

Charter Hall Real Estate Europe Limited
Company registration number: 5779777

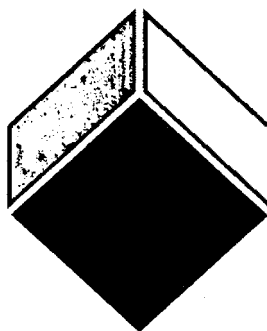
Financial statements
For the year ended 30 June 2016

The Company's registered office is:
235 Old Marylebone Road
London, NW1 5QT

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CHARTER HALL REAL ESTATE EUROPE LIMITED

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CHARTER HALL REAL ESTATE EUROPE LIMITED

GENERAL INFORMATION

Directors

B Ellis, appointed 2 March 2009

Registered Office

235 Old Marylebone Road
London, NW1 5QT

Company Number

5779777



Director's report

For the year ended 30 June 2016

The directors present their report and the financial statements for Charter Hall Real Estate Europe Limited ("the Company") for the year ended 30 June 2016. The Company Number is 5779777.

Principal activities

The principal activities of the Company during the year from 1 July 2015 to 30 June 2016 were winding up its activities in UK following the dissolution of the Company's wholly owned subsidiary, Charter Hall Asset Services Europe Sp. z o.o. (CHASE) in June 2015. In prior years, CHASE was providing real estate management and advisory services and it was domiciled in Poland.

In the opinion of the directors, there were no other significant changes to the principal activities of the Company during the financial year under review not otherwise disclosed in this report.

Review of business and future developments

In prior years, the Company's principal activity was acting as the sole holding company of its wholly owned subsidiary, Charter Hall Asset Services Europe Sp. z o.o and at 30 June 2015 Charter Hall Asset Services Europe Sp. z o.o was liquidated. As a result, the company will be de-registered within twelve months of the date of this report.

Subsequently the directors have determined that the financial statements will no longer be prepared on a going concern basis and assets have been written down to the lower of their carrying amounts and their net realisable values.

At the date of this report, the directors are not aware of any matter or circumstances which has arisen that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial periods subsequent to 30 June 2016 not otherwise disclosed in this report.

Results and dividends

The Company's net asset position at 30 June 2016 was £13 (30 June 2015 net liability £3,820. The Company's profit for the financial year was £3,833 (2015: £168,896).

Dividends paid during the year to Charter Hall Holdings Pty Limited were £469,617 (2015: £nil).

Principal risks and uncertainties

Given the straight forward nature of the Company's business, the Company's principal risks and uncertainties pertain to the financial risks detailed in the financial risk management section below.

Key Performance indicators ("KPI"s)

Given the straightforward nature of the business and the information provided elsewhere in this report, the directors are of the opinion that the production of KPIs in the Directors' Report is not necessary for an understanding of the development, performance or position of the business. The KPIs of the Company are monitored at the Charter Hall level.

Financial risk management

The Company is exposed to a variety of financial risks that include the effect of changes in the credit risk, liquidity risk, interest rate risk and foreign exchange risk. The Company is subject to Charter Hall Group's Risk Management policies that seek to limit adverse effects on the financial performance of the Company.

Credit risk

Credit exposures, approvals and limits are controlled within Charter Hall Group's credit risk policies.

Liquidity risk

The directors have adopted the policies applied by the Charter Hall Group. These policies are incorporated into Charter Hall Group's risk management systems to enable the Company to manage this risk effectively.

Interest rate risk

The Company no longer holds interest bearing assets or liabilities, other than cash and cash equivalents.

Foreign exchange risk

The Company has foreign exchange exposures which include cash and cash equivalents and amounts receivable from property trusts managed by Charter Hall Group which are denominated in non-functional currencies, principally Euro.



Director's report

For the year ended 30 June 2015

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

B Ellis, appointed 2 March 2009

Creditors payment policy

It is the Company's policy to agree the terms of payment to creditors at the start of business with that supplier, ensure that suppliers are aware of the terms of payment and to pay in accordance with its contractual and other legal obligations.

Annual general meeting

There is no requirement under the Companies Act 2006 or the Company's Articles of Association to hold an Annual General Meeting or lay the Company's report and financial statements before the shareholders.

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ 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.

B Ellis
Sole Director
22 March 2017



Profit and Loss Account

For the year ended 30 June 2016

	Notes	30 June 2016 £	30 June 2015 £
Administrative (expenses)/income		(13,168)	10,331
Distribution income		-	230,836
		(13,168)	241,167
Other operating income/(expense)		10,171	(36,787)
Operating profit/(loss)		(2,997)	204,381
Profit/(loss) on ordinary activities before taxation	2	(2,997)	204,381
Tax on profit/(loss) on ordinary activities	3	6,830	(39,485)
Profit/(loss) for the financial year	8	3,833	164,896

A statement of total recognised gains and losses has not been provided as all gains and losses are dealt with in the profit and loss account.

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical costs equivalents.

The notes on pages 10 to 12 form part of these financial statements.



Balance Sheet

As at 30 June 2016

	Notes	30 June 2016 £	30 June 2015 £
Current assets			
Debtors	5	-	1,286
Cash at bank and in hand		28,983	510,384
		<u>28,983</u>	<u>511,671</u>
Creditors: Amounts falling due within one year	6	(28,971)	(515,491)
Net current assets		<u>13</u>	<u>(3,820)</u>
Net assets		<u>13</u>	<u>(3,820)</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		11	(3,822)
Total shareholders' funds	8	<u>13</u>	<u>(3,820)</u>

The notes on pages 10 to 12 form part of these financial statements.

The financial statements on pages 8 to 12 were approved and signed by:

B Ellis
Sole Director

22 March 2017



Notes to the financial statements

For the year ended 30 June 2016

1. Accounting Policies

The Company is a wholly owned subsidiary of Charter Hall Holdings Pty Limited and is included in the consolidated financial statements of Charter Hall Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 401 of the Companies Act 2006.

Subsequent to the reporting date the Directors decided to de-register and liquidate the Company within twelve months of the date of approval of the financial statements, as a result of liquidation of Charter Hall Asset Services Europe Sp. z o.o on 30 June 2016. Consequently, the Directors have determined that the going concern basis of preparation is no longer appropriate.

The financial statements have not been prepared on a going concern basis and assets have been written down to their realisable values. Realisable value is the estimated selling price the entity expects to obtain under the circumstances less the estimated costs necessary to make the sale. Non-current assets and non-current liabilities have been reclassified to current assets and liabilities. No adjustments were necessary to provide for liabilities arising from the decision to liquidate.

The comparative financial information continues to be prepared on a going concern basis. The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies which are now considered significant given the presentation of the financial statements as at 30 June 2016 on a basis other than going concern.

(a) Other operating income/(expense)

Gains or losses arising from foreign currency transactions and translation of balance sheet items are accounted for as other operating income and expense.

(b) Cash at bank and in hand

Cash at bank and in hand comprises cash on hand and deposits held at call with banks.

(c) Taxation and deferred taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided fully in respect of all timing differences between the accounting and tax treatment of income and expenses, at the reporting date, the anticipated reversal of which will result in change in the future liability to tax. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises based on current tax rates and law and is measured on a non-discounted basis. A 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 against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

(d) Impairment and financial assets

The directors assess at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(e) Functional and presentation currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Pounds, which is the company's functional and presentation currency

(f) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies which are not covered by forward exchange contracts are translated to sterling using the rate of exchange ruling at balance sheet date and the gains or losses on translation are included in the profit and loss.



Notes to the financial statements

For the year ended 30 June 2016

2. Profit /(loss) on ordinary activities before taxation

Profit /(loss) on ordinary activities before taxation is stated after charging:

	30 June 2016 £	30 June 2015 £
Distribution income		
Discontinued operations:		
- Distribution received from CHASE	-	230,836
Services provided by the company's auditor		
Continuing operations:		
- Fees payable for the audit	16,529	12,442
- Reversal of VAT return accrual	-	(23,800)

The company had no employees during the year (2015: none).

3. Tax on profit/(loss) on ordinary activities

	30 June 2016 £	30 June 2015 £
Profit/(loss) on ordinary activities before tax	(2,997)	204,381
Profit/(loss) on ordinary activities multiplied by standard rate of UK corporation tax of 20.0% (2015: 22.5%)	674	(45,986)
Effect of:		
Adjustment in respect of current year	(674)	-
Utilisation of prior year revenue tax losses	-	10,053
Adjustment in respect of prior year	-	(3,552)
Current tax credit/charge for the year	-	(39,485)

4. Directors' remuneration

During 2016 and 2015, all directors were employed by, and received all emoluments from other Charter Hall Group entities which paid £5,000 on behalf of the Company for their role as the directors of the Company. The Directors did not receive any other benefits or consideration in connection with the management of the Company. All other benefits that were received by them (principally performance related remuneration and options for Charter Hall Limited equity) were solely related to other services performed with respect to their employment within the Charter Hall Group.

5. Debtors

	30 June 2016 £	30 June 2015 £
VAT receivables	-	1,286
	-	1,286



Notes to the financial statements

For the year ended 30 June 2016

6. Creditors: amounts falling due within one year

	30 June 2016 £	30 June 2015 £
Audit fee accrual	28,971	12,442
Tax fees accrual	-	4,000
Income tax expense	-	29,432
Provision for distribution	-	469,617
	28,971	515,491

7. Called up Share Capital

	30 June 2016 £	30 June 2015 £
Authorised		
1,000 (2015:1,000) ordinary shares of £1 each	1,000	1,000
	1,000	1,000
Alloted, called up and paid		
2 (2015:2) ordinary shares of £1 each	2	2
	2	2

8. Reconciliation of movements in shareholders' funds

	30 June 2016 £	30 June 2015 £
Opening shareholders' funds	(3,820)	285,114
Profit/(Loss) for the financial year	3,833	164,896
Prior year adjustments	-	15,787
Distribution payable	-	(469,617)
Closing shareholders' funds	13	(3,820)

9. Ultimate parent undertaking

The immediate parent entity of the Company is Charter Hall Holdings Pty Limited. The ultimate parent undertaking and controlling party of Charter Hall Real Estate Europe Limited, which is the parent undertaking of the smallest and largest group to prepare consolidated financial statements, is Charter Hall Limited, a company incorporated in Australia. Copies of group financial statements for Charter Hall Limited can be obtained from the Company Secretary, Level 20, No1 Martin Place, Sydney, New South Wales, 2000, Australia.

10. Related party transactions

As 100% of the voting rights of the Company are controlled within the group headed by Charter Hall Limited, incorporated in Australia, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Charter Hall Group. The consolidated financial statements of Charter Hall Group Limited, within which the Company is included, can be obtained from the address given in Note 9.

11. Cash flow statement

The Company is a wholly owned subsidiary within the Charter Hall Group and is included in the consolidated financial statements of Charter Hall Limited. The consolidated financial statements of this group are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of the FRS 1 (revised 1996).