

Registered number. 4242811

TERRACE GP HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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TERRACE GP HOLDINGS LIMITED

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TERRACE GP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and the audited financial statements for the year ended 31 March 2010

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

PRINCIPAL ACTIVITIES

Terrace GP Holdings Limited owns a 50% joint venture interest in Telereal General Property Holdings Limited and also owns 100% of the ordinary shares in Terrace GP LP Limited, a limited partner in Telereal General Property Limited Partnership, which acquired and holds an interest in the general purpose property estate occupied by British Telecommunication plc ("BT")

The company receives dividends from its investments and pays dividends to its holding company

DIRECTORS

Except as disclosed below, the directors who served during the year and up to the date of signing the financial statements were

Adam Dakin
Graham Edwards
Warren Persky
Barry Shaw
Russell Gurnhill (appointed 8 September 2009)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006), in relation to certain losses and liabilities which the directors may incur (or have incurred) to third parties in the course of their professional duties, were in force for the directors for their periods of directorship and at the date of this report

TERRACE GP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 prepared 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 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

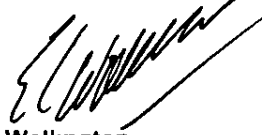
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

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

INDEPENDENT AUDITORS

Under section 487 of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on *29 November 2010* and signed on its behalf



Eric Wallington
Company secretary

TERRACE GP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TERRACE GP HOLDINGS LIMITED

We have audited the financial statements of Terrace GP Holdings Limited for the year ended 31 March 2010, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standards for Smaller Entities (effective 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

TERRACE GP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TERRACE GP HOLDINGS LIMITED

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 prepare the financial statements and the Directors' Report in accordance with the small companies regime



Bowker Andrews (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date 29 November 2010

TERRACE GP HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

	Note	2010 £000	2009 £000
Income from investments in group companies	2	6,716	10,041
Interest receivable	4	6	16
Interest payable	5	(7)	(16)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,715	10,041
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		<u>6,715</u>	<u>10,041</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and Loss Account above and, therefore, no separate statement of recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 7 to 12 form part of these financial statements

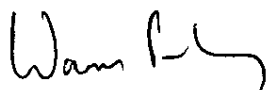
TERRACE GP HOLDINGS LIMITED
REGISTERED NUMBER: 4242811

BALANCE SHEET
AS AT 31 MARCH 2010

	Note	£000	2010 £000	2009 £000
FIXED ASSETS				
Investments	1,8		1	1
CURRENT ASSETS				
Debtors	9	3	618	
Cash at bank		4	21	
		<u>7</u>	<u>639</u>	
CREDITORS , amounts falling due within one year	10	(2)	(640)	
NET CURRENT ASSETS/(LIABILITIES)			<u>5</u>	<u>(1)</u>
NET ASSETS			<u>6</u>	<u>-</u>
CAPITAL AND RESERVES				
Called up share capital	11		-	-
Profit and loss account	12		6	-
SHAREHOLDERS' FUNDS	13		<u>6</u>	<u>-</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
29 November 2010.



Warren Persky
Director



Russell Gurnhill
Director

The notes on pages 7 to 12 form part of these financial statements

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1 ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008)

GROUP ACCOUNTS

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so under section 400 of the Companies Act 2006 because it is the parent company of a small group.

INCOME RECOGNITION

Income is recognised in the Profit and Loss Account on an accruals basis.

INVESTMENTS

Investments comprise equity investments in subsidiary undertakings and joint venture undertakings. These are carried at cost less any provision for impairment in value.

The carrying amount of the company's investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the Profit and Loss Account whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its net selling price and its value in use.

DIVIDENDS

Dividends receivable are recognised in the Profit and Loss Reserve in the period when the right to receive payment is established.

Dividend distributions to the company's shareholders are recognised as a liability in the period in which the dividends are approved by the company's shareholders or, in the case of interim dividends, when they are paid.

DEBTORS

Debtors are recognised at the amounts receivable less any provision for doubtful debts. Collectibility of trade debtors is reviewed on an ongoing basis.

CASH FLOW

The company has taken advantage of the exemption from the requirement to produce a cash flow statement under Financial Reporting Standard (FRS) 1 (Revised 1996) - "Cash Flow Statements", as it is a member of a small group (as defined under section 383 of the Companies Act 2006).

2. INCOME FROM INVESTMENTS IN GROUP COMPANIES

	2010 £000	2009 £000
Income from shares in subsidiary undertaking	<u>6,716</u>	<u>10,041</u>

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

3. DIRECTORS' REMUNERATION

None of the directors received remuneration for their services to the company during the year (2009 - £nil). Directors are remunerated by Trillium Property Services Limited, a fellow group undertaking, or Telereal Services Limited, which is considered to be a related party because the boards of the respective parent undertakings have a common nucleus of directors. The amounts paid are disclosed in the financial statements of the companies for which services were provided. Of the emoluments paid by Trillium Property Services Limited and Telereal Services Limited £nil (2009 - £nil) related to the services to this company, which were of negligible value.

The company did not have any employees during the year under review (2009 - nil).

4. INTEREST RECEIVABLE

	2010 £000	2009 £000
Group undertaking	6	16

5. INTEREST PAYABLE

	2010 £000	2009 £000
Group undertaking	(7)	(16)

6. TAXATION

	2010 £000	2009 £000
UK corporation tax charge on profit for the year	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2009 - lower than) the standard rate of corporation tax in the UK (28%). The differences are explained below.

	2010 £000	2009 £000
Profit on ordinary activities before tax	6,715	10,041
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	1,880	2,811
EFFECTS OF:		
Income not taxable	(1,880)	(2,811)
CURRENT TAX CHARGE FOR THE YEAR	-	-

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

6 TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010 which received Royal Assent on 27 July includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

7. AUDITORS' REMUNERATION

Services provided by the company's auditors

	2010 £000	2009 £000
Audit fees:		
Fees payable for the audit of the company's annual accounts	<u>2</u>	<u>3</u>
	2010 £000	2009 £000
Fees payable for the audit of the subsidiary undertakings' annual accounts	<u>11</u>	<u>3</u>

The audit fee for the year was paid on the company's behalf by Telereal Services Limited, a related entity, which is considered to be a related party of the company because their boards share the same nucleus of directors.

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

8 INVESTMENTS

	Investment in subsidiary undertaking £000	Investment in joint venture undertaking £000	Total £000
COST OR VALUATION			
At 1 April 2009 and 31 March 2010	-	1	1

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Name of company	Holding	Proportion of issued capital class held	Nature of business
Terrace GP LP Limited	Ordinary shares	100%	Limited partner in property investment partnership
Telereal General Property Holdings Limited	Ordinary "A" shares	50% *	Holdings company
Telereal Trading Property Limited	Ordinary shares	50% **	Property dealing
Telereal General Property Parent Limited	Ordinary shares	50% **	Holding company
Telereal General Property GP Limited	Ordinary shares	50% **	General partner in property investment partnership
Telereal General Property Trustee 1 Limited	Ordinary shares	50% **	Trustee company
Telereal General Property Trustee 2 Limited	Ordinary shares	50% **	Trustee company

Notes

* The company's 100% holding of the Ordinary "A" shares represents 50% of the equity shares issued by Telereal General Property Holdings Limited

** These 50% shareholdings are owned indirectly through the company's 50% interest in Telereal General Property Holdings Limited

All the above companies are incorporated in England and Wales

In addition, Terrace GP LP Limited holds a 49.975% interest in Telereal General Property Limited Partnership a property investment partnership which holds an interest in the general property estate occupied by British Telecommunications plc. Telereal General Property Limited Partnership, which is registered in England and Wales, is controlled by the general partner, Telereal General Property GP Limited. The company holds a further 0.025% interest in Telereal General Property Limited Partnership through its indirect holding in Telereal General Property GP Limited.

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

9 DEBTORS

	2010 £000	2009 £000
Amounts owed by group undertakings	3	618

Amounts owed by group undertakings are unsecured and repayable on demand. Interest was paid on these balances at 3.5% (incl. base rate) per annum.

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £000	2009 £000
Amounts owed to group undertakings	2	624
Amounts owed to associates	-	16
	2	640

Amounts owed to fellow group undertakings are unsecured, interest bearing at Lloyds TSB Banking Group Base Rate plus 2% and are repayable on demand.

11 CALLED UP SHARE CAPITAL

	2010 £000	2009 £000
ALLOTTED, CALLED UP AND FULLY PAID		
1 Ordinary shares of £1 each	-	-

12. PROFIT AND LOSS ACCOUNT

	2010 £000	2009 £000
At 1 April	-	6
Profit for the year	6,715	10,041
Dividends paid	(6,709)	(10,047)
At 31 March	6	-

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £000	2009 £000
Opening shareholders' funds	-	6
Profit for the year	6,715	10,041
Dividends (note 14)	(6,709)	(10,047)
	<u>6</u>	<u>-</u>
Closing shareholders' funds	<u>6</u>	<u>-</u>

14 DIVIDENDS

	2010 £000	2009 £000
Dividends £6,709,000 per share (2009 £10,047,000 per share)	<u>6,709</u>	<u>10,047</u>

15 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption provided by Paragraph 3(c) of 'FRS 8 Related party disclosures' not to disclose transactions with entities that are part of the group of entities owned by Tele-International Ventures Limited

There were no transactions or balances outstanding with other related parties

16 ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Tele-International Ventures Limited (a company incorporated in the British Virgin Islands)

The parent company of the largest group for which consolidated accounts are prepared that include the company is Tele-Finance Holdings Limited, incorporated in the British Virgin Islands

The ultimate holding company and controlling party is Field Nominees Limited (a company incorporated in Bermuda), as nominee for B Pears Family Trust