

Company Registration No. 06317722 (England and Wales)

BARWA CAPITAL (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



BARWA CAPITAL (UK) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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BARWA CAPITAL (UK) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

DIRECTORS:

G.S.M. Al-Saad
M.A.S. Al-Saad
A.M. Al Derbasti
A.A. Al-Abdulghani
S.M. Al-Mohannadi

REGISTERED OFFICE:

Devonshire House
1 Devonshire Street
London
W1W 5DR

BUSINESS ADDRESS:

4 Cavendish Square
London
W1G 0PG

REGISTERED NUMBER:

06317722 (England and Wales)

AUDITOR:

PricewaterhouseCoopers CI LLP
37 Esplanade
St Helier
Jersey
JE1 4XA

SHARIA'A ADVISORY BOARD:

Dr. Esam Khalaf Al-Ejezi
Sheikh Essam M. Ishaq
Dr. Osama Qais S. Al Dereai

BARWA CAPITAL (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Review of business and key performance indicators

Barwa Capital (UK) Limited ("the Company") was principally engaged in the provision of advisory services during the year.

During the prior year the Company took the decision to surrender the business premises lease that it had in place with a fellow group undertaking, Cavendish Real Estate Limited, part of which had been leased out under a serviced office agreement with a third party.

The directors consider turnover and pre-tax profit to be the key performance indicators. Total revenue for the year was £118,754 (2017: £188,052), with a loss of £573 (2017: loss of £144,435); from continuing operations. In the prior year the company also earned rental income of £191,619, but this income stream ceased in 2017.

At the year end the state of affairs of the Company was considered by the directors to be satisfactory.

The Company complies with the principles of Sharia'a, financial transactions are approved by the Sharia'a Board of the Company. Interest earned incidentally from a transaction is earmarked for application towards charitable or educational causes as agreed with the Sharia'a Board and the Board of Directors.

Principal risks and uncertainties

The Company's principal risk and uncertainty is liquidity risk. At the end of the reporting period the Company remained highly liquid, free of any external bank borrowings and held cash and cash equivalents of £1,360,770 (2017: £1,516,889).

The Company's activities expose it to a variety of financial risks. Its risk management policy to date has been to identify the principal business risks in achieving the Company's strategic objectives, establishing appropriate internal controls to manage those risks and ensuring that appropriate monitoring and reporting systems are in place. These controls are continually reviewed and where necessary improved.

The Company does not currently use derivative financial instruments to hedge any risk exposures as current policies implemented are considered to mitigate risk exposures. The Company does not enter into or trade financial instruments, including derivative financial instruments of a speculative nature.

The Company's approach to managing risks applicable to the financial instruments concerned is set out in note 18.

Future prospects and going concern

The Company continues to generate income from services rendered in respect of advisory services, in line with expectations for the year under review and given the business operations; the Company continues to have a sound asset base with a strong level of liquidity relative to its fixed costs.

The directors are currently considering the future development of the Company and pursuing UK business opportunities; and they are satisfied that the Company has a financial standing to ensure that the company is well placed to manage its principal risks whilst these opportunities are being sought. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and; accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

On behalf of the Board


A.A. Al-Abdulghani

Director

4-September 2019

BARWA CAPITAL (UK) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Incorporation

The Company was incorporated in England and Wales on 19 July 2007.

Results and dividends

The results for the year are set out on page 7. The directors do not recommend the payment of a dividend for the year.

Directors

The following directors held office during the year and subsequently to the date of this report, unless otherwise stated:

G.S.M. Al-Saad
M.A.S. Al Saad
A.M. Al Derbasti
A.A. Al-Abdulghani
S.M. Al-Mohannadi

Financial instruments and risk management

The Company's risk and capital management policy is set out in note 18 to the financial statements.

Future developments

The Company's performance for the year and future developments are discussed in the Strategic Report.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

BARWA CAPITAL (UK) LIMITED

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

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor

The auditor, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

Other information

The Company's registered office address is Devonshire House, 1 Devonshire Street, London, W1W 5DR.

The immediate parent and ultimate controlling party respectively of the Company are Cavendish Capital (Jersey) Limited, incorporated in Jersey, and Barwa Real Estate Company Q.P.S.C, incorporated in Qatar.


This report has been prepared in accordance with the special provisions of Part 15 of the Companies' Act 2006 relating to small companies.

On behalf of the Board



.....
A.A. Al-Abdulghani
Director

4 September 2019
.....

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Independent auditor's report to the members of Barwa Capital (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Barwa Capital (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

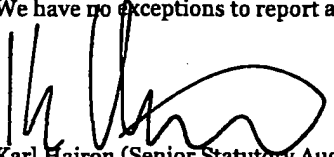
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Karl Hairon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey, Channel Islands
04 September 2019

BARWA CAPITAL (UK) LIMITED

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

			2018	2017
	Notes	£	£	£
Continuing operations				
Revenue	6		118,754	188,052
Administrative expenses		(117,449)		(121,625)
Depreciation expense	10	-		(26,882)
Charge on disposal of non-current assets	10	-		(30,591)
			(117,449)	(179,098)
Operating profit			1,305	8,954
Finance income	7	6,551		2,028
Share of losses of associate	11	(8,429)		(28,611)
			(1,878)	(26,583)
Loss before tax			(573)	(17,629)
Income tax	9			
Loss for the year from continuing operations			(573)	(17,629)
Discontinued operations				
Loss for the year from discontinued operations	12			(126,806)
Loss for the year and total comprehensive deficit			(573)	(144,435)

The notes on pages 11 to 27 form an integral part of these financial statements.


BARWA CAPITAL (UK) LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	£	2018 £	£	2017 £
ASSETS					
Non-current assets					
Investment in associate	11		2,346,049		2,354,478
			<u>2,346,049</u>		<u>2,354,478</u>
Current assets					
Trade and other receivables	13	431		26,563	
Amounts due from fellow Group undertakings	20a	9,329,392		9,209,937	
Cash and cash equivalents	14	1,360,770		1,516,889	
			<u>10,690,593</u>		<u>10,753,389</u>
Total assets			13,036,642		13,107,867
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	15		10,788		81,440
Amounts due to fellow Group and Associated undertakings	20b&c		4,226,042		4,226,042
			<u>4,236,830</u>		<u>4,307,482</u>
Total liabilities			4,236,830		4,307,482
Equity					
Issued capital	16	10,000,000		10,000,000	
Accumulated deficit	17	(1,200,188)		(1,199,615)	
			<u>8,799,812</u>		<u>8,800,385</u>
Total equity			8,799,812		8,800,385
Total equity and liabilities			13,036,642		13,107,867


The financial statements on pages 7 to 27 were approved by the Board of Directors and authorised for issue on

4 September 2019
..... and were signed on its behalf by


.....
A.A. Al-Abdulghani
Director

Company registration No. 06317722


The notes on pages 11 to 27 form an integral part of these financial statements.

MD 

BARWA CAPITAL (UK) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital £	Accumulated deficit £	Total equity £
Balance at 31 December 2016	10,000,000	(1,055,180)	8,944,820
Loss for the year and total comprehensive deficit	-	(144,435)	(144,435)
Balance at 31 December 2017	10,000,000	(1,199,615)	8,800,385
Loss for the year and total comprehensive deficit	-	(573)	(573)
Balance at 31 December 2018	10,000,000	(1,200,188)	8,799,812

The notes on pages 11 to 27 form an integral part of these financial statements.

MD 

BARWA CAPITAL (UK) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(573)	(144,435)
Depreciation of non-current assets	10	-	26,882
Charge on disposal of non-current assets		-	30,591
Finance income	7	(6,551)	(2,028)
Share of losses of associate	11	8,429	28,611
		<hr/>	<hr/>
		1,305	(60,379)
MOVEMENTS IN WORKING CAPITAL			
Decrease in trade and other receivables		26,132	175,503
Increase in amounts due from fellow Group undertakings		(119,455)	(188,052)
(Decrease)/Increase in trade and other payables		(70,652)	33,084
(Decrease)/Increase in amounts due to fellow Group and Associated undertakings		-	213,762
		<hr/>	<hr/>
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(162,670)	173,918
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	7	6,551	2,028
		<hr/>	<hr/>
NET CASH GENERATED FROM INVESTING ACTIVITIES		6,551	2,028
		<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(156,119)	175,946
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,516,889	1,340,943
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14	1,360,770	1,516,889
		<hr/>	<hr/>

The notes on pages 11 to 27 form an integral part of these financial statements.

BARWA CAPITAL (UK) LIMITED

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

1. GENERAL INFORMATION

Barwa Capital (UK) Limited is a Company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"), and IFRIC Interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS. The financial statements have been prepared on a going concern basis under the historical cost convention.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

a) Standards, amendments and interpretations adopted by the Company with no material effect on financial statements

During the year ended 31 December 2018, the following new, amended, revised and improved Standards were adopted by the Company, that are relevant to its operations:

IFRS 9	Financial Instruments, effective 1 January 2018
IFRS 15	Revenue from Contracts with Customers, effective 1 January 2018
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions, effective 1 January 2018

b) Standards, amendments and interpretations to existing standards in issue but not yet effective and have not been adopted early by the Company

At the date of authorisation of this report, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective for periods beginning 1 January 2018:

IFRS 16	Leases, effective 1 January 2019
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The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation – accounting convention

The principal accounting policies adopted are set out below and have been applied consistently to all years presented unless otherwise stated.

(i) Going concern

The Company has a sound asset base with £1,360,770 of cash resources and low current liabilities outside of the group of £10,788. Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

b) Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated into these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*.

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

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

b) Investment in associates – (continued)

Under the equity method, an investment in an associate is initially recognised in the Statement of Financial Position at cost and adjusted thereafter to recognise the Company's share of profit or loss in the comprehensive income of the associate.

When the Company's share of losses of an associate exceeds the Company's interest in that associate, the Company discontinues recognising its share of further losses unless guarantees or similar have been given by the Company.

Unrealised profits and losses resulting from transactions between the Company and its associates are eliminated to the extent of the Company's interest in that associate.

The investment in the associate entered into liquidation during the year. There were no formal distributions made to the Company during the year under review.

c) Financial Instruments

IFRS 9 'Financial Instruments' addresses the classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classification and measurement models in IAS 39 and is effective for reporting periods beginning on or after 1 January 2018. As such the company has adopted IFRS 9 for the first time in this set of annual financial statements.

The company's financial assets and financial liabilities are held solely for the collection or payment of contractual cash flows, being payments of principal and interest where applicable. These assets continue to be held at amortised cost on adoption of IFRS 9, and hence there is no change in classification or measurement of these assets and liabilities.

d) Financial assets

(i) Loans and receivables

Loans and receivables are measured at amortised cost, using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period.

(ii) Impairment of financial assets

IFRS 9 introduces an impairment model based on expected credit losses ('ECL') rather than incurred losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

(ii) Impairment of financial assets – (continued)

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition, considering both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Where a financial asset is considered to be impaired, the company recognises a gain or loss on the income statement with a corresponding adjustment to the carrying value of the asset.

e) Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The Company's financial liabilities are subsequently measured at amortised cost using the effective interest method. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The Company's financial liabilities are subsequently measured at amortised cost using the effective interest method. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

g) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable.

(i) Rendering of services

Income is attributable to services rendered in respect of advisory services. Revenue is recognised when it is judged that the stage of completion of a contract to provide professional services can be measured reliably and it is probable the revenue will be received. It is measured by reference to the stage of completion of the contract at the estimated fair value of the right to consideration, which represents amounts chargeable to clients, but excluding value added tax.

(ii) Finance income

Finance income is recognised when it is probable that the economic benefits will flow to the Company and the amounts of revenue can be measured reliably. Finance income is accrued on a time basis.

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

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

(iii) Rental Income

Rental income from operating leases is recognised on a straight line basis over the term of the lease. In the event that lease incentives are offered to enter into operating leases, such incentives are recognised as an asset. The aggregate benefit of incentives is recognised as a reduction of rental income on a straight-line basis.

IFRS 15 'Revenue from Contracts with Customers' specifies how and when to recognise revenue as well as requiring entities to provide users of financial statements with more relevant disclosures. The standard provides a single, principles based five step model to be applied to all contracts with customers. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, and hence has been adopted for the first time in this set of annual financial statements. There has been no impact on timing of recognition or gross up for principal/agents considerations on the adoption of IFRS 15. The disclosure requirements of the standard has resulted in no changes in the statement of comprehensive income.

h) Property, plant and equipment

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives of the depreciable assets are as follows:

Leasehold improvements	10 years
Fixtures and fittings	3 - 7 years
Computer and office equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the period the asset is derecognised.

The property, plant and equipment was fully disposed of during the prior year.

i) Taxation

Income tax expense represents the sum of tax payable and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period. Taxable profit differs from profit as reported in the statement of comprehensive income as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred taxation is provided in respect of all timing differences that have originated but not reversed at the end of the reporting period where an event has occurred that results in an obligation to pay more or less tax in the future except that:

- (i) provision is made for gains on disposals of assets that have been rolled over into replacement assets only to the extent that at the end of the reporting period, there is a binding agreement to dispose of the assets concerned; and

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

3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

i) Taxation – (continued)

- (ii) deferred tax assets are recognised to the extent that it is 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 is measured on a non-discounted basis at the tax rates that are expected to apply in the periods including the timing differences reversal, based on tax rates and laws enacted or substantively enacted at the end of the reporting period.

j) Administrative expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

k) Leasing

The Company as lessee

Leases are classified as financial leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

l) Foreign currency transactions

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 sterling ("£") which is considered to be the Company's functional and presentational currency.

Transactions in foreign currencies are translated to sterling at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income in the period in which they arise.

m) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

4. KEY JUDGEMENTS AND ESTIMATES

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

BARWA CAPITAL (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****4. KEY JUDGEMENTS AND ESTIMATES – (continued)****Impairment of financial assets**

The company's key primary financial asset is an amounts due from fellow Group undertakings and trade and other receivables.

At the end of each reporting date, the directors considered whether any impairment is required on the financial assets held, having regard to IFRS 9. The directors assessed that no material adjustment was required to the carrying value of the assets, notably an amount due from its parent undertaking.

This was on the basis that the amount due is repayable on demand and the risk of default is considered to be low and any potential impairment negligible. In particular, whilst there is no legal off-set with amounts due to other fellow group companies, in reality this would be undertaken if required. Furthermore, the company has share capital far in excess of its working capital requirements, as provided by its parent, and this could be reduced to off-set the financial asset currently standing at the year end.

5. REMUNERATION OF DIRECTORS AND EMPLOYEES

	2018	2017
	£	£
Wages and salaries	44,100	44,100
Social security costs	1,932	1,962
Pension contributions	584	321
	<hr/>	<hr/>
	46,616	46,383
	<hr/>	<hr/>

The average monthly number of Company employees, including directors, during the year was:

	2018	2017
	No.	No.
Management and administration	6	6
	<hr/>	<hr/>

The Company's key management personnel are considered to be the Company's directors, and they received no remuneration in the current or prior years.

The directors' compensation is paid by Barwa Real Estate Company Q.P.S.C ("the parent"), which makes no recharge to the Company. The directors of Barwa are also directors of the parent and a number of fellow subsidiaries, and it is not possible to make a reasonable apportionment of their compensation in respect of each of the subsidiaries. Accordingly, the above details include no compensation in respect of the directors. Their total compensation is included in the aggregate of key management personnel compensation disclosed in the consolidated financial statements of the parent.

BARWA CAPITAL (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****6. REVENUE**

The Company's revenue for the year from continuing operations can be analysed as follows:

	2018 £	2017 £
Advisory services	118,754	188,052

Revenue from discontinued operations consisted of property rental income of £nil (2017: £191,619), as set out in note 12.

The Company's revenue from continuing operations can be analysed geographically as follows:

	2018 £	2017 £
Channel Islands	118,754	188,052

There was no revenue from discontinued operations from the United Kingdom during the year (2017: £191,619), as set out in note 12.

7. FINANCE INCOME

	2018 £	2017 £
Interest revenue:		
Bank deposits	6,551	2,028

In accordance with Sharia'a principles the board has determined that all incidental interest earned by the Company will be applied towards charitable purposes.

8. PROFIT/(LOSS) BEFORE TAX

	2018 £	2017 £
The profit/(loss) before tax is stated after charging:		
Depreciation of property, plant and equipment on owned asset	-	26,882
Charge on disposal of property, plant and equipment on owned assets	-	30,591
Fees payable to the Company's auditor for the audit of the Company's annual accounts	9,200	11,010
Staff costs (see note 5)	46,616	46,383
Operating lease rentals – land and buildings	-	312,342

BARWA CAPITAL (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****9. INCOME TAX EXPENSE**

The charge to tax arising in the Company and included within these financial statements is:

Analysis of the tax charge recognised in profit or loss

	2018	2017
	£	£
Total tax charge	-	-

Factors affecting the tax charge

The total charge for the period can be reconciled to the accounting profits as follows:

	2018	2017
	£	£
Profit/(loss) on ordinary activities of the Company before tax	(573)	(144,435)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19%)	(109)	(27,443)
Effect of:		
Change in tax rates	-	(344)
Expenses that are not taxable deductible in determining taxable profit	37	5,817
Depreciation add back	-	5,108
Losses carried forward	72	16,862
Total tax expense	-	-

During the prior year the Company surrendered a business premises lease with a related party. Further details are provided in note 10. Current tax losses carried forward £605,911 (2017: £613,804) and at the end of the current and prior year there was no tax assets or liabilities.

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Fixtures and Fittings	Computer and Office Equipment	Total
	£	£	£	£
COST				
At 1 January 2018 and 31 December 2018	-	-	-	-
DEPRECIATION				
At 1 January 2018 and 31 December 2018	-	-	-	-
CARRYING AMOUNT				
At 31 December 2018 and 31 December 2017	-	-	-	-

BARWA CAPITAL (UK) LIMITED

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

10. PROPERTY, PLANT AND EQUIPMENT – (continued)

	Leasehold Improvements	Fixtures and Fittings	Computer and Office Equipment	Total
	£	£	£	£
COST				
At 1 January 2017	457,535	267,101	84,000	808,636
Disposal	(457,535)	(267,101)	(84,000)	(808,636)
31 December 2017	-	-	-	-
DEPRECIATION				
At 1 January 2017	400,062	267,101	84,000	751,163
Expense for the year	26,882	-	-	26,882
Charge on disposal	30,591	-	-	30,591
Eliminate on disposal of assets	(457,535)	(267,101)	(84,000)	(808,636)
At 31 December 2017	-	-	-	-
CARRYING AMOUNT				
At 31 December 2017	-	-	-	-
At 31 December 2016	57,473	-	-	57,473

11. INVESTMENT IN ASSOCIATE

Associate	Country of Incorporation	Proportion of ownership interest	Proportion of voting power held	Principal activity
Regency Residential (UK) Limited	Guernsey	50%	-	Real Estate Development

Although the Company holds less than 20% of the voting power at shareholder meetings of Regency Residential (UK) Limited (Registered office: PO box 41, Floor 2, Le Marchant House, Le Truchot, St. Peter Port, Guernsey, GY1 3BE), the Company exercises significant influence by virtue of its contractual right to Board representation.

Summarised financial information in respect of the Company's associate results recognised in the Statement of Comprehensive Income is set out below.

BARWA CAPITAL (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****11. INVESTMENT IN ASSOCIATE – (continued)**

	2018	2017
	£	£
Total revenue	-	-
Total expenses	(16,858)	(57,223)
	<u> </u>	<u> </u>
Total loss for the year	(16,858)	(57,223)
	<u> </u>	<u> </u>
Company's share of loss of associate	(8,429)	(28,611)
	<u> </u>	<u> </u>
Company's share of other comprehensive income	-	-
	<u> </u>	<u> </u>

The Company's associate entered into liquidation during the year, having appointed a liquidator in May 2018, following the ceasing of trading activities in the prior year. There were no formal distributions during the year.

12. DISCONTINUED OPERATIONS

During the prior year the Company surrendered the business premises lease that it had in place with a fellow group undertaking, Cavendish Real Estate Limited, part of which had been leased out under a serviced office agreement with a third party.

Analysis of loss for the year from discontinued operations

The results of the discontinued operations included in the statement of comprehensive income for the year ended 31 December 2017 are set out below. No figures have been presented for the year ended 31 December 2018 as the business premises lease has already been fully disposed of.

	Year ended 31 December 2017 £
Revenue	191,619
Expenses	(318,425)
	<u> </u>
Loss before tax	(126,806)
	<u> </u>
Loss for the year from discontinued operations	(126,806)
	<u> </u>
Cash flows from discontinued operations	
Net cash outflows from operating activities	(126,806)
Net cash outflows from investing activities	-
Net cash inflows from financing activities	-
	<u> </u>
Net cash outflows	(126,806)
	<u> </u>

BARWA CAPITAL (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****13. TRADE AND OTHER RECEIVABLES**

	2018	2017
	£	£
Current:		
Prepayments and accrued income	431	24,226
Other debtors	-	2,337
	<u>431</u>	<u>26,563</u>

Trade and other receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

14. CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash and bank balances	1,360,770	1,516,889
	<u>1,360,770</u>	<u>1,516,889</u>

Cash and cash equivalents consist of bank balances and short-term deposits with an original maturity of three months or less.

15. TRADE AND OTHER PAYABLES

	2018	2017
	£	£
Current:		
Trade payables	308	67,444
Social security and other taxes	(884)	1,316
Accrued expenses	11,364	12,680
	<u>10,788</u>	<u>81,440</u>

Trade and other payables principally comprise amounts outstanding to Group and associated undertakings.

The directors consider that the carrying amount of trade and other payables, being amortised cost, approximates to their fair value.

16. ISSUED CAPITAL

	2018	2017
	£	£
Allotted, issued and fully paid:		
10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

BARWA CAPITAL (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****17. ACCUMULATED DEFICIT**

	2018	2017
	£	£
Balance at beginning of year	(1,199,615)	(1,055,180)
Loss for the year	(573)	(144,435)
Balance at end of year	<u>(1,200,188)</u>	<u>(1,199,615)</u>

18. FINANCIAL INSTRUMENTS**Categories of financial instruments**

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial liability and equity instrument are disclosed in note 3 to the financial statements.

As at 31 December 2018

	Loans and receivables £
Financial assets	
Current financial assets	
Trade and other receivables	431
Cash and cash equivalents	1,360,770
Amounts due from fellow Group undertakings	9,329,392
Total	<u>10,690,593</u>

As at 31 December 2018

	Other financial liabilities £
Financial liabilities	
Current financial liabilities	
Trade and other payables	10,788
Amounts due to fellow Group and associated undertakings	4,226,042
Total	<u>4,236,830</u>

BARWA CAPITAL (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****18. FINANCIAL INSTRUMENTS – (continued)**

As at 31 December 2017	Loans and receivables £
Financial assets	
Current financial assets	
Trade and other receivables	26,563
Cash and cash equivalents	1,516,889
Amounts due from fellow Group undertakings	9,209,937
	<hr/>
Total	10,753,389
	<hr/>
As at 31 December 2017	Other financial liabilities £
Financial liabilities	
Current financial liabilities	
Trade and other payables	81,440
Amounts due to fellow Group and associated undertakings	4,226,042
	<hr/>
	4,307,482
	<hr/>

Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern, ensuring that it is capitalised at a level sufficient to ensure that the Company can operate effectively and pursue future opportunities.

The capital structure of the Company consists of its equity, comprising of issued capital and accumulated deficit.

The Company currently has no external borrowings.

Financial risk management objectives

The Company's activities expose it to a variety of financial risks. Its risk management policy to date has been to identify the principal business risks in achieving the Company's strategic objectives, establishing appropriate internal controls to manage those risks and ensuring that appropriate monitoring and reporting systems are in place. These controls are periodically reviewed and where necessary improved.

The Company does not currently use derivative financial instruments to hedge any risk exposures as the current policies implemented are considered to mitigate risk exposures. The Company does not enter into or trade financial instruments, including derivative financial instruments of a speculative nature.

The Company's approach to managing risks applicable to the financial instruments concerned is set out below:

Market risk

The Company does not generally take positions which expose it to price risk. The Company's interest in Regency Residential (UK) Limited, however, creates an exposure to the UK residential property market; this project is in the run-off stages and therefore the risk exposure is relatively minimal.

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

18. FINANCIAL INSTRUMENTS – (continued)

Foreign currency risk

In the current and prior year the Company has had no material concentration of assets and liabilities in foreign currencies, monetary or otherwise. The Company has therefore not taken material positions to expose itself to material foreign currency risk.

Interest rate risk

The Company has no external borrowings which expose it to interest rate risk.

The Company's financial assets do have exposure to interest rates risk through the cash deposits held. However, the Company does not seek to rely on financial income as a key source of revenue and it has been agreed at board level that all incidental interest earned will be applied for charitable purposes in order to comply with Sharia'a principles.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

Cash deposits with banks give rise to counterparty risk. The credit risk on liquid funds is mitigated as far as possible as the financial assets are held at major international banking companies with reported substantial financial strength and high grade credit ratings assigned by international credit-rating agencies.

Trade and other receivables relate predominantly to balances owed from related parties and are managed in respect of cash flow risk by regularly monitoring the amounts outstanding and calling on funds to enable the Company to meet payments as they fall due.

Other than the above the Company does not have significant credit risk exposure to any single counterparty.

The Company's total financial assets represent its maximum exposure to credit risk. None of the financial assets were past due as at the end of the reporting period. The Company does not hold any collateral or other credit enhancements to cover the credit risk. For those assets that are not past due it is believed that the risk of default is limited.

Liquidity risk

Liquidity risk refers to the risk that the Company does not have sufficient financial resources to enable it to meet its obligations as they fall due.

The directors consider trade payables' liquidity risk to be the most significant risk and this is managed by ensuring sufficient funds are available to meet amounts due as they fall payable. The Company aims to maintain high levels of liquidity at all times and the directors regularly monitor cash flow and management accounts to ensure that the Company maintains adequate working capital.

There were no capital commitments at the end of the reporting period. The amounts in the table below are the contractual undiscounted cash flows.

BARWA CAPITAL (UK) LIMITED

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

18. FINANCIAL INSTRUMENTS – (continued)

31 December 2018	On demand	Less than 1 year £	No maturity £	Total £
Trade and other payables	10,788	-	-	10,788
Amounts due to fellow Group and Associated undertakings	4,226,042	-	-	4,226,042
	<u>4,236,830</u>	<u>-</u>	<u>-</u>	<u>4,236,830</u>
31 December 2017	On demand	Less than 1 year £	No maturity £	Total £
Trade and other payables	81,440	-	-	81,440
Amounts due to fellow Group and Associated undertakings	4,226,042	-	-	4,226,042
	<u>4,307,482</u>	<u>-</u>	<u>-</u>	<u>4,307,482</u>

19. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There are no financial assets or financial liabilities of the Company that are measured at fair value on a recurring basis, in either the current or prior year.

The directors have considered the book values and fair values of the Company's financial assets and liabilities as at 31 December 2018 and consider them to be approximate to their book value owing to the short term maturity dates of these instruments and the prevailing low interest rate environment.

20. RELATED PARTY DISCLOSURES

The immediate parent and ultimate controlling party respectively of the Company are Cavendish Capital (Jersey) Limited, Incorporated in Jersey, and Barwa Real Estate Company Q.P.S.C, Incorporated in Qatar.

Details of transactions between the Company and other related parties are disclosed below:

a) Amounts due from related parties

	2018 £	2017 £
Cavendish Capital (Jersey) Limited	9,329,392	9,209,937

The related party noted above forms part of the Group headed by Barwa Real Estate Company Q.P.S.C. and the balance is interest free, unsecured and repayable on demand.

BARWA CAPITAL (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018****20. RELATED PARTY DISCLOSURES – (continued)****b) Amounts due to related parties**

	2018 £	2017 £
Cavendish Real Estate Limited	2,291,042	2,291,042

The related party noted above forms part of the Group headed by Barwa Real Estate Company Q.P.S.C. and the balance is interest free, unsecured and repayable on demand.

c) Amounts due to Associate undertaking

	2018 £	2017 £
Regency Residential (UK) Limited	1,935,000	1,935,000

The balance owed to Regency Residential (UK) Limited is interest free, unsecured and repayable on demand.

d) Related party transactions charged to statement of comprehensive income

	2018 £	2017 £
Fees receivable		
Cavendish Capital (Jersey) Limited	118,754	188,052
Rent, service charge and related costs payable		
Cavendish Real Estate Limited	-	(312,342)
	118,754	(124,290)

All of the related parties noted above form part of the Group headed by Barwa Real Estate Company Q.P.S.C.

21. OPERATING LEASE ARRANGEMENTS

Operating leases relate to business premises with an initial lease term between 1 and 10 years, which ceased in the year ended 31 December 2017. The Company did not have an option to purchase the leased asset at the expiry of the lease period. There was no rental expense in the current year (2017: £312,342).

The Company as lessor

The property rental income earned by the Company relates to business premises held by the Company under lease terms which ceased during the period, part of which had been leased out under a serviced office agreement with a term of 5 years. The lessee did not have an option to purchase the leased asset at the expiry of the lease period.

BARWA CAPITAL (UK) LIMITED

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

22. SUBSEQUENT EVENTS

Subsequent to the year end, on 18 June 2019, the Company's investment in its associate undertaking, Regency Residential (UK) Limited, was formally liquidated and a final distribution of £2.345million was received by the Company. Part of this distribution was off-set against a £1.935million loan balance due to Regency Residential (UK) Limited.