

TERRACE GP HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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TERRACE GP HOLDINGS LIMITED

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TERRACE GP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the audited financial statements for Terrace GP Holdings Limited ("the company") for the year ended 31 March 2017.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. They have also taken advantage of the exemptions provided by section 414A of the Companies Act 2006 in not preparing a Strategic Report.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

Adam Dakin
Graham Edwards
Russell Gurnhill
Graeme Hunter
Warren Persky

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006), commonly known as Directors and Officers insurance, 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.

Future developments

The directors do not anticipate any significant change to the current activity in the foreseeable future.

TERRACE GP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

Directors' responsibilities statement

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

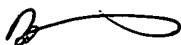
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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 report was approved by the board on

27 JUL 2017

and signed on its behalf.



Aaron Burns
Company Secretary

TERRACE GP HOLDINGS LIMITED

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

Report on the financial statements

Our opinion

In our opinion, Terrace GP Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its result 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.

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2017; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters 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 the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

TERRACE GP HOLDINGS LIMITED

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

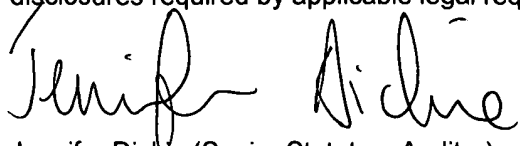
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Jennifer Dickie (Senior Statutory Auditor)
for and on behalf of **PricewaterhouseCoopers LLP**
Chartered Accountants and Statutory Auditors
London

27 July 2017

TERRACE GP HOLDINGS LIMITED
REGISTERED NUMBER: 4242811

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	4	1	1
		<u>1</u>	<u>1</u>
Current assets			
Cash at bank and in hand		5	5
Total assets less current liabilities and net assets		<u>6</u>	<u>6</u>
Capital and reserves			
Called up share capital	5	-	-
Retained earnings		6	6
Total equity		<u>6</u>	<u>6</u>


The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

27 JUL 2017



Warren Persky
Director



Russell Gurnhill
Director

The notes on pages 6 to 10 form part of these financial statements.

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies

General information

Terrace GP Holdings Limited ("the company") is an investment holding company, owning 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 property estate occupied by British Telecommunications plc ("BT").

The company is a private company limited by shares and is incorporated England and Wales. The registered office and principal place of business is disclosed in note 6.

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in compliance with the Companies Act 2006 and Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

The financial statements have been prepared in Sterling (rounded to the nearest thousand pounds), which is the functional and presentational currency of the company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. Management does not consider that the company faces any material risks and assumptions at this time.

Disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- (i) preparation of a statement of cash flows in accordance with paragraph 1A.7 of FRS 102, on the basis that it is a small entity; and
- (ii) preparation of a statement of changes in equity in accordance with paragraph 1A.7 of FRS 102, on the basis that it is a small entity.

Statement of Comprehensive Income

The company has not prepared a Statement of Comprehensive Income as the company did not trade during the years ended 31 March 2017 and 31 March 2016.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting policies (continued)

Group accounts

The company is the parent undertaking of a small group and as such is not required to prepare group accounts by virtue of s398 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied consistently to all years presented unless stated otherwise:

Investment in subsidiary undertakings

The 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 is 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 Statement of Comprehensive Income 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.

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash at bank and in hand and amounts due from group undertakings, are recognised initially at transaction price, unless the transaction constitutes a financing arrangement, e.g. significantly deferred credit terms, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such assets are held at amortised cost using the effective interest rate method.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

The impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party, or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and amounts due to group undertakings, are recognised initially at transaction price, unless the transaction constitutes a financing arrangement, e.g. significantly deferred credit terms, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such liabilities are held at amortised cost using the effective interest rate method.

Debt instruments that are payable or receivable within one year, typically trade payables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Auditors' remuneration

	2017 £000	2016 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	2	2
Fees payable for the audit of the subsidiary and joint venture companies' annual accounts	29	17

The audit fees for the year were borne on the companies' behalf by Telereal Services Limited, a fellow group undertaking.

3. Directors' remuneration

None of the directors received remuneration for their services to the company during the year (2016: £nil). Directors are remunerated by Telereal Telecom Services Limited or Telereal Services Limited, group undertakings. The amounts paid are disclosed in the financial statements of the companies for which services were provided. Of the emoluments paid by Telereal Telecom Services Limited and Telereal Services Limited £nil (2016: £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 (2016: nil).

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

4. Investments

	Investment in subsidiary undertakings £000
Cost and net book value	
At 1 April 2016	1
At 31 March 2017	1

Name of company	Holding	Nature of Business
Terrace GP LP Limited (a) - Ordinary shares of £1 each	100%	Limited partner in property investment partnership
Telereal General Property Holdings Limited (a) - Ordinary "A" shares of £1 each	100% (b)	Holding company
Telereal General Property Parent Limited - Ordinary shares of £1 each	50% (c)	Holding company
Telereal General Property GP Limited - Ordinary shares of £1 each	50% (c)	General partner of property investment partnership
Telereal General Property Trustee 1 Limited - Ordinary shares of £1 each	50% (c)	Trustee company
Telereal General Property Trustee 2 Limited	50% (c)	Trustee company

Notes

(a) Directly held investments

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

(c) These 50% shareholdings are owned indirectly through the company's 50% interest in Telereal General Property Holdings Limited.

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.

All the above companies are incorporated in England and Wales and the registered office and the principal place of business is 140 London Wall, London EC2Y 5DN.

In the opinion of the directors the value of the investments in subsidiary undertakings is not less than the aggregate amount at which they are shown in the company's balance sheet.

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

5. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1 (2016: 1) Ordinary share of £1	1	1

6. Controlling party

Terrace GP Holdings Limited is a wholly owned subsidiary of Tele-International Ventures Limited.

The parent companies of the smallest and largest groups for which consolidated accounts are prepared that include the company are Telereal Investments Limited and Tele-Finance Holdings Limited, respectively.

All three parent companies above are incorporated at Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands.

The ultimate holding company and controlling party is Field Nominees Limited (a company incorporated in Bermuda), as nominee for the B Pears 1967 Family Trust.

The registered office and principal place of business of Terrace GP Holdings Limited is:
140 London Wall
London
EC2Y 5DN