

Registered number: 3949032

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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THE BLACKSTONE GROUP INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Geoffrey Bailhache Vijay Bharadia
Company secretary	Intertrust (UK) Limited
Registered number	3949032
Registered office	40 Berkeley Square London United Kingdom W1J 5AL
Independent auditors	Deloitte LLP Statutory Auditor Hill House 1 Little New Street London United Kingdom EC4A 3TR
Solicitors	Freshfields Bruckhaus Deringer 65 Fleet Street London United Kingdom EC4Y 1HS

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

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THE BLACKSTONE GROUP INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Blackstone Group International Limited ("the Company") is a company incorporated in the United Kingdom and registered in England and Wales.

The directors present their report and the financial statements for the Company for the year ended 31 December 2016.

Directors

The directors who served during the year and up to the date of this report unless noted otherwise were:

Geoffrey Bailhache
Vijay Bharadia

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 414A and 415A of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements for the Company in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for the Company for each financial year. Under that law the directors have elected to prepare the financial statements for the Company in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company 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 for the Company, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements for the Company 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 for the Company 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.

Principal activity and review of the business

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.

Results

The loss for the year, after taxation, amounted to \$8,802 (2015: profit \$66,182).

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").

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Qualifying third party indemnity provisions

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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

The auditors, Deloitte LLP, will be proposed for reappointment at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Vijay Bharadia
Director

Date: 26 September 2017

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE BLACKSTONE GROUP INTERNATIONAL LIMITED

We have audited the financial statements of The Blackstone Group International Limited for the financial year ended 31 December 2016 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 8. The financial reporting framework that has been applied in their preparation is applicable law and the 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 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

As explained more fully in the Directors' responsibilities statement 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. 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 Directors' 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 2016 and of its loss for the financial 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, 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 those financial statements and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of our 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.

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE BLACKSTONE GROUP
INTERNATIONAL 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
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Garrath Marshall, ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

26 September 2017

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Administrative expenses		(8,802)	51,670
Operating (loss)/profit	3	(8,802)	51,670
(Loss)/profit before tax		(8,802)	51,670
Tax on (loss)/profit	5	-	14,512
(Loss)/profit for the year		(8,802)	66,182

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

All results are derived from continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

THE BLACKSTONE GROUP INTERNATIONAL LIMITED
REGISTERED NUMBER: 3949032

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Current assets			
Debtors: amounts falling due within one year	6	2,244,677	2,253,479
Net current assets		<u>2,244,677</u>	<u>2,253,479</u>
Total assets less current liabilities		<u>2,244,677</u>	<u>2,253,479</u>
Net assets		<u>2,244,677</u>	<u>2,253,479</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		(199,811,232)	(199,802,430)
		<u>2,244,677</u>	<u>2,253,479</u>

The notes on pages 8 to 12 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2017.


Vijay Bharadia
 Director

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2015	2,445,267	199,610,642	(199,868,612)	2,187,297
Comprehensive income for the year				
Profit for the year	-	-	66,182	66,182
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	66,182	66,182
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	2,445,267	199,610,642	(199,802,430)	2,253,479
Comprehensive income for the year				
Loss for the year	-	-	(8,802)	(8,802)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	(8,802)	(8,802)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	2,445,267	199,610,642	(199,811,232)	2,244,677
	<hr/>	<hr/>	<hr/>	<hr/>

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Details of the Company's general information are set out on the Company Information page and in the Directors' report on page 1.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company meets the definition of a qualifying entity and has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position;
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation;
- the requirements of Section 11 Financial Instruments;
- the requirements of Section 12 Other Financial Instruments;
- the requirements of Section 33 Related Party Disclosures.

This information is included in the consolidated financial statements of The Blackstone Group L.P. as at 31 December 2016 and these financial statements may be obtained from 345 Park Avenue, New York, NY 10154.

1.3 Going concern

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

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

1.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors 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.

There were no critical accounting judgements, nor key sources of estimation uncertainty for the year ended 31 December 2016.

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2016	2015
	\$	\$
Foreign currency exchange (loss)/gain	(8,802)	51,670
	<u>(8,802)</u>	<u>51,670</u>

The audit fees of the Company have been borne by the LLP in the current and prior year. The audit fee for the year ended 31 December 2016 was \$7,774 (2015: \$10,178).

4. Employees

The directors were not remunerated for their services to the Company during the current and prior year. There were no staff employed during the current or prior year.

5. Taxation

	2016	2015
	\$	\$
Corporation tax		
Current tax on profits for the year	-	(14,512)
	<u>-</u>	<u>(14,512)</u>
Corporation tax		
Current tax on profits for the year at 20% (2015: 20.25%)	-	(14,512)
	<u>-</u>	<u>(14,512)</u>

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - the same as) the standard rate of corporation tax in the UK of 20% (2015: 20.25%) as set out below:

	2016 \$	2015 \$
(Loss)/profit on ordinary activities before tax	(8,802)	51,670
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	(1,760)	10,461
Effects of:		
Non-taxable net foreign exchange (loss)/gain	1,760	(10,461)
Allocation of taxable profit from The Blackstone Group International Partners LLP	-	131,201
Offset of carried forward non-trading losses	-	(131,201)
Adjustment in respect of prior years	-	(14,512)
Total tax charge for the year	-	(14,512)

6. Debtors: amounts falling due within one year

	2016 \$	2015 \$
Amounts owed by group undertakings	704,634	404,427
Other debtors	1,540,043	1,849,052
	2,244,677	2,253,479

7. Share capital

	2016 \$	2015 \$
Shares classified as equity		
Allotted, called up and fully paid		
1,400,000 Ordinary Shares £1 each	2,445,265	2,445,265
1 Preference Shares share of £1	2	2
	2,445,267	2,445,267

THE BLACKSTONE GROUP INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Share capital (continued)

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.

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. Controlling party

The Company's immediate parent undertaking is The 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 and registered at 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.

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