

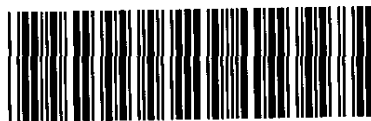
Registered number
10029618

Hermes Paradise Circus GP One Limited

Directors' Report and Financial Statements

For the year ended 30 June 2018

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Hermes Paradise Circus GP One Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
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Hermes Paradise Circus GP One Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Company Information

Directors

R Carnan	
C R A Darroch	
C M Taylor	
T O Jackson	(Appointed 23 July 2018)
I A Panova	(Appointed 5 October 2018)
T G Barlow	(Resigned 23 July 2018)

Company Secretary

Hermes Secretariat Limited

Registered office

150 Cheapside
London
EC2V 6ET

Auditor

KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

Registered number

10029618

Hermes Paradise Circus GP One Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Directors' Report

Financial statements

The directors present their report and financial statements for the year ended 30 June 2018. The Directors' Report has been prepared in accordance with the special provisions relating to small companies under S415A of the Companies Act 2006 and therefore the company has taken the exemption from preparing a strategic report.

A copy of the latest accounts for Hermes Paradise Circus Limited Partnership, a Qualifying Partnership under The Companies and Partnership (Accounts and Audit) Regulations 2013, are appended to the Company's report and financial statements and will be sent to the Registrar in accordance with S441 of the Companies Act 2006.

Directors

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

Principal activity, review of business and future developments

The Company commenced trading on 26 February 2016 and is registered in the United Kingdom. The principal activity of the company is that of a General Partner of Hermes Paradise Circus Limited Partnership which is currently developing commercial investment property.

The share capital of the company is jointly held by Britel Fund Nominees Limited and CPPIB US RE-1, Inc.

The directors do not foresee any changes to the company's investment or activity in the forthcoming year. The company had no employees during the year.

Going concern

The financial statements have been prepared on the basis of going concern, as the directors intend Hermes Paradise Circus Limited Partnership to continue to develop and hold its investment property for the foreseeable future.

Under the Limited Partnership Deed of Hermes Paradise Circus Limited Partnership, the Limited Partnership meets the General Partner's expenses by distributing amounts equal to all costs and expenses incurred by the General Partner from time to time in relation to the conduct of its affairs.

The directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

The principal risk of the General Partner is based on their income being dependent on the Limited Partner. Therefore unforeseen changes in property value patterns which could potentially have a material impact on the business of the Limited Partnership will directly impact the General Partner. The business mitigates these risks through balanced development and investment strategies under the direction of property specialists with significant industry experience.

Results

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

Hermes Paradise Circus GP One Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Directors' Report

Disclosure of information to Auditor

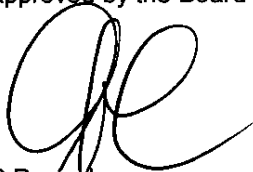
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company'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 company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Approved by the Board on 28 February 2019 and signed on its behalf by:



C Darroch
Director

12 March 2019

Hermes Paradise Circus GP One Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES PARADISE CIRCUS GP ONE LIMITED

Opinion

We have audited the financial statements of Hermes Paradise Circus GP One Limited ("the company") for the year ended 30 June 2018, which comprise the Profit and Loss Account, 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 profit 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 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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES PARADISE CIRCUS GP ONE LIMITED
(continued)**

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

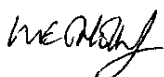
Auditor's responsibilities

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.

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

12 March 2019

Hermes Paradise Circus GP One Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Profit and Loss Account

	Notes	Year Ended 30 June 2018 £	Period from 26 February 2016 to 30 June 2017 £
Turnover	2	10,000	13,096
Administrative expenses		(3,656)	(3,400)
Operating profit	3	<u>6,344</u>	<u>9,696</u>
Profit on ordinary activities before taxation		<u>6,344</u>	<u>9,696</u>
Tax on profit on ordinary activities	6	(1,079)	(1,648)
Profit on ordinary activities after taxation		<u><u>5,265</u></u>	<u><u>8,048</u></u>

There were no recognised gains and losses for the current year or previous period other than those included in the Profit and Loss Account, and as a result no Statement of Other Comprehensive Income has been prepared.

All amounts derive from continuing operations.

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

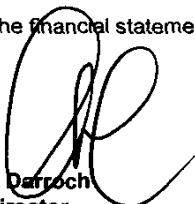
Hermes Paradise Circus GP One Limited
Balance sheet
As at 30 June 2018

	Notes	2018 £	2017 £
Current assets			
Debtors	7	19,540	13,196
Creditors: amounts falling due within one year	8	(3,400)	(3,400)
Net current assets		<u>16,140</u>	<u>9,796</u>
Non-current liabilities			
Deferred tax provision	6	(2,727)	(1,648)
Net assets		<u>13,413</u>	<u>8,148</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	13,313	8,048
Shareholders' funds		<u>13,413</u>	<u>8,148</u>

Company number: 10029618

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

The financial statements were approved by the Board on 28 February 2019 and signed on their behalf by:



C Darroch
 Director
 Hermes Paradise Circus GP One Limited
 12 March 2019

Hermes Paradise Circus GP One 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 are summarised below. They have all been applied consistently throughout the current year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with Section 1A of FRS 102 *The Financial Standard applicable in the UK and Republic of Ireland* ("FRS 102") and the requirements of the Companies Act 2006.

The functional and presentational currency of Hermes Paradise Circus GP One Limited is considered to be pounds sterling as this is the currency of the primary economic environment in which the Partnership operates.

Going concern

The financial statements have been prepared on the basis of going concern, as the directors intend Hermes Paradise Circus Limited Partnership to continue to develop and hold its investment property for the foreseeable future.

Under the Limited Partnership Deed of Hermes Paradise Circus Limited Partnership, the Limited Partnership meets the General Partner's expenses by distributing amounts equal to all costs and expenses incurred by the General Partner from time to time in relation to the conduct of its affairs.

The directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents the priority profit share receivable from Hermes Paradise Circus Limited Partnership in accordance with the Limited Partnership Agreement, and is recognised on an accruals basis.

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 method, less any impairment losses.

Trade and other payables

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

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.

Hermes Paradise Circus GP One Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Notes to the Financial Statements

1 Accounting policies (continued)

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.

Related party transactions

The Company has taken advantage of exemptions available under FRS 102 whereby transactions with and between wholly owned subsidiaries are not required to be disclosed. There are no other related party transactions.

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 Turnover

	Year Ended 30 June 2018 £	Period from 26 February 2016 to 30 June 2017 £
Turnover	<u>10,000</u>	<u>13,096</u>

3 Operating profit

This has been arrived at after charging:

	Year Ended 30 June 2018 £	Period from 26 February 2016 to 2017 £
Auditor's remuneration for audit services	<u>3,400</u>	<u>3,400</u>

4 Employees

The company had no employees during the year (2017: nil).

5 Directors' emoluments

None of the directors received any emoluments in respect of their services to the company during the year (2017: nil).

Hermes Paradise Circus GP One Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Notes to the Financial Statements

6 Tax on profit on ordinary activities

	2018 £	2017 £
Analysis of charge for the year/period		
<i>Current tax</i>		
UK corporation tax at 19.00% (PY: 19.81%)	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	1,079	1,648
Tax on profit on ordinary activities	1,079	1,648
Provision for deferred tax		
Short term timing differences	3,926	2,226
Tax losses carried forward and other deductions	(1,199)	(578)
Total deferred tax liability	2,727	1,648
<i>Movement in provision:</i>		
Provision at start of year/period	1,648	-
Deferred tax charged in the profit and loss account for the year/period	1,079	1,648
Provision at end of year/period	2,727	1,648
Reconciliation of tax charge		
Profit on ordinary activities before tax	6,344	9,696
Tax on profit on ordinary activities at standard CT rate of 19.00% (PY: 19.81%)	1,205	1,921
<i>Effects of:</i>		
Adjustment to recognise deferred tax at 17%	(126)	(273)
Tax charge for the year/period	1,079	1,648

7 Debtors

	2018 £	2017 £
Amounts due from related parties (note 11)	19,540	13,196

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals	3,400	3,400

Hermes Paradise Circus GP One Limited
Directors' Report and Financial Statements
For the year ended 30 June 2018
Notes to the Financial Statements

9 Called up share capital

	2018 £	2017 £
Allotted and called up:		
50 "A" shares of £1 each	50	50
29 Director non-voting "B" shares of £1 each	29	29
21 full voting "B" shares of £1 each	21	21
	<u>100</u>	<u>100</u>

"A" shares have full voting rights as set out in the Articles of Association.

Director non-voting "B" shares have all the same rights as "A" shares and full voting "B" shares except the holder of director non-voting "B" shares may not vote in the appointment or removal of directors of the company.

Full voting "B" shares have full voting rights as set out in the Articles of Association.

10 Reconciliation of movement in shareholders' funds

	Called up share capital £	Profit and loss account £	Shareholders' funds £
At 30 June 2017	100	8,048	8,148
Profit for the year	-	5,265	5,265
As at 30 June 2018	<u>100</u>	<u>13,313</u>	<u>13,413</u>

11 Related parties

As at 30 June 2018 the following amounts were outstanding:

	2018 £	2017 £
Amounts due from Hermes Paradise Circus Limited Partnership	<u>19,540</u>	<u>13,196</u>

This amount represents £100 (2017: £100) called up share capital and £23,096 (2017: £13,096) priority profit share due from the Limited Partnership, and £3,656 (2017: nil) audit and other administrative expenses owed to the Limited Partnership at the reporting date.

12 Ultimate parent company

The directors regard the BT Pension Scheme (a UK pension scheme with scheme registration number 100850030) and Canada Pension Plan Investment Board (a Canadian crown corporation) as the immediate and ultimate joint controlling entities.

Copies of Hermes Paradise Circus GP One Limited and copies of the BT Pension Scheme accounts are available from 150 Cheapside, London EC2V 6ET. The address of Canada Pension Plan Investment Board is One Queen Street East, Suite 2500, Toronto, ON, M5C 2W5, Canada where copies of Canada Pension Plan Investment Board's accounts are available.

Registered number
LP017290

Hermes Paradise Circus Limited Partnership
General Partners' Report and Financial Statements
For the year ended 30 June 2018

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No.10029618.....

Hermes Paradise Circus Limited Partnership
Report and Financial Statements
For the year ended 30 June 2018
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Hermes Paradise Circus Limited Partnership Partnership Information

General Partners

Hermes Paradise Circus GP One Limited
150 Cheapside
London EC2V 6ET

Hermes Paradise Circus GP Two Limited
150 Cheapside
London EC2V 6ET

Registered Office

150 Cheapside
London EC2V 6ET

Operator

Hermes Investment Management Limited
150 Cheapside
London EC2V 6ET

Auditor

KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

Registered number

LP017290

Hermes Paradise Circus Limited Partnership General Partners' Report

The General Partners present their report and audited financial statements for the year ended 30 June 2018.

Hermes Paradise Circus Limited Partnership ("the Partnership") is regulated by an Amended and Restated Limited Partnership Deed dated 22 November 2017.

Principal activities

The Partnership commenced trading on 9 March 2016 and is registered in England. The principal activity during the year was to develop commercial investment property. The General Partners do not foresee any material changes in the scope or nature of the Partnership's activities for the forthcoming year.

Review of the business

The results for the year are set out in the Profit and Loss Account on page 7. The turnover for the year was nil (2017: nil) and loss for the year before unrealised gains was £484,113 (2017: loss of £1,161,389).

No distributions were paid during the year to the partners. At the year end no distributions remained unpaid.

Going concern

The financial statements have been prepared on the basis of going concern, as the General Partners intend Hermes Paradise Circus Limited Partnership to continue to develop and hold commercial investment property for the foreseeable future. The Partnership has predictable cash flows deriving from monthly contractual drawdowns from the Limited Partners which will enable it to meet its obligations as they fall due.

The General Partners are satisfied that at the time of approving the financial statements it is appropriate to adopt the going concern basis in preparing the financial statements.

The Partners

The capital of the Partnership has been provided by the Partners in the following amounts:

	Capital and loan advances 2018	Holding 2018
Hermes Paradise Circus GP One Limited	£0.00	£0.00
Hermes Paradise Circus GP Two Limited	£0.00	£0.00
Britel Fund Trustees Limited (as trustee of Britel Fund Unit Trust)	£25,622,561	50%
CPP Investment Board Real Estate Holdings Inc.	£25,622,561	50%

Capital and loan advances

Loan advances of £26,363,953 were made during the year. Capital contributions of £1,322 were made during the year.

Results

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

Events after the Balance Sheet date

There were no significant events since the balance sheet date.

Future developments

The General Partners expect the general level of activity to continue in the forthcoming year.

Duration

The Partnership will continue indefinitely unless terminated in accordance with the Limited Partnership Agreement.

**Hermes Paradise Circus Limited Partnership
General Partners' Report (continued)**

Financial risk management objectives and policies

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

Market risk

Market risk is the risk that market prices of investment properties change. The General Partners mitigate this risk through balanced investment strategies under the direction of property specialists with significant industry experience.

Credit risk

The Partnership's principal financial assets are cash and deposits, debtors and work in progress.

The Partnership'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.

The credit risk on cash and deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

The Partnership is financed by Partners' loans and capital. The Partnership maintains sufficient reserves of cash to meet its liquidity requirements at all times.

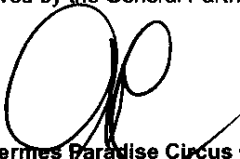
Auditor

The General Partners at the date of approval of this report confirm that:

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

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.

Approved by the General Partners on 28 February 2019 and signed on their behalf by:



For Hermes Paradise Circus GP One Limited
Chris Darroch (Director)

12 March 2019

Hermes Paradise Circus Limited Partnership
Statement of the General Partners' responsibilities in respect of the General Partners' Report and the Financial Statements

The directors are responsible for preparing the General Partners' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the general partners 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 general partners 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing these financial statements, the general partners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the qualifying partnership'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 qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partners are responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership 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 qualifying partnership and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES PARADISE CIRCUS LIMITED PARTNERSHIP

Opinion

We have audited the financial statements of Hermes Paradise Circus Limited Partnership ("the qualifying partnership") for the year ended 30 June 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Partnership Funds 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 qualifying partnership's affairs as at 30 June 2018 and of its profit 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008

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 qualifying partnership 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 general partner, such as valuation of investment property 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 qualifying partnership'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 qualifying partnership's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a qualifying partnership and this is particularly the case in relation to Brexit.

Going concern

The general partners have prepared the financial statements on the going concern basis as they do not intend to liquidate the qualifying partnership or to cease their operations, and as they have concluded that the qualifying partnership'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 general partners' conclusions, we considered the inherent risks to the qualifying partnership's business model, including the impact of Brexit, and analysed how those risks might affect the qualifying partnership's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 qualifying partnership will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERMES PARADISE CIRCUS LIMITED PARTNERSHIP (CONTINUED)

General partners' report

The general partners are responsible for the general partners' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the general partners' 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 that 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 as applied to qualifying partnerships 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the general partners 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 general partners' 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.

General partners' responsibilities

As explained more fully in the their statement set out on page 4, the general partners 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 qualifying partnership'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 qualifying partnership or to cease operations, or have no realistic alternative but to do so

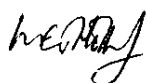
Auditor's responsibilities

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 qualifying partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's partners 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 qualifying partnership and its partners, 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

12 March 2019

Hermes Paradise Circus Limited Partnership
Profit and Loss Account
For the year ended 30 June 2018

		Year Ended	Period from 9
		30 June 2018	March 2016 to 30
	Note	£	June 2017
			£
Turnover		-	-
Property expenses		(181,559)	(671,547)
Gross loss		<u>(181,559)</u>	<u>(671,547)</u>
Administrative expenses		(302,554)	(489,842)
Operating loss	2	<u>(484,113)</u>	<u>(1,161,389)</u>
Unrealised gains on revaluation of investment property	3	1,194,595	-
Profit/(loss) before distributions		<u>710,482</u>	<u>(1,161,389)</u>
Distributions		-	-
Profit/(loss) for the year		<u><u>710,482</u></u>	<u><u>(1,161,389)</u></u>

There were no recognised gains and losses for the current year or previous period other than those included in the Profit and Loss Account, and as a result no Statement of other comprehensive income has been prepared.

All amounts derive from continuing operations.

Notes 1 to 8 form part of these financial statements.

Hermes Paradise Circus Limited Partnership
LP017290
Balance Sheet
As at 30 June 2018

	Note	As at 30 June 2018 £	As at 30 June 2017 £
Fixed assets			
Investment property	3	50,468,409	-
Current assets			
Debtors	4	1,539,175	25,831,655
Cash at bank and in hand		166,410	365,119
		<u>1,705,585</u>	<u>26,196,774</u>
Creditors: amounts falling due within one year	5	(1,379,779)	(2,478,316)
Net current assets		<u>325,806</u>	<u>23,718,458</u>
Net assets attributable to Partners		<u>50,794,215</u>	<u>23,718,458</u>
Capital and reserves			
Partners' capital accounts	6	3,810	2,488
Partners' loan accounts	6	51,241,312	24,877,359
Partners' current accounts	6	(1,645,502)	(1,161,389)
Revaluation reserve	6	1,194,595	-
Partnership funds		<u>50,794,215</u>	<u>23,718,458</u>

Notes 1 to 8 form part of these financial statements.

The financial statements of Hermes Paradise Circus Limited Partnership (registered number LP017290) were approved by the General Partners and authorised for issue on 28 February 2019. They were signed on its behalf by:



For Hermes Paradise Circus GP One Limited
Chris Darroch (Director)
12 March 2019

Hermes Paradise Circus Limited Partnership
LP017290
Statement of Changes in Partnership Funds
For the year ended 30 June 2018

	Capital accounts	Loan accounts	Current accounts	Revaluation reserve	Total
	£	£	£	£	£
Balance at 9 March 2016	-	-	-	-	-
Additions	2,488	24,877,359	-	-	24,879,847
Loss for the period	-	-	(1,161,389)	-	(1,161,389)
Balance at 30 June 2017	2,488	24,877,359	(1,161,389)	-	23,718,458
	£	£	£	£	£
Balance at 1 July 2017	2,488	24,877,359	(1,161,389)	-	23,718,458
Additions	1,322	26,363,953	-	-	26,365,275
Profit for the year	-	-	(484,113)	1,194,595	710,482
Balance at 30 June 2018	3,810	51,241,312	(1,645,502)	1,194,595	50,794,215

Notes 1 to 8 form part of these financial statements

Hermes Paradise Circus Limited Partnership
Notes to the Financial Statements
For the year ended 30 June 2018

1 Accounting policies

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

Basis of accounting

Hermes Paradise Circus Limited Partnership is a Partnership registered and incorporated in the United Kingdom. The address of the registered office is given on page 1. The nature of the Partnership's operations and its principal activities are set out in the General Partners' Report on page 2.

The financial statements have been prepared under Regulation 4 of the Partnerships (Accounts) Regulations 2008 and Companies Act 2006 as applicable to qualifying partnerships.

The financial statements have been prepared under the historical cost convention, modified by the revaluation of investment properties to fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional and presentational currency of Hermes Paradise Circus Limited Partnership is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates.

Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

Going concern

The financial statements have been prepared on the basis of going concern, as the General Partners intend Hermes Paradise Circus Limited Partnership to continue to develop and hold commercial investment property for the foreseeable future. The Partnership has predictable cash flows deriving from monthly contractual drawdowns from the Limited Partners which will enable it to meet its obligations as they fall due.

The General Partners are satisfied that at the time of approving the financial statements it is appropriate to adopt the going concern basis in preparing the financial statements.

Financial instruments

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

Trade and other receivables 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.

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

Taxation

No taxation is provided as the tax liabilities on the Partnership's profits are a liability of the Partners and not of the Partnership.

Cash and deposits

Cash and deposits includes cash at bank, cash on hand and overnight deposits.

Priority profit share

A priority profit share of £10,000 per annum is due to each of Hermes Paradise Circus GP One Limited and Hermes Paradise Circus GP Two Limited.

Cashflow statement

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

Hermes Paradise Circus Limited Partnership
Notes to the Financial Statements
For the year ended 30 June 2018

1 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Partnership's accounting policies, which are described in note 1, the General Partners 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.

There were no critical judgements, estimate or assumptions made by the General Partners in the current accounting period in the process of applying the Partnership's accounting policies and preparing the financial statements.

Valuation of investment property

Investment property is carried at fair value, 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 loss

	Year Ended 30 June 2018	Period from 9 March 2016 to 30 June 2017
	£	£
This is stated after charging:		
Auditor's remuneration for audit services	6,800	6,800
General Partners' priority distributions	20,000	26,192

3 Investment property

	Leasehold land and buildings £	Total £
<i>Valuation</i>		
At 1 July 2017	-	-
Additions, including transfer from debtors	49,273,814	49,273,814
Revaluation	1,194,595	1,194,595
At 30 June 2018	50,468,409	50,468,409
<i>Historic cost</i>		
At 30 June 2018	49,273,814	49,273,814

The Partnership's investment properties as at 30 June 2018 were valued by CBRE Limited, qualified valuers, on a market basis at £50,468,409. The valuations were carried out in accordance with the RICS Valuation Red Book. CBRE Limited has recent experience in the location and class of the investment property being valued. The method of determining fair value was a combination of the comparable method of valuation and the residual method of valuation.

At 30 June 2018 the Partnership had entered into non-cancellable contractual commitments in respect of investment properties of £39,145,058.

All of the investment properties have been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The following table shows the significant unobservable inputs used in measuring the fair value of investment property:

<i>Significant unobservable inputs</i>	<i>Impact on the valuation</i>
Yields	Fair Value would decrease if the yield was increased and increase if the yield was reduced.
Occupancy	Fair Value would increase if the occupancy was increased and decrease if the occupancy was reduced.
ERVs	Fair Value would decrease if the ERVs were increased and decrease if the ERVs were reduced.

Hermes Paradise Circus Limited Partnership
Notes to the Financial Statements
For the year ended 30 June 2018

4 Debtors

	As at 30 June 2018 £	As at 30 June 2017 £
VAT receivable	1,539,175	955,777
Other debtors	-	24,875,878
	<u>1,539,175</u>	<u>25,831,655</u>

Other debtors as at 30 June 2017 related solely to the direct costs attributable to the development of the investment properties One Chamberlain Square and Two Chamberlain Square in Birmingham, prior to the transfer of these costs from debtors to investment property.

5 Creditors: amounts falling due within one year

	As at 30 June 2018 £	As at 30 June 2017 £
Trade creditors	39,741	27,880
Amounts due to related parties (Note 7)	39,080	26,392
Accruals	1,300,958	2,424,044
	<u>1,379,779</u>	<u>2,478,316</u>

6 Partners' accounts

	Britel Fund Trustees Limited (as trustee of Britel Fund Unit Trust) £	CPP Investment Board Real Estate Holdings Inc. £	Total £
Capital accounts			
At 1 July 2017	1,368	1,120	2,488
Contributions during the year	727	595	1,322
Equalisation	(190)	190	-
At 30 June 2018	<u>1,905</u>	<u>1,905</u>	<u>3,810</u>
Loan accounts			
At 1 July 2017	13,682,547	11,194,812	24,877,359
Advanced during the year	13,842,850	12,521,103	26,363,953
Equalisation	(1,904,741)	1,904,741	-
At 30 June 2018	<u>25,620,656</u>	<u>25,620,656</u>	<u>51,241,312</u>
Current accounts			
At 1 July 2017	(638,764)	(522,625)	(1,161,389)
Loss for the year before revaluation gain	(246,164)	(237,949)	(484,113)
Equalisation	62,177	(62,177)	-
At 30 June 2018	<u>(822,751)</u>	<u>(822,751)</u>	<u>(1,645,502)</u>
Total Partners' accounts			<u>49,599,620</u>
Revaluation reserve			
At 1 July 2017	-	-	-
Revaluation gain	597,297	597,298	1,194,595
At 30 June 2018	<u>597,297</u>	<u>597,298</u>	<u>1,194,595</u>
Net assets attributable to Partners			<u>50,794,215</u>

Hermes Paradise Circus Limited Partnership
Notes to the Financial Statements
For the year ended 30 June 2018

7 Related parties

	As at 30 June 2018 £	As at 30 June 2017 £
As at year end the following amounts were outstanding:		
Amounts due to Hermes Paradise Circus GP One Limited	(19,540)	(13,196)
Amounts due to Hermes Paradise Circus GP Two Limited	(19,540)	(13,196)
	<u>(39,080)</u>	<u>(26,392)</u>

These amounts represent £100 (2017: £100) called up share capital, and £23,096 (2017: £13,096) priority profit share payable to each of the General Partners, as well as £3,400 (2017: nil) audit fees and £256 (2017: nil) other administrative expenses payable by each of the General Partners.

8 Controlling party

The General Partners of Hermes Paradise Circus Limited Partnership are Hermes Paradise Circus GP One Limited and Hermes Paradise Circus GP Two Limited.

The General Partners regard the BT Pension Scheme and Canada Pension Plan Investment Board (a Canadian crown corporation) as the ultimate joint controlling entities.

Copies of BT Pension Scheme accounts are available from 150 Cheapside, London EC2V 6ET. The address of Canada Pension Plan Investment Board is One Queen Street East, Suite 2500, Toronto, ON, M5C 2W5, Canada where copies of Canada Pension Plan Investment Board's accounts are available.