

Registered number: 04242811

TERRACE GP HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



TERRACE GP HOLDINGS LIMITED

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TERRACE GP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

Small companies note

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 414B 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
Michael Hackenbroch
Graeme Hunter

Future developments

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

Going concern and COVID-19

As at the date of signing these financial statements, the COVID-19 outbreak has caused significant disruption to the UK economy. Management continues to monitor the situation; however, the directors consider that the risk of the pandemic having an impact on the company is low as the company does not trade. Additionally the directors note the company is in a net asset position and does not have any forecast cash outflows for the twelve months from the date of signing these financial statements. The directors therefore believe it is appropriate to prepare these financial statements on a going concern basis.

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.

TERRACE GP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Accounting Standards, comprising FRS 102 Section 1A, 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 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 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

This report was approved by the board on 4 September 2020 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 audit of the financial statements

Opinion

In our opinion, Terrace GP Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its result for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2020; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

TERRACE GP HOLDINGS LIMITED

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting


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

We have no exceptions to report arising from this responsibility.

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.



Robert Wilkinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 September 2020

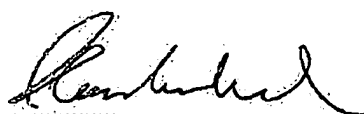
TERRACE GP HOLDINGS LIMITED
REGISTERED NUMBER: 04242811

BALANCE SHEET
AS AT 31 MARCH 2020

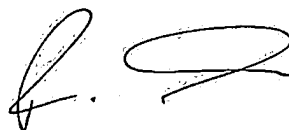
	Note	2020 £000	2019 £000
Fixed assets			
Investments	4	1	1
		<u>1</u>	<u>1</u>
Current assets			
Cash at bank and in hand		5	5
		<u>5</u>	<u>5</u>
Net assets		<u>6</u>	<u>6</u>
Capital and reserves			
Called up share capital	5	-	-
Retained earnings		6	6
		<u>6</u>	<u>6</u>
Total equity		<u>6</u>	<u>6</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 4 September 2020.



Michael Hackenbroch
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 2020

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 in 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.

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

Going concern and COVID-19

As at the date of signing these financial statements, the COVID-19 outbreak has caused significant disruption to the UK economy. Management continues to monitor the situation; however, the directors consider that the risk of the pandemic having an impact on the company is low as the company does not trade. Additionally the directors note the company is in a net asset position and does not have any forecast cash outflows for the twelve months from the date of signing these financial statements. The directors therefore believe it is appropriate to prepare these financial statements on a going concern basis.

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;
- (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; and
- (iii) related party disclosures in accordance with paragraph 33.1A of FRS 102, where the company transacts with other wholly owned subsidiaries of the wider group.

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

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 2020 and 31 March 2019.

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 debtors, cash at bank and in hand and amounts owed by 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 it was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed the amount at which the asset would have been stated 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.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and amounts owed 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 (other than those wholly repayable within one year), including loans and other accounts payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

Financial instruments (continued)

Debt instruments that are payable within one year, typically trade creditors, 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, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate, the financial liability is measured, initially, at the present value of the future cash flows 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

	2020 £000	2019 £000
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements	3	2

The audit fee was paid and borne on the company's 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 (2019: £nil). Directors are remunerated by Telereal Services Limited, a fellow group undertaking. The amounts paid are disclosed in the financial statements of the companies for which services were provided. Of the emoluments paid by Telereal Services Limited, £nil (2019: £nil) related to services provided to this company, which were of negligible value.

The company did not have any employees during the year under review (2019: nil).

TERRACE GP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4. Investments

	2020 £000	2019 £000
Cost and net book value		
At 1 April	1	1
At 31 March	<u>1</u>	<u>1</u>

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	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 2020

5. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019: 1) Ordinary share of £1.00	1	1
	<u>1</u>	<u>1</u>

6. Controlling party

Terrace GP Holdings Limited is a wholly owned subsidiary of Tele-International Ventures Limited (a company incorporated in the British Virgin Islands).

The parent company of the smallest group for which consolidated financial statements are prepared that include the company is Telereal Investments Limited (a company incorporated in the British Virgin Islands and registered at Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands.).

The parent company of the largest group for which consolidated financial statements are prepared that include the company is Tele-Finance Holdings Limited (a company 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 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