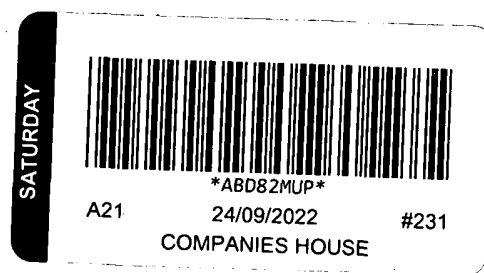


Company Registration No. 06317722 (England and Wales)

**BARWA CAPITAL (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



**BARWA CAPITAL (UK) LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**BARWA CAPITAL (UK) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>DIRECTOR:</b>	A.A. Al-Abdulghani
<b>REGISTERED OFFICE:</b>	Devonshire House 1 Devonshire Street London W1W 5DR
<b>BUSINESS ADDRESS:</b>	4 Cavendish Square London W1G 0PG
<b>REGISTERED NUMBER:</b>	06317722 (England and Wales)
<b>AUDITOR:</b>	Haines Watts (Berkhamsted) Limited 4 Claridge Court Lower Kings Road Berkhamsted Hertfordshire HP4 2AF

# BARWA CAPITAL (UK) LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The director presents his annual report and financial statements for the year ended 31 December 2021.

### 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.

The director considers revenue and pre-tax profit to be the key performance indicators. Total revenue for the year was £88,026 (2020: £85,455), with a profit of £846 (2020: loss of £375), from continuing operations.

At the year end the state of affairs of the Company was considered by the director 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 £1,510,511 (2020: £1,590,848).

The Company's activities expose it to a variety of financial risks. It's 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.

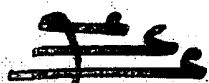
The Company's approach to managing risks applicable to the financial instruments concerned is set out in note 16.

### 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 director is currently considering the future development of the Company and pursuing UK business opportunities, and he is 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 director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, the director continues to adopt the going concern basis in preparing the annual report and accounts.

On behalf of the Board



A.A. Al-Abdulghani  
Director

22 September 2022

## **BARWA CAPITAL (UK) LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021**

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The director presents his annual report and audited financial statements for the year ended 31 December 2021.

#### **Incorporation**

The Company was incorporated in the United Kingdom and registered in England and Wales on 19 July 2007.

#### **Results and dividends**

The results for the year are set out on page 9. The director does not recommend the payment of a dividend for the year (2020: £nil).

#### **Directors**

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

#### **Financial instruments and risk management**

The Company's risk and capital management policy is set out in note 16 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 director is 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 director has prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the director 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 director is 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 director is 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 director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities.

## **BARWA CAPITAL (UK) LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Statement of disclosure of information to auditors**

The director of the Company confirms that so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and the director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Independent Auditor**

The auditor, Haines Watts (Berkhamsted) Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

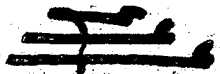
#### **Other information**

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

22 September 2022

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## **BARWA CAPITAL (UK) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWA CAPITAL (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Opinion**

We have audited the financial statements of Barwa Capital (UK) Limited (the 'company') for the year ended 31 December 2021 which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021, and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report<sup>4</sup>, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report<sup>4</sup>. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWA CAPITAL (UK) LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARWA CAPITAL (UK) LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures include the following:

- We obtained an understanding of the legal and regulatory framework applicable to the company and the sector in which it operates. We determined that the following laws and regulations were most significant: International Financial Reporting Standards (IFRSs), UK Corporation tax laws and Occupational Health and Safety regulations.
- We obtained an understanding of how the company are complying with those legal and regulatory frameworks and made enquiries with management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through review of board minutes.
- We assessed the susceptibility of the companies financial statement, including how fraud might occur.

Audit procedures by the audit team included:

- Identifying and assessing the controls management has in place to prevent and detect fraud.
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process.
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations.
- Assessing the extent of compliance with relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Haines Watts*

Shaun Brownsmith FCA (Senior Statutory Auditor)  
From and behalf of Haines Watts  
4 Claridge Court  
Lower Kings Road  
Berkhamsted  
Hertfordshire  
HP4 2AF

23/09/2022

Date.....

**BARWA CAPITAL (UK) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

			2021	2020
	Notes	£	£	£
<b>Continuing operations</b>				
Revenue	5		88,026	85,455
Administrative expenses			(87,327)	(88,969)
<b>Operating profit/(loss)</b>			<b>699</b>	<b>(3,514)</b>
Finance income	7	147		3,139
			147	3,139
<b>Profit/(loss) before tax</b>			<b>846</b>	<b>(375)</b>
Income tax	9		-	-
<b>Profit/(loss) for the year and total comprehensive income/(deficit)</b>			<b>846</b>	<b>(375)</b>

All amounts are derived from continuing operations.

The company has not presented a separate statement of other comprehensive income as it does not have any other gains or losses in the current or prior year.

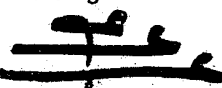
The notes on pages 12 to 24 form an integral part of these financial statements.

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**BARWA CAPITAL (UK) LIMITED**
**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	£	2021 £	£	2020 £
<b>ASSETS</b>					
<b>Non-current assets</b>					
Equipment	10		71		495
			71		495
<b>Current assets</b>					
Trade and other receivables	11	1,710		1,980	
Amounts due from fellow Group undertakings	17a	9,609,453		9,521,427	
Cash and cash equivalents	12	1,510,511		1,590,848	
			11,121,674		11,114,255
<b>Total assets</b>			<b>11,121,745</b>		<b>11,114,750</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	13		19,999		13,850
Amounts due to fellow Group and Associated undertakings	17b		2,291,042		2,291,042
<b>Total liabilities</b>			<b>2,311,041</b>		<b>2,304,892</b>
<b>Equity</b>					
Issued capital	14	10,000,000		10,000,000	
Accumulated losses	15	(1,189,296)		(1,190,142)	
<b>Total equity</b>			<b>8,810,704</b>		<b>8,809,858</b>
<b>Total equity and liabilities</b>			<b>11,121,745</b>		<b>11,114,750</b>

The financial statements were approved by the Board of Directors and authorised for issue on 22/09/2022 and were signed on its behalf by



A.A. Al-Abdulghani  
Director

Company registration No. 06317722

The notes on pages 12 to 24 form an integral part of these financial statements.

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**BARWA CAPITAL (UK) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Share capital £	Accumulated losses £	Total equity £
Balance at 31 December 2019	10,000,000	(1,189,767)	8,810,233
Loss for the year and total comprehensive deficit	-	(375)	(375)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	10,000,000	(1,190,142)	8,809,858
	<hr/>	<hr/>	<hr/>
Profit for the year and total comprehensive income	-	846	846
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	10,000,000	(1,189,296)	8,810,704
	<hr/>	<hr/>	<hr/>

The notes on pages 12 to 24 form an integral part of these financial statements.

**BARWA CAPITAL (UK) LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) for the year		846	(375)
Depreciation of property, plant and equipment	10	424	425
Finance income	7	(147)	(3,139)
		<hr/>	<hr/>
		1,123	(3,089)
<b>MOVEMENTS IN WORKING CAPITAL</b>			
Decrease in trade and other receivables		270	18
Increase in amounts due from fellow Group undertakings		(88,026)	(85,455)
Increase/(Decrease) in trade and other payables		6,149	(5,354)
		<hr/>	<hr/>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(80,484)</b>	<b>(93,880)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	7	147	3,139
		<hr/>	<hr/>
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>		<b>147</b>	<b>3,139</b>
		<hr/>	<hr/>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(80,337)</b>	<b>(90,741)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>1,590,848</b>	<b>1,681,589</b>
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	12	<b>1,510,511</b>	<b>1,590,848</b>
		<hr/>	<hr/>

The notes on pages 12 to 24 form an integral part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. GENERAL INFORMATION**

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

The principle activities of the Company and the nature of the Company's operations are set out in the strategic report.

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 pound sterling which is considered to be the Company's functional and presentational currency.

**2. ADOPTION OF NEW AND REVISED STANDARDS**

**a) New and amended IFRS Standards that are effective for the current year with no material impact on the financial statements**

During the year ended 31 December 2021, the following new, amended, revised and improved Standards were adopted by the Company, that are relevant to its operations:

Amendments to IAS 1 and IAS 8 Conceptual Framework	Classification of liabilities, effective from 1 January 2022 Amendments to References to the Conceptual Framework in IFRS Standards
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There were no newly effective new or amended IFRS standards that had a material impact upon the financial statements in the year.

**b) New and revised IFRS Standards in issue but not yet effective**

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

IFRS 17	Insurance Contracts, effective from 1 January 2023
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective date yet to be set
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current, effective from 1 January 2022
Amendments to IFRS 3	Reference to the Conceptual Framework, effective from 1 January 2022
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use, effective from 1 January 2022
Amendments to IAS 37	Onerous Contracts, Costs of Fulfilling a Contract, effective from 1 January 2022
Annual Improvements to IFRS Standards 2018 – 2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a single transaction

The director does 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**3. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of preparation – accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the UK ("IFRS"), and IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

The principle accounting policies adopted are set out below.

**b) Going concern**

The Company has a sound asset base with £1,510,511 of cash resources and low current liabilities outside of the group of £19,999. Therefore, the director has 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.

**c) Revenue recognition**

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

Income is attributable to services rendered in respect of advisory services under an agreement with the company's parent undertaking, excluding value added tax. Revenue is recognised as earned when, and to the extent that, the company meets the required performance obligations.

**e) Administrative expenses**

Expenses include legal, accounting, auditing, rents paid under a licence agreement and other fees. They are recognised in the statement of comprehensive income in the period in which they are incurred (on an accruals basis).

**f) 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.

**g) Property, plant and equipment**

Property, plant and equipment is initially recognised at cost and subsequently measured at cost net of depreciation and any impairment losses.

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:

Computer and office equipment	3 years
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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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**3. SIGNIFICANT ACCOUNTING POLICIES – (continued)**

**h) Financial instruments**

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and liabilities are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, on initial recognition.

**i) 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 ECL 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 ECL's 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.

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.

Financial assets are derecognised only when the contractual rights to the cashflows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.



## BARWA CAPITAL (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 3. SIGNIFICANT ACCOUNTING POLICIES – (continued)

##### k) 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.

##### l) Cash and cash equivalents

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

##### 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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Company's accounting policies, which are described in note 3, the director is 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.

During the current year the director does not consider there to be any significant judgements or sources of estimation uncertainty.

#### 5. REVENUE

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

	2021 £	2020 £
Advisory services	88,026	85,455

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

	2021 £	2020 £
Channel Islands	88,026	85,455

**BARWA CAPITAL (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****6. REMUNERATION OF DIRECTORS AND EMPLOYEES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	44,100	44,100
Social security costs	874	1,224
Pension contributions	1,136	1,137
	<u>46,110</u>	<u>46,461</u>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Management and administration	<u>2</u>	<u>2</u>

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 director is also a director of Barwa Real Estate Company Q.P.S.C ("the parent") and some fellow subsidiaries. The directors' compensation, paid by the parent, is not recharged to the Company as it is not possible to reasonably apportion the compensation for each of the group companies. Accordingly, the above details include no compensation in respect of the director, but is included in the aggregate of key management personnel compensation disclosed in the consolidated financial statements of the parent.

**7. FINANCE INCOME**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank deposits	<u>147</u>	<u>3,139</u>

In accordance with Sharia'a principles the board's intention is to apply all incidental interest earned by the Company towards charitable purposes.

**BARWA CAPITAL (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****8. PROFIT/(LOSS) BEFORE TAX**

	2021 £	2020 £
The profit before tax is stated after charging:		
Depreciation of equipment on owned asset (see note 10)	424	425
Fees payable to the Company's auditor for the audit of the Company's annual accounts	11,000	10,538
Staff costs (see note 6)	46,110	46,461
	<hr/>	<hr/>

**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 the statement of comprehensive income**

	2021 £	2020 £
Total tax charge	-	-
	<hr/>	<hr/>

**Factors affecting the tax charge**

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

	2021 £	2020 £
Profit/(loss) on ordinary activities of the Company before tax	846	(375)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	161	(71)
Effect of:		
Depreciation add back	81	81
Utilisation of tax losses brought forward	(242)	(10)
	<hr/>	<hr/>
Total tax expense	-	-
	<hr/>	<hr/>

Current tax losses carried forward are £601,648 (2020: £602,918). In the forthcoming financial year, the Company does not expect to make sufficient profits to utilise the losses. As a result, at the end of the current and prior year there was no deferred tax asset recognised in respect of these losses.

**BARWA CAPITAL (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****10. EQUIPMENT**

	<b>Computer and Office Equipment £</b>	<b>Total £</b>
<b>COST</b>		
At 1 January 2021 and at 31 December 2021	1,274	1,274
<b>DEPRECIATION</b>		
At 1 January 2021	779	779
Expense for the year	424	424
At 31 December 2021	1,203	1,203
<b>CARRYING AMOUNT</b>		
At 31 December 2021	71	71
At 31 December 2020	495	495

**11. TRADE AND OTHER RECEIVABLES**

	<b>2021 £</b>	<b>2020 £</b>
<b>Current:</b>		
Prepayments and accrued income	65	245
Other debtors	1,645	1,735
	1,710	1,980

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

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

**BARWA CAPITAL (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****12. CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Cash and bank balances	1,510,511	1,590,848

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

**13. TRADE AND OTHER PAYABLES**

	2021 £	2020 £
Current:		
Other payables	114	84
Social security and other taxes	885	866
Accrued expenses	19,000	12,900
	<u>19,999</u>	<u>13,850</u>

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

**14. ISSUED CAPITAL**

	2021 £	2020 £
Authorised, allotted, issued and fully paid: 10,000,000 ordinary shares of £1 each	10,000,000	10,000,000

**15. ACCUMULATED LOSSES**

	2021 £	2020 £
Balance at beginning of year	(1,190,142)	(1,189,767)
Profit/(loss) for the year	846	(375)
	<u>(1,189,296)</u>	<u>(1,190,142)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**16. 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 asset, liability and equity instrument are disclosed in note 3 to the financial statements.

**As at 31 December 2021**

**Loans and  
receivables  
£**

**Financial assets measured at amortised cost**

**Current financial assets**

Trade and other receivables

1,710

Cash and cash equivalents

1,510,511

Amounts due from fellow Group undertakings

9,609,453

Total

11,121,674

**As at 31 December 2021**

**Other financial  
liabilities  
£**

**Financial liabilities**

**Current financial liabilities**

Trade and other payables

19,999

Amounts due to fellow Group and associated undertakings

2,291,042

Total

2,311,041

**As at 31 December 2020**

**Loans and  
receivables  
£**

**Financial assets measured at amortised cost**

**Current financial assets**

Trade and other receivables

1,980

Cash and cash equivalents

1,590,848

Amounts due from fellow Group undertakings

9,521,427

Total

11,114,255

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****16. FINANCIAL INSTRUMENTS – (continued)**

<b>As at 31 December 2020</b>	<b>Other financial liabilities £</b>
<b>Financial liabilities</b>	
<b>Current financial liabilities</b>	
Trade and other payables	13,850
Amounts due to fellow Group and associated undertakings	2,291,042
	<hr/>
Total	2,304,892
	<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 losses. 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**16. FINANCIAL INSTRUMENTS – (continued)**

**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 overdue 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 overdue it is believed that the risk of default is limited.

The company has not recognised any ECL's within the current or prior year.

**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 Company aims to maintain high levels of liquidity at all times and the director regularly monitors 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.

<b>31 December 2021</b>	<b>On demand</b>	<b>Less than</b>	<b>No maturity</b>	<b>Total</b>
	<b>£</b>	<b>1 year</b>	<b>£</b>	<b>£</b>
		<b>£</b>		
Trade and other payables	19,999	-	-	19,999
Amounts due to fellow Group and Associated undertakings	2,291,042	-	-	2,291,042
	<u>2,311,041</u>	<u>-</u>	<u>-</u>	<u>2,311,041</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**16. FINANCIAL INSTRUMENTS – (continued)**

**Liquidity risk – (continued)**

**31 December 2020**

	On demand £	Less than 1 year £	No maturity £	Total £
Trade and other payables	13,850	-	-	13,850
Amounts due to fellow Group and Associated undertakings	2,291,042	-	-	2,291,042
	<u>2,304,892</u>	<u>-</u>	<u>-</u>	<u>2,304,892</u>

The Company considers all amounts on demand to be repayable within 30 days.

**17. RELATED PARTY DISCLOSURES**

The immediate parent and ultimate controlling party respectively of the Company are Cavendish Capital (Jersey) Limited, incorporated in Jersey (registered office: 47 Esplanade, St Helier, Jersey, JE1 0BD), and Barwa Real Estate Company Q.P.S.C, incorporated in Qatar (registered office: P.O. Box 27777, Doha Qatar).

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

**a) Amounts due from related parties**

	2021 £	2020 £
Cavendish Capital (Jersey) Limited	9,609,453	9,521,427
	<u>9,609,453</u>	<u>9,521,427</u>

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

**Impairment of financial assets**

At the end of each reporting period, the director considers whether any impairment is required on the financial assets held, having regard to IFRS 9. The director 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 outstanding at the year end.

**BARWA CAPITAL (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****17. RELATED PARTY DISCLOSURES – (continued)****b) Amounts due to related parties**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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) Related party transactions charged to statement of comprehensive income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Advisory services</b>		
Cavendish Capital (Jersey) Limited	88,026	85,455

The related party noted above forms part of the Group headed by Barwa Real Estate Company Q.P.S.C.