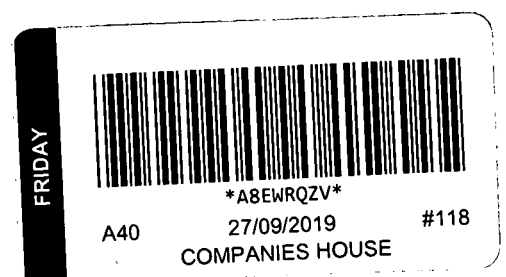


Registered number: 07678674

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

COMPANY INFORMATION

Directors	Simon Davies Farhad Karim Andrew Lax
Company secretary	Intertrust (UK) Limited
Registered number	07678674
Registered office	40 Berkeley Square London United Kingdom W1J 5AL
Independent auditors	Deloitte LLP Statutory Auditor 1 New Street Square London United Kingdom EC4A 3HQ
Solicitors	Simpson Thacher & Bartlett LLP City Point One Ropemaker St. London United Kingdom EC2Y 9HU

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

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BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for Blackstone Real Estate Supervisory UK Limited ("the Company") for the year ended 31 December 2018.

Directors

The directors who served during the year and up to the date of this report unless noted otherwise were:

Simon Davies
Farhad Karim
Andrew Lax

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by sections 414B and 415A of the Companies Act 2006.

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 elected to prepare the financial statements for the Company in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). Under company law the directors must not approve the financial statements for the Company 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 for the Company, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity and review of the business

The Company was incorporated in the United Kingdom on 22 June 2011. The Company is a private Company limited by shares and is registered in England and Wales for the purpose of holding investments in limited partnerships and acts as a managing member of Blackstone (FM) Real Estate Supervisory GP LLP. The results and the financial position of the Company at the year-end are satisfactory.

Results and dividends

The profit for the year, after taxation, amounted to \$1 (2017 - \$3).

Any expenses have been borne by an affiliate of the Company, Blackstone Real Estate Advisors L.P. The directors did not declare or pay a dividend in the financial year (2017: nil).

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months from the date of signing the financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors, which were in place throughout the period and remain in force at the date of this report.

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

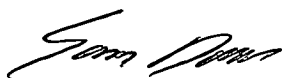
Geopolitical uncertainty

Geopolitical volatility has become a key driver of uncertainty, and will remain one over the next few years. The directors continue to monitor the ongoing negotiations regarding the UK's exit from the European union ("Brexit"). The operational impacts have been evaluated across human resources, supply chains, tax, macroeconomic and regulatory policy and have been deemed to have a negligible impact on the long-term sustainability of the entity. The longer-term impact of Brexit will continue to be monitored as the uncertainty resolves.

Auditors

The auditors, Deloitte LLP, will be proposed for reappointment at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Simon Davies
Director

Date: 25 September 2019

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Blackstone Real Estate Supervisory UK Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BLACKSTONE REAL ESTATE
SUPERVISORY UK LIMITED**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.



Ghorzang Aziz, ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

26 September 2019

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
Gains arising on revaluation of investment	6	1	3
Profit before tax		<u>1</u>	<u>3</u>
Tax on profit	5	-	-
Profit for the financial year		<u><u>1</u></u>	<u><u>3</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 9 to 12 form part of these financial statements.

All results are derived from continuing operations.

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED
REGISTERED NUMBER:07678674

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Fixed assets			
Investments	6	6	5
		<u>6</u>	<u>5</u>
Current assets			
Debtors: amounts falling due within one year	7	2	2
		<u>2</u>	<u>2</u>
Net current assets		<u>2</u>	<u>2</u>
Total assets less current liabilities		<u>8</u>	<u>7</u>
Net assets		<u>8</u>	<u>7</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		6	5
		<u>8</u>	<u>7</u>

The notes on pages 9 to 12 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2019.



Simon Davies
Director

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2017	2	2	4
Profit for the year	-	3	3
At 1 January 2018	<u>2</u>	<u>5</u>	<u>7</u>
Profit for the year	-	1	1
At 31 December 2018	<u>2</u>	<u>6</u>	<u>8</u>

The notes on pages 9 to 12 form part of these financial statements.

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Details of the Company's general information are set out on the Company Information page and in the Directors' report on page 1.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company meets the definition of a qualifying entity and has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation;
- the requirements of Section 11 Financial Instruments;
- the requirements of Section 12 Other Financial Instruments; and
- the requirements of Section 33 Related Party Disclosures.

This information is included in the consolidated financial statements of The Blackstone Group L.P. as at 31 December 2018 and these financial statements may be obtained from 345 Park Avenue, New York, NY 10154.

1.3 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months from the date of signing the financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

1.4 Valuation of investments

Investments, whose market value can be reliably determined, are initially recognised at fair value and remeasured to fair value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where fair value cannot be reliably determined, such investments are stated at historic cost less impairment. Fair value measurement is based on audited financial statements of the underlying entity.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.6 Foreign currency translation

Functional and presentational currency

The Company's functional and presentational currency is United States Dollars (\$).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.7 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2. Judgments in applying accounting policies 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.

As noted in note 1.4 Valuations of investments, the fair valuation of the investments is based on the audited financial statements of the underlying entity. Management have reviewed these financial statements, and note that accounts making up the net asset value of the underlying entities are monetary assets. As the monetary assets are recorded at fair value, management is comfortable that there are no critical accounting judgements nor key sources of estimation uncertainty involved to determine the fair value of the underlying assets.

3. Auditors' remuneration

The expenses of the Company have been borne by an affiliate of the Company in the current and prior year. The audit fee for the year ended 31 December 2018 was \$3,954 (2017: \$3,996). Other services in relation to taxation for the year ended 31 December 2018 was \$2,500 (2017: \$2,567).

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. Employees

The directors were not remunerated for their services to the Company during the current and prior year. There were no staff employed during the current or prior year.

5. Taxation

	2018 \$	2017 \$
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%) as set out below:

	2018 \$	2017 \$
Profit before tax	1	3
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	-	1
Effects of:		
Non-taxable income	-	(1)
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. Fixed asset investments

	2018 \$	2017 \$
Valuation		
At 1 January	5	2
Revaluation	1	3
At 31 December	6	5

The Company holds 0.01% of Blackstone (FM) Real Estate Supervisory GP LLP (the "Investment"). The registered business address of this entity is 40 Berkeley Square, London, W1J 5AL.

BLACKSTONE REAL ESTATE SUPERVISORY UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Debtors: amounts falling due within one year

	2018	2017
	\$	\$
Amounts owed by group undertakings	2	2
	<u>2</u>	<u>2</u>

Amount owed by group undertakings are non-interest bearing and payable on demand.

8. Share capital

	2018	2017
	\$	\$
Allotted, called up and fully paid		
1 Ordinary Share of £1	2	2
	<u>2</u>	<u>2</u>

9. Controlling party

The Company's immediate parent undertaking is Blackstone Real Estate Associates (Offshore) VI L.P., a Limited Partnership incorporated in Canada. The Company's ultimate parent undertaking and controlling party is The Blackstone Group L.P., a Limited Partnership incorporated in Delaware and registered at 345 Park Avenue, New York, NY 10154, United States of America.

The Blackstone Group L.P. is the smallest and largest group which includes the Company and for which financial statements are prepared.

Copies of the group financial statements are available from 345 Park Avenue, New York, NY 10154, United States of America.

10. Subsequent events

There were no material post balance sheet events that required separate disclosure.