdom

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
1 Little New Street
London EC4A 3TR
United Kingdom

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of The Blackstone Group International Limited ("the Company") for the year ended 31 December 2015.

Directors and their interests

The Directors who served during the year were:

Geoffrey Bailhache

Vijay Bharadia

Susannah Lindenfield (resigned on 2 November 2015)

None of the Directors had any disclosable interests in the share and loan capital of the Company during the period.

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

Principal activities and risks

The Company continues to be a corporate member of The Blackstone Group International Partners LLP ("the LLP"), following the transfer of its businesses, assets and liabilities in the UK and France to the LLP on 1 October, 2010. The directors have no intention to wind down the Company in the next 12 months and the Company continues to have minimal operating activity following the transfer. No decision has yet been taken as to the future purpose of the Company.

The directors considered the risks attached to the Company's financial position at year end which principally comprises of corporation tax and intercompany balances. The directors have taken a prudent approach in their consideration of the various risks attached to these balances. The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements.

The principal risk of the Company is market risk which is limited to the exposure to foreign exchange fluctuations, due to some assets and liabilities being denominated in currencies other than the Company's functional currency. The Company will seek to settle such balances on a timely basis to reduce exposure to these fluctuations.

The Financial Reporting Council has replaced the current UK Generally Accepted Accounting Principles ("UK GAAP") with the Financial Reporting Standard 102 ("FRS 102") applicable in the UK and Republic of Ireland, with effect from periods beginning on or after 1 January 2015. The Company has applied the new standards from the period 1 January 2014. The directors approve the FRS 102 exemptions listed in note 1.

Small Companies' Exemption

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. This is in accordance with Part 15 of the Companies Act 2006. The Company has taken advantage of the exemption from the requirement to disclose an enhanced business review and prepare a strategic report on the grounds that it is a small company.

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

Results and dividends

The Company made a profit on ordinary activities before taxation of \$66,182 (2014: \$21,823 loss).

The statement of financial position on page 9 of the financial statements shows the Company's financial position at the year end. Equity and shareholders' funds increased from a net asset position of \$2,187,297 in 2014 to a net asset position of \$2,253,479 in 2015. Market conditions have had little impact on the results for the year, and the directors do not believe that uncertain market conditions will significantly impact the Company going forward.

The Company's immediate parent undertaking is The Blackstone Group International (Cayman) Limited. The ultimate parent undertaking is The Blackstone Group L.P. ("the Partnership").

During the year, no dividends were paid or declared (2014: \$nil).

Going Concern

The directors have a reasonable expectation that the Company has access to sufficient financial resources from its parent entities and is expected to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all 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 has indicated its willingness to be reappointed for another term and appropriate arrangements are being made for it to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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



Vijay Bharadia
Director
27 September 2016

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and republic of Ireland ("FRS 102").

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 Standard have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 BLACKSTONE GROUP INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE BLACKSTONE GROUP INTERNATIONAL LIMITED

We have audited the financial statements of The Blackstone Group International Limited for the year ended 31 December 2015 which comprise the Income statement, Statement of financial position, Statement of changes in equity 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2015 and of its profit 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.

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLACKSTONE GROUP
INTERNATIONAL LIMITED (CONTINUED)**

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.

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
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report and strategic report.



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

27 September 2016

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year ended 31 December 2015 \$	Year ended 31 December 2014 \$
Administrative and other income/(expenses)	4	51,670	(20,294)
Interest payable and similar charges		-	(1,529)
Profit / (Loss) on ordinary activities before taxation		51,670	(21,823)
Tax charge on ordinary activities	5	14,512	-
Profit / (Loss) on ordinary activities after taxation and retained loss for the financial year		66,182	(21,823)

The Company has no recognised gains and losses other than the gain shown above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 11 to 15 form part of these financial statements.

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	As at 31 December 2015 \$	As at 31 December 2014 \$
CURRENT ASSETS			
Debtors	6	2,253,479	2,187,297
NET CURRENT ASSETS		<u>2,253,479</u>	<u>2,187,297</u>
NET ASSETS		<u>2,253,479</u>	<u>2,187,297</u>
 CAPITAL AND RESERVES			
Called up share capital	7	2,445,267	2,445,267
Other reserves		199,610,642	199,610,642
Profit and loss account		(199,802,430)	(199,868,612)
SHAREHOLDERS' FUNDS		<u>2,253,479</u>	<u>2,187,297</u>

The notes on pages 11 to 15 form part of these financial statements.

Approved by the Board of Directors and authorised for issue on 27 September 2016 and signed on its behalf by:



Vijay Bharadia
Director

Company Registration No. 3949032

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2015**

	Notes	Called-up share capital \$	Other reserves \$	Retained earnings \$	Total \$
Balance as at 1 January 2014	7	2,445,267	199,610,642	(199,846,789)	2,209,120
Loss for the year		-	-	(21,823)	(21,823)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year		-	-	(21,823)	(21,823)
Balance as at 31 December 2014	7	<u>2,445,267</u>	<u>199,610,642</u>	<u>(199,868,612)</u>	<u>2,187,297</u>
Balance as at 1 January 2015	7	2,445,267	199,610,642	(199,868,612)	2,187,297
Profit for the year		-	-	66,182	66,182
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	66,182	66,182
Balance as at 31 December 2015	7	<u>2,445,267</u>	<u>199,610,642</u>	<u>(199,802,430)</u>	<u>2,253,479</u>

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

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

General information and basis of accounting

The Blackstone Group International Limited is a company incorporated in the United Kingdom under the Companies Act. The Company's principal activity is set out in the Director's report.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. This is the first year that the Company has presented its financial statements under FRS 102 issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available. Exemptions have been taken in relation to presentation of a cash flow statement and intra group transactions.

Financial Assets

The Company holds a debtor which is classified as a financial asset.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Going concern

The Company's business activities and key risks are set out in the Directors Report. As mentioned in the Directors Report, the directors have no intention to wind down the Company in the next 12 months and no decision has yet been taken as to the longer term future of the Company. The directors' strategy for managing business risk is to ensure that the Company has sufficient resources to meet all its potential liabilities as they fall due. The Company currently has net assets of \$2,253,479 (2014: \$2,187,297) and as disclosed in note 4, audit fees are borne by the LLP. Accordingly, the directors continue to adopt the going concern basis in preparing the Company's financial statements.

Partnership Interest

As a result of the transfer of the businesses to the LLP in 2010, the Company became a corporate member of the LLP with specific rights and obligations documented in the Amended and Restated Limited Liability Partnership Deed ("the deed"). The partnership interest is recorded at cost less provision for impairment and the value of this in the current and prior year was \$nil. Income from the partnership interest is recognised when amounts are allocated by the LLP to its members.

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (CONTINUED)

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, the functional currency of the ultimate holding company, since the US dollar is the main currency of the Company's primary economic environment.

Foreign currencies

All monetary assets and liabilities denominated in currencies other than US dollars are translated into US dollars at the rate of exchange prevailing at the statement of financial position date. Transactions in currencies other than US dollars are recorded at daily rates of exchange upon settlement. All exchange differences are taken into the Income statement.

Taxation

Current tax, including UK corporation tax, is recorded at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation is provided in full on timing differences that result in an obligation at the statement of financial position 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.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATED UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources, the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. STAFF COSTS

There were no employees for the years ended 31 December 2015 or 31 December 2014.

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2015

4. ADMINISTRATIVE AND OTHER INCOME/(EXPENSES)

	2015	2014
	\$	\$
Ordinary profit/(loss) is stated after crediting/(charging):		
Foreign currency exchange gain/(loss)	51,670	(20,294)

During the year, audit fees of \$10,178 (2014: \$9,890) have been borne by the LLP.

5. TAX

(A) TAX CHARGE ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES

	2015	2014
	\$	\$
United Kingdom corporation tax at 20.25% (2014: 21.5%) based on the current year allocation of partnership profit		-
Adjustment in respect of prior years	14,512	-
	<u>14,512</u>	<u>-</u>

(B) FACTORS AFFECTING CURRENT TAX CHARGE FOR THE YEAR

The tax assessed on profit/(loss) on ordinary activities for the year is based on a rate of taxation of 20.25%

	2015	2014
	\$	\$
Profit/(Loss) on ordinary activities before tax	51,670	(21,823)
Tax at 20.25% (2014: 21.5%)	10,461	(4,692)
Non-taxable net foreign exchange (loss)/gain	(10,461)	4,362
Allocation of taxable profit from The Blackstone Group International Partners LLP	131,201	356,309
Tax benefit of amendment to prior year taxable partnership profit allocation		
Offset of carried forward non-trading losses	(131,201)	(355,979)
Adjustment in respect of prior years	14,512	
Current tax credit/(charge) for the year	<u>14,512</u>	<u>-</u>

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 2015

6. DEBTORS

	2015 \$	2014 \$
Amounts due from group undertakings (see note 9)	404,429	268,166
Corporation tax	1,849,050	1,919,131
	<u>2,253,479</u>	<u>2,187,297</u>

7. CALLED UP SHARE CAPITAL

Called up, allotted and fully paid	2015	2014
Ordinary shares of £1 each	1,400,000	1,400,000
Preference share of £1 each	<u>1</u>	<u>1</u>
	<u>1,400,001</u>	<u>1,400,001</u>

The called up share capital is denominated in British pounds sterling.

The called up share capital is shown on the balance sheet at its historical cost equivalent of \$2,445,267 (2014: \$2,445,267).

The preference share is redeemable for the amount of capital paid on it at the option of the Company which must give a notice of not less than one week. The preference share does not entitle the holder to any rights or other participation in the profits or assets of the Company other than return of the amount allotted nor does it carry any voting rights.

8. RELATED PARTY TRANSACTIONS

As at 31 December 2015, the Company was due \$404,429 (2014: \$268,166) from the LLP.

The Company does not charge or pay interest to affiliates on outstanding receivable and payable balances.

9. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is The Blackstone Group International (Cayman) Limited, a company incorporated in the Cayman Islands, and its ultimate parent and controlling party is The Blackstone Group L.P., a Limited Partnership incorporated in Delaware, United States of America.

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

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2015

10. SUBSEQUENT EVENTS

It was determined that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

11. TRANSITION TO FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The last financial statements under previous UK GAAP were for the year ended 31 December 2014.

There were no recognition or measurement differences arising from the transition from FRS 102.