

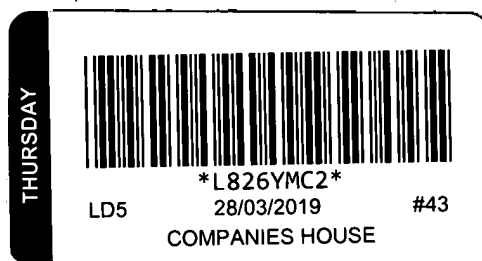
06676747



Britel Real Estate International (UK) GP Limited

Directors' Report and Financial Statements

For the year ended 30 June 2018



Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
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Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Company Information

Registered office

Sixth Floor
150 Cheapside
London
EC2V 6ET

Directors

B Sanderson
K Wilman
M Torode (appointed on 16 February 2018)
D Grose (resigned on 31 January 2018)

Company Secretary

Hermes Secretariat Limited

Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Registered number

06676747

Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Directors' Report

The directors present their report and the audited financial statements for the year to 30 June 2018. This Directors' Report has been prepared in accordance with the special provisions relating to small companies under s415 of the Companies Act 2006 and therefore taking exemption from the requirement to prepare a strategic report.

A copy of the latest financial statements for the Britel Real Estate International Limited Partnership, a Qualifying Partnership under The Companies and Partnerships (Accounts and Audit) Regulations 2013, is appended to the Company's directors' report and financial statements.

Directors

The directors who served throughout the year and subsequently are as stated in Company Information.

Principal activity and review of the business

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

Going concern

Notwithstanding the net current liability position for the year of A\$30,799 as at 30 June 2018, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Going concern is dependent on Britel Fund Trustees Limited not seeking repayment of the amounts currently due to the group, which at 30 June 2018 amounted to A\$50,000, and providing additional financial support during that period. Britel Fund Trustees Limited has indicated its intention to continue to make available such funds as are needed by the Company for a period of at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

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

Results

The results for the year are set out in the Profit and Loss Account on page 8. The loss for the year was A\$6,382 (2017 restated: A\$19,646 profit).

The Company's investment was valued as at 30 June 2018 at A\$112,241 (2017: A\$119,764).

Post balance sheet events

There have been no post balance sheet events.

Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Directors' Report (continued)

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.

Disclosure of information to auditor

Each of the persons who is a director 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 auditor is unaware; and
- the director has taken all 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.

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the Board of Directors and signed on its behalf by:



M Torode
Director

Britel Real Estate International (UK) GP Limited
Sixth Floor, 150 Cheapside, London, EC2V 6ET

27 March 2019

Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- 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.

Britel Real Estate International (UK) GP Limited

Directors' Report and Financial Statements

For the year ended 30 June 2018

Independent Auditor's Report to the Members of Britel Real Estate International (UK) GP Limited

Opinion

We have audited the financial statements of Britel Real Estate International (UK) GP Limited ("the Company") for the year ended 30 June 2018 which comprise the Profit and Loss Statement, the Balance Sheet and 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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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 for 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.

Other matter: the impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of investment and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

Britel Real Estate International (UK) GP Limited

Directors' Report and Financial Statements

For the year ended 30 June 2018

Independent Auditor's Report to the Members of Britel Real Estate International (UK) GP Limited (continued)

Going concern (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to prepare the 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 the requirement to prepare a strategic report.

We have nothing to report in these respects.

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.

Britel Real Estate International (UK) GP Limited

Directors' Report and Financial Statements

For the year ended 30 June 2018

Independent Auditor's Report to the Members of Britel Real Estate International (UK) GP Limited (continued)

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

27 March 2019

Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Profit and Loss Account

| | Notes | 2018 A\$ | 2017 Restated* A\$ |
|---|----------|----------------|--------------------------|
| Administrative expenses | | - | - |
| Operating profit | 2 | - | - |
| Unrealised (loss) / gain on revaluation of investments | 5 | (7,523) | 24,207 |
| (Loss) / profit on ordinary activities before taxation | | (7,523) | 24,207 |
| Tax on (loss) / profit on ordinary activities | 4 | 1,141 | (4,561) |
| (Loss) / profit for the financial year | | (6,382) | 19,646 |
| Profit and loss account brought forward | | 37,824 | 18,178 |
| (Loss) / profit for the financial year | | (6,382) | 19,646 |
| Profit and loss account carried forward | | 31,442 | 37,824 |

All activities derive from continuing operations.

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.

Notes 1 to 10 form part of these financial statements.

* See notes 4 and 7 for details regarding the restatement.

Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
As at 30 June 2018
Balance Sheet

| | Notes | 2018 A\$ | 2017 Restated* A\$ |
|-----------------------------|-------|----------------------|--------------------------|
| <i>Fixed assets</i> | | | |
| Investments | 5 | 112,241 | 119,764 |
| <i>Current assets</i> | | | |
| Debtors | 6 | 26,656 | 26,656 |
| <i>Current liabilities</i> | | | |
| Creditors | 7 | (57,455) | (58,596) |
| Net current liabilities | | <u>(30,799)</u> | <u>(31,940)</u> |
| Net assets | | <u><u>81,442</u></u> | <u><u>87,824</u></u> |
| <i>Capital and reserves</i> | | | |
| Called up share capital | 8 | 50,000 | 50,000 |
| Profit and loss account | | 31,442 | 37,824 |
| Shareholders' funds | | <u><u>81,442</u></u> | <u><u>87,824</u></u> |

Company number: 06676747

Notes 1. to 10 form part of these financial statements.

* See notes 4 and 7 for details regarding the restatement.

The financial statements are prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006. The financial statements were approved by the Board of Directors and authorised for issue on 27 March 2019 and signed on their behalf by:



M Torode
Director
Britel Real Estate International (UK) GP Limited

Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Notes to the Financial Statements

1 Accounting policies

The principal accounting policies have been 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 and are in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and section 1A as applicable to small entities.

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

The functional and presentational currency of Britel Real Estate International (UK) GP Limited is considered to be Australian Dollars as 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 Directors' Report on pages 2 to 3.

Going concern

Notwithstanding the net current liability position for the year of A\$30,799 as at 30 June 2018, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Going concern is dependent on Britel Fund Trustees Limited not seeking repayment of the amounts currently due to the group, which at 30 June 2018 amounted to A\$50,000, and providing additional financial support during that period. Britel Fund Trustees Limited has indicated its intention to continue to make available such funds as are needed by the Company for a period of at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Investments

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

Trade and other receivables

Trade and other receivables are recognised initially at transaction value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

Trade and other payables

Trade and other receivables are recognised initially at transaction value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Notes to the Financial Statements

1 Accounting policies (continued)

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 periods 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.

Cash flow statement

The Company has taken advantage of exemptions available under FRS 102 not to present a cash flow statement as it meets the definition of a small entity as set out in FRS 102.

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.

2 Operating profit

The auditor's remuneration of A\$7,350 (2017: A\$5,000) for the Company has been borne by the BTPS Real Estate International Limited Partnership. There have been no non-audit fees paid during the course of either year.

3 Employees and Directors

The directors received no remuneration in respect of their services to the Company (2017: nil). There were no employees in either year.

Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Notes to the Financial Statements

4 Taxation

| | 2018 A\$ | 2017 Restated A\$ |
|--|----------------|-------------------------|
| Analysis of charge in year | | |
| Current tax | - | - |
| Deferred tax | 1,141 | (4,561) |
| Tax on (loss) / profit results on ordinary activities | <u>1,141</u> | <u>(4,561)</u> |
| Factors affecting tax charge for the year | | |
| | A\$ | A\$ |
| (Loss) / profit on ordinary activities before tax | <u>(7,523)</u> | <u>24,207</u> |
| Tax on (loss) / profit on ordinary activities at standard corporation tax rate of 19% (2017: 19.75%) | 1,429 | (4,781) |
| <i>Effects of:</i> | | |
| Difference between corporation tax rate of 19% (2017: 19.75%) and deferred tax rate of 17% (2017: 17%) | (134) | 738 |
| Tax on the Company's share of the movement in the Limited Partnership's other net assets | (154) | (518) |
| Tax charge for year | <u>1,141</u> | <u>(4,561)</u> |

A deferred tax liability in respect of unrealised gains on the revaluation of investments had not been recognised in the prior periods. As a result, the prior year results have been restated to include this. The financial impact is that before the restatement, the 2017 tax charge in the Profit and Loss Account was A\$nil, and following the restatement it is now A\$4,561. The accumulated deferred tax liability prior to 2017, and now included in the Profit and Loss Account brought forward balance, is A\$4,035.

5 Investments

| | 2018 A\$ | 2017 A\$ |
|--|----------------|----------------|
| Cost | | |
| Balance at 1 July 2017 and 1 July 2016 | 119,764 | 95,557 |
| (Loss) / gain on revaluation | (7,523) | 24,207 |
| Carried forward at 30 June 2018 and 30 June 2017 | <u>112,241</u> | <u>119,764</u> |

Investments comprise the Company's 0.1% interest in BTPS Real Estate International Limited Partnership.

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

6 Debtors

| | 2018 A\$ | 2017 A\$ |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | <u>26,656</u> | <u>26,656</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.

Britel Real Estate International (UK) GP Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Notes to the Financial Statements

| 7 | Creditors | 2018 A\$ | 2017 Restated A\$ |
|----------|------------------------------------|----------------------|----------------------------------|
| | Amounts owed to group undertakings | 50,000 | 50,000 |
| | Deferred tax | 7,455 | 8,596 |
| | | <u>57,455</u> | <u>58,596</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.

A deferred tax liability in respect of unrealised gains on the revaluation of investments had not been recognised in the prior periods. As a result, the prior year results have been restated to include this. The financial impact is that before the restatement, the 2017 Creditors balance was A\$50,000, and following the restatement it is now A\$58,596. The accumulated deferred tax liability prior to 2017, and now included in the Creditors balance, is A\$4,035.

| 8 | Called up share capital | 2018 A\$ | 2017 A\$ |
|----------|---|----------------------|----------------------|
| | Allotted called up and fully paid: | | |
| | 50,000 ordinary shares of A\$1 | <u>50,000</u> | <u>50,000</u> |

| 9 | Related party transactions | 2018 A\$ | 2017 A\$ |
|----------|--|------------------------|------------------------|
| | Amounts due from BTPS Real Estate International Limited Partnership (note 6) | 26,656 | 26,656 |
| | Amounts due to Britel Nominees Limited (note 7) | <u>(50,000)</u> | <u>(50,000)</u> |

10 Ultimate parent company and controlling party

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 financial statements.

The address of the BT Pension Scheme is: One America Square, 17 Crosswall, London, EC3N 2LB, where copies of BT Pension Scheme's accounts are available.