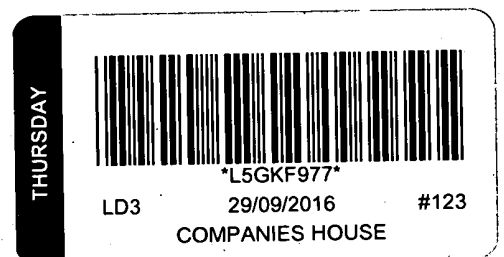


Blackstone Real Estate Capital UK VII Limited

(Reg No. 07889361)

For the Year Ended 31 December 2015

Annual Report and Financial Statements



Contents	Page
Company information	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Income statement	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10

Blackstone Real Estate Capital UK VII Limited

Registration No. 07889361

Company information

DIRECTORS

Vijay Bharadia

Farhad Karim

Andrew Lax

(Appointed 31 July 2015)

COMPANY SECRETARY

Intertrust (UK) Limited

11 Old Jewry

7th Floor

London

EC2R 8DU

United Kingdom

AUDITOR

Deloitte LLP

Chartered Accountant and Statutory Auditor

1 Little New Street

London

EC4A 3TR

United Kingdom

SOLICITOR

Simpson Thacher & Bartlett LLP

City Point

One Ropemaker Street

London

EC2Y 9HU

United Kingdom

REGISTERED OFFICE

40 Berkeley Square

London

W1J 5AL

United Kingdom

Blackstone Real Estate Capital UK VII Limited

Registration No. 07889361

Directors' report

for the year ended 31 December 2015

The directors present their annual report and audited financial statements for Blackstone Real Estate Capital UK VII Limited ("the Company") for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company was incorporated in the United Kingdom on 21 December 2011 for the purpose of holding investments in limited partnerships and acts as a managing member of Blackstone Real Estate Capital GP VII LLP. The results and the financial position of the Company at the year-end are satisfactory.

The Financial Reporting Council has replaced the current UK Generally Accepted Accounting Principles ("UK GAAP") with the Financial Reporting Standard 102 ("FRS 102") applicable in the UK and Republic of Ireland, with effect from periods beginning on or after 1 January 2015. The Company has applied the new standards from the period 1 January 2014. The directors approve the FRS 102 exemptions listed in note 1.

SMALL COMPANIES EXEMPTION

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. This is in accordance with Part 15 of the Companies Act 2006. The Company has taken advantage of the exemption from the requirement to disclose an enhanced business review and prepare a strategic report on the grounds that it is a small company.

RESULTS AND DIVIDENDS

The Company recorded \$29 profit for the year ended 31 December 2015 (2014: \$nil). Any expenses have been borne by an affiliate of the Company, Blackstone Real Estate Advisors L.P.

DIRECTORS

The directors who served through the year, except as noted, were:

Vijay Bharadia

Farhad Karim

Andrew Lax

(Appointed 31 July 2015)

Michael Pegler

(Resigned 31 July 2015)

None of the directors had any disclosable interests in the share and loan capital of the Company during the period.

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.

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

GOING CONCERN

The directors have a reasonable expectation that the Company has access to sufficient cash and financial resources from its parent entities and is expected to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Blackstone Real Estate Capital UK VII Limited

Registration No. 07889361

Directors' report (continued)

for the year ended 31 December 2015

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors confirm that:

- 1) so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 2) the directors have taken all steps that ought to have been taken to make them 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.

INDEPENDENT AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Deloitte LLP, Chartered Accountants and Statutory Auditor, as auditor of the Company.

Approved by the board and signed on its behalf by:



Vijay Bharadia

Director

27 September 2016

COMPANY NUMBER: 07889361

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 in accordance with the applicable law and United Kingdom Accounting Standard FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

Independent auditor's report to the directors of Blackstone Real Estate Capital UK VII Limited
for the year ended 31 December 2015

We have audited the financial statements of Blackstone Real Estate Capital UK VII Limited for year ended 31 December 2015 which comprises the Income statement, Statement of financial position, Statement of changes in equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the year for which the financial statements are prepared is consistent with the financial statements.


Blackstone Real Estate Capital UK VII Limited
Registration No. 07889361

Independent auditor's report to the directors of Blackstone Real Estate Capital UK VII Limited (continued)
for the year ended 31 December 2015

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 take advantage of the small companies exemption in preparing the Directors' report and strategic report.



Calum Thomson FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London,
United Kingdom
27 September 2016

Income statement
for the year ended 31 December 2015

		<i>For the Year Ended 31 December 2015</i>	<i>For the Year Ended 31 December 2014</i>
	<i>Notes</i>	<i>\$</i>	<i>\$</i>
Gains arising from increase in fair value through profit and loss	3	29	-
Profit on ordinary activities before taxation		29	-
Tax on profit on ordinary activities	4	-	-
Profit for the financial period		29	-

There were no other recognised gains or losses in either year except as stated above and therefore no separate statement of comprehensive income has been presented.

The notes on pages 10 to 14 form part of these financial statements.

Statement of financial position
as at 31 December 2015

		<i>As at 31 December 2015</i>	<i>As at 31 December 2014 (As Restated)</i>
	<i>Notes</i>	<i>\$</i>	<i>\$</i>
FIXED ASSETS			
Investments		205	176
		<u>205</u>	<u>176</u>
CURRENT ASSETS			
Debtors	5	2	2
		<u>207</u>	<u>178</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(35)	(35)
TOTAL NET ASSETS		<u><u>172</u></u>	<u><u>143</u></u>
CAPITAL AND RESERVES			
Called-up share capital		2	2
Retained Earnings		170	141
SHAREHOLDERS' FUNDS		<u><u>172</u></u>	<u><u>143</u></u>

The notes on pages 10 to 14 form part of these financial statements.

Approved and authorised for issue by the Directors on 27 September 2016.



Vijay Bharadia
Director

COMPANY NUMBER: 07889361

Statement of changes in equity
for the year ended 31 December 2015

As at 31 December 2014

	Called-up share capital	Other Reserves	Retained Earnings	Total
	\$	\$	\$	\$
At 31 December 2013 as previously stated	2	-	-	2
Changes on transition to FRS 102	-	-	141	141
At 1 January 2014 as restated	2	-	141	143
Profit for the financial year	-	-	-	-
At 31 December 2014	<u>2</u>	<u>-</u>	<u>141</u>	<u>143</u>

As at 31 December 2015

	Called-up share capital	Other Reserves	Retained Earnings	Total
	\$	\$	\$	\$
At 1 January 2015	2	-	141	143
Profit for the financial year	-	-	29	29
At 31 December 2015	<u>2</u>	<u>-</u>	<u>170</u>	<u>172</u>

Notes to the financial statements

for the year ended 31 December 2015

1 ACCOUNTING POLICIES

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

General information and basis of accounting

Blackstone Real Estate Capital UK VII Limited is a company incorporated in the United Kingdom under the Companies Act. The Company's principal activity is set out in the Directors' report.

The financial statements have been prepared under historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. This is the first year that the Company has presented its financial statements under FRS 102 issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014.

The functional currency of the Company is considered to be US Dollars because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available. Exemptions have been taken in relation to presentation of a cash flow statement and intra group transactions.

Financial Assets

The Company holds an equity investment, and a debtor, both of which are classified as a financial asset.

Equity instruments are initially recognised at fair value, and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately. Fair value measurement is based on audited financial statements of the underlying entity.

Going concern

The directors consider the principal risk to be financial risk and believe that the Company has sufficient procedures in place to manage its risks successfully, and has access to sufficient cash and financial resources from its parent entities and is expected to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially 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 current tax rates and law. 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are not discounted.

Notes to the financial statements (continued)
for the year ended 31 December 2015

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATED UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the members 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 accounting judgements, nor key sources of estimation uncertainty for the year ended 31 December 2015.

3 INVESTMENTS

	2015	2014
	\$	\$
At 1 January	176	176
Movement in fair value	29	-
At 31 December	<u>205</u>	<u>176</u>

On 20 January 2012, the Company invested \$35 to buy 0.01% of Blackstone Real Estate Capital GP VII LLP (the "Investment").

Investments are measured at fair value using the underlying financial statements of the Investment, with changes in fair value recognised through the income statement.

Notes to the financial statements (continued)
for the year ended 31 December 2015

4 TAXATION

	Year ended 31 December 2015 \$	Year ended 31 December 2014 \$
(a) Taxation on profit of ordinary activities		
Corporation tax at 20.25% (2014: 21.50%)	-	-
(b) Factors affecting the tax charge for the year		
Profit on ordinary activities before tax	29	-
Tax on profit on ordinary activities at hybrid rate of 20.25% (2014: 21.50%)	6	-
Effects of:		
- Income not taxable in determining taxable profit	(6)	-
Current tax charge	-	-

5 DEBTORS

	2015 \$	2014 \$
Amounts due from group undertakings (see note 9)	2	2

6 CREDITORS

	2015 \$	2014 \$
Amounts due to group undertakings (see note 9)	35	35

7 INFORMATION REGARDING DIRECTORS AND 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.

Notes to the financial statements (continued)

for the year ended 31 December 2015

8 OPERATING PROFIT

The audit fees 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 2015 was \$4,433 (2014: \$4,149).

9 RELATED PARTY TRANSACTIONS

As at 31 December 2015, the Company was owed \$2 (2014: \$2) from Blackstone Real Estate Associates (Offshore) VII-NQ L.P.

As at 31 December 2015, the Company owed \$35 (2014: \$35) to Blackstone Real Estate Capital GP VII LLP.

10 ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking is Blackstone Real Estate Associates (Offshore) VII-NQ 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, 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.

11 SUBSEQUENT EVENTS

It was determined that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

Notes to the financial statements (continued)
for the year ended 31 December 2015

12 TRANSITION TO FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition.

The last financial statements under previous UK GAAP were for the year ended 31 December 2014.

As a consequence of adopting FRS 102, the accounting policy for investments has changed to comply with that standard.

	2015	2014
	\$	\$
Equity Reported under previous UK GAAP	<u>2</u>	<u>2</u>
Adjustments to equity on transition to FRS 102		
Cumulative increase in profit for fair value increase in investment	170	141
Equity Reported under FRS 102	<u><u>172</u></u>	<u><u>143</u></u>
	2015	2014
	\$	\$
Profit or the financial year under previous UK GAAP	-	-
Gain arising for increase in fair value through profit and loss (FVTPL)	29	-
Profit for the financial year under FRS 102	<u><u>29</u></u>	<u><u>-</u></u>