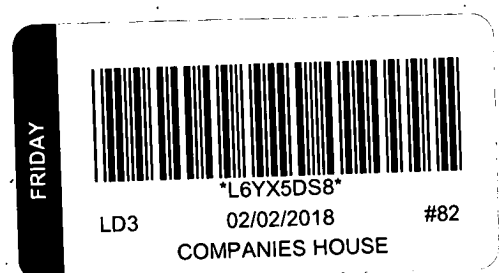


Registered number
6676747

Britel Real Estate International (UK) GP Limited

Directors' Report and Financial Statements

For the year ended 30 June 2017



Britel Real Estate International (UK) GP Limited
Annual Report and accounts
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Britel Real Estate International (UK) GP Limited
Company Information

Directors

D Grose

B Sanderson

K Wilman

Secretary

Hermes Secretariat Limited

Lloyds Chambers

1 Portsoken Street

London E1 8HZ

Auditor

KPMG LLP

Chartered Accountants

15 Canada Square

London

E14 5GL

Registered office

Lloyds Chambers

1 Portsoken Street

London E1 8HZ

Registered number

6676747

Britel Real Estate International (UK) GP Limited Strategic Report

The Directors present their strategic report for the year ended 30 June 2017 for Britel Real Estate International (UK) GP Limited ("the Company").

Principal activities

The principal activity of the Company is that of managing the operations and safeguarding the assets of BTPS Real Estate International L.P. ("the Limited Partnership").

Review of the business

The results for the year are set out in the profit and loss account on page 7. The profit for the year was A\$24,207 (2016: A\$18,185).

The Company's investment was valued as at 30 June 2017 at A\$119,764 (2016: A\$95,557).

Principal risks and uncertainties

The Directors consider the following to be the principal risk to the Company:

- Market risk resulting in unforeseen changes to investment values

The business reviews this risk regularly and mitigates it through balanced investment strategies under the direction of specialists with significant industry experience.

KPIs

The principal KPIs used by management are the profit for the year and the investment valuations as included in the review of the business above.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including market risk and credit risk.

Market risk

Market risk is the risk that market prices of investments change. Refer to principal risks and uncertainties for further information.

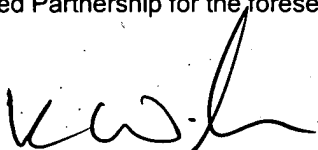
Credit risk

The Company's principal financial assets are debtors and investments.

The Company's credit risk is primarily attributable to its debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made when there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

Future developments

The Directors expect the Company to continue to hold its investment in, and act as the General Partner to, the Limited Partnership for the foreseeable future.



Kirsty Wilman
Director

23 January 2018

Britel Real Estate International (UK) GP Limited

Directors' Report

The Directors present their report and the audited financial statements for the year ended 30 June 2017.

Principal activity and review of the business

Details of the principal activity and review of the business can be found in the Strategic Report on page 2.

Going concern

The Directors intend for the Company to continue to hold an investment in the Limited Partnership for the foreseeable future. There are no financial obligations associated with the investment in the Limited Partnership. Further, in accordance with the partnership agreement, the Limited Partnership meets the general partner's expenses.

The Company has net current liabilities of A\$23,344 (2016: A\$23,344) but the Directors have satisfied themselves that the Company remains a going concern given its ongoing investment in the Limited Partnership, which carries no associated financial obligations.

Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Results

The results of the Company for the year are set out in the profit and loss account on page 7.

Events after the balance sheet date

In November 2017 the Directors initiated the process to sell 25% of the Limited Partnership's interest in its underlying investment. At the balance sheet signing date no buyer has been confirmed.

Auditor

Each of the persons who is a director of the General Partner at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and
- the director has taken all the 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 Partnership's auditor is aware of that information.

KPMG LLP, as statutory auditor, have indicated their willingness to be appointed for their first year and appropriate arrangements have been put in place for them to be deemed appointed as auditor in absence of an Annual General Meeting.



Kirsty Wilman
Director

23 January 2018

Britel Real Estate International (UK) GP Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITEL REAL ESTATE INTERNATIONAL (UK) GP LIMITED

We have audited the financial statements of Britel Real Estate International (UK) GP Limited ("the Company") for the year ended 30 June 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The general partner is responsible for the strategic report and general partner's report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and general partner's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITEL REAL ESTATE INTERNATIONAL (UK) GP LIMITED (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Bill Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
29 January 2018

Britel Real Estate International (UK) GP Limited
Profit and Loss Account
for the year ended 30 June 2017

| | Notes | Year ended 30 June 2017 A\$ | Year ended 30 June 2016 A\$ |
|--|-------|-----------------------------------|-----------------------------------|
| Administrative expenses | | - | - |
| Operating profit | 2 | - | - |
| Unrealised gain on revaluation of investments | 4 | 24,207 | 18,185 |
| Profit on ordinary activities before taxation | | 24,207 | 18,185 |
| Taxation on profit on ordinary activities | 3 | - | - |
| Profit for the financial year | | 24,207 | 18,185 |

There were no recognised gains and losses for the year other than those included in the profit and loss account, and as a result no Statement of Other Comprehensive Income has been prepared.

All activities derive from continuing operations.

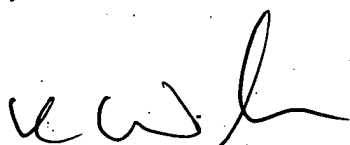
Notes 1 to 10 form part of these financial statements.

Britel Real Estate International (UK) GP Limited
6676747
Balance Sheet
as at 30 June 2017

| | Notes | 2017 A\$ | 2016 A\$ |
|---|-------|-----------------|-----------------|
| Fixed assets | | | |
| Investments | 4 | 119,764 | 95,557 |
| Current assets | | | |
| Debtors | | | |
| - due within one year | 5 | 26,656 | 8,318 |
| Cash at bank and in hand | | - | 18,338 |
| | | <u>26,656</u> | <u>26,656</u> |
| Creditors: amounts falling due within one year | 6 | (50,000) | (50,000) |
| Net current liabilities | | <u>(23,344)</u> | <u>(23,344)</u> |
| Net assets | | <u>96,420</u> | <u>72,213</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | 50,000 | 50,000 |
| Profit and loss account | | 44,620 | 22,213 |
| Shareholders' funds | | <u>94,620</u> | <u>72,213</u> |

Notes 1 to 10 form part of these financial statements.

The financial statements of Britel Real Estate International (UK) GP Limited (registered number 6676747) were approved by the General Partner and authorised for issue on 23 January 2018. They were signed on its behalf by:



Kirsty Wilman
Director

Britel Real Estate International (UK) GP Limited
Statement of Changes in Equity
for the year ended 30 June 2017

| | Called up share capital A\$ | Profit and loss account A\$ | Total A\$ |
|--------------------------------|--|--|----------------------|
| Balance at 1 July 2015 | 50,000 | 4,028 | 54,028 |
| Profit for the year | - | 18,185 | 18,185 |
| Balance at 30 June 2016 | <u>50,000</u> | <u>22,213</u> | <u>72,213</u> |
| Profit for the year | - | 24,207 | 24,207 |
| Balance at 30 June 2017 | <u>50,000</u> | <u>46,420</u> | <u>96,420</u> |

Notes 1 to 10 form part of these financial statements.

Britel Real Estate International (UK) GP Limited
Cash Flow Statement
for the year ended 30 June 2017

| | Notes | 2017 A\$ | 2016 A\$ |
|---|--------------|------------------------|-----------------------------|
| Net cash outflow from operating activities | 9 | (18,338) | (708) |
| Decrease in cash during the year | | <u>(18,338)</u> | <u>(708)</u> |
| Cash at 1 July 2017 and 1 July 2016 | | 18,338 | 19,046 |
| Cash at 30 June 2017 and 30 June 2016 | | <u><u>-</u></u> | <u><u>18,338</u></u> |

Notes 1 to 10 form part of these financial statements.

BRITEL REAL ESTATE INTERNATIONAL (UK) GP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1 ACCOUNTING POLICIES

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

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the revaluation of investments to fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

These financial statements include the Company's interest in the results and financial position of BTPS Real Estate International L.P..

The functional and presentational currency of the Company is considered to be Australian Dollars as this is the currency of the primary economic environment in which the Company operates.

The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 2.

Going concern

The Directors intend for the Company to continue to hold an investment in the Limited Partnership for the foreseeable future. There are no financial obligations associated with the investment in the Limited Partnership. Further, in accordance with the partnership agreement, the Limited Partnership meets the general partner's expenses.

The Company has net current liabilities of A\$23,344 (2016: A\$23,344) but the Directors have satisfied themselves that the Company remains a going concern given its ongoing investment in the Limited Partnership, which carries no associated financial obligations.

Further, Britel Nominees Limited have confirmed that they will not call their loan should it adversely impact the financial position of the Company.

Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Investments

Investments represent the Company's interest in the BTPS Real Estate International L.P.. Investments are stated at fair value, with any surplus or deficit being taken to the profit and loss account.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet 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 tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

BRITEL REAL ESTATE INTERNATIONAL (UK) GP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2017

1 ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Short term debtors are recognised initially at transaction value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

A provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are specifically identified.

Short term trade creditors are recognised initially at transaction value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Critical accounting judgements 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.

Valuation of investments

The Company's investment is determined through its share of the net assets of the underlying investment. Investment property in the underlying unit trust is determined by market values in accordance with valuations carried out by independent valuers. Valuations are based on a number of key assumptions including an estimate of future rental income and an appropriate discount rate.

2 OPERATING PROFIT

This is stated after charging £4,100 (2016: £3,533) for auditor's remuneration for statutory audit services.

In accordance with the partnership agreement, the Limited Partnership meets the General Partner's expenses.

The Company had no employees during the year (2016: nil).

BRITEL REAL ESTATE INTERNATIONAL (UK) GP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2017

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge for the year

| | Year ended 30 June 2017 A\$ | Year ended 30 June 2016 A\$ |
|--------------------------|-----------------------------------|-----------------------------------|
| Current tax | - | - |
| UK corporation tax | - | - |
| Total current tax charge | - | - |

b) Factors affecting current taxation charge in the year

| | Year ended 30 June 2017 A\$ | Year ended 30 June 2016 A\$ |
|---|-----------------------------------|-----------------------------------|
| Profit on ordinary activities before tax | 24,207 | 18,185 |
| Tax on profit on ordinary activities at standard CT rate of 19.75% (PY: 20.00%) | 4,781 | 3,637 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 3,306 | - |
| Income not taxable for tax purposes | (4,781) | (3,877) |
| Adjustments to brought forward values | (3,526) | - |
| Adjust closing deferred tax to closing rate of 19.75% | 67 | 26 |
| Adjust opening deferred tax to closing rate of 19.75% | (23) | - |
| Deferred tax not recognised | 176 | 214 |
| Tax charge for the year | - | - |

Deferred tax assets of A\$414 (2016: A\$237) in respect of tax losses carried forward have not been recognised as the Company is not sufficiently certain that it will be able to recover these assets in the foreseeable future.

4 INVESTMENTS

| | 2017 A\$ | 2016 A\$ |
|--|-------------|-------------|
| Balance at 1 July 2016 and 1 July 2015 | 95,557 | 77,372 |
| Gain on revaluation during the year | 24,207 | 18,185 |
| Carried forward at 30 June 2017 and 30 June 2016 | 119,764 | 95,557 |

Investments comprise the Company's 0.1% interest in BTPS Real Estate International L.P.

BTPS Real Estate International L.P. invests in an Australian Unit trust known as the Dexu Wholesale Property Fund.

BRITEL REAL ESTATE INTERNATIONAL (UK) GP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2017

5 DEBTORS

| | 2017 A\$ | 2016 A\$ |
|------------------------------------|---------------|--------------|
| Amounts owed by group undertakings | <u>26,656</u> | <u>8,318</u> |

Debtors are initially recognised at transaction value and the carrying value is considered to be the same as fair value.

Amounts owed by group undertakings do not bear interest and are payable on demand.

6 CREDITORS

| | 2017 A\$ | 2016 A\$ |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | <u>50,000</u> | <u>50,000</u> |

Creditors are initially recognised at transaction value and the carrying value is considered to be the same as fair value.

Amounts owed to group undertakings do not bear interest and are payable on demand.

7 CALLED UP SHARE CAPITAL

| | 2017 A\$ | 2016 A\$ |
|---|---------------|---------------|
| Allotted, called up and fully paid: 50,000 ordinary shares of A\$1 | <u>50,000</u> | <u>50,000</u> |

8 NET CASH OUTFLOW FROM OPERATIONS

| | 2017 A\$ | 2016 A\$ |
|---|-----------------|--------------|
| Reconciliation of operating profit to net cash inflow from operating activities | | |
| Operating profit | - | - |
| Increase in debtors | (18,338) | (708) |
| Net cash outflow from operating activities | <u>(18,338)</u> | <u>(708)</u> |

9 RELATED PARTY TRANSACTIONS

| | 2017 A\$ | 2016 A\$ |
|--|-------------|-------------|
| Amounts due from BTPS Real Estate International L.P. | 26,656 | 8,318 |
| Amounts due to Britel Nominees Limited | (50,000) | (50,000) |

During the year the Company closed its bank account and transferred the balance to BTPS Real Estate International L.P..

BRITEL REAL ESTATE INTERNATIONAL (UK) GP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2017

10 ULTIMATE PARENT COMPANY

The directors regard the BT Pension Scheme (a UK pension scheme with scheme registration number 100850030) as the ultimate parent entity. It is also the parent of the smallest and largest group of which the Company is a member to prepare group accounts.

The address of the BT Pension Scheme is 1 America Square, 17 Crosswall, London, EC3N 2LB.