LIC GOTHAM (UK) LTD

Annual report and financial statements

Registered number 10236685

For the year ended 31 December 2021

Contents

Directors' report

The directors of LIC Gotham (UK) Ltd (the 'Company') present their directors' report and financial statements for the year ended 31 December 2021. The report and financial statements are prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal activities and review of the business

LIC Gotham (UK) Ltd was incorporated as a limited company in England and Wales on 16 June 2016. The registered office of the Company is located at 16 Grosvenor Street, Mayfair, London W1K 4QF. The Company's principal activity is that of a holding company. It has a wholly owned subsidiary whose principal activity is real estate investment.

The shareholder and the shareholding interest in the Company is as follows:

Name of Shareholder	*Interests*
QD US Real Estate Company	100%

Results and Dividends

The profit for the year ended 31 December 2021 dealt within the separate financial statements is $10,963,770 (2020: $12,038,723).

The directors are satisfied with the financial performance and the position of the Company for the year ended 31 December 2021.

The directors recommended paying a dividend for the year-ended 31 December 2021 of $29,500,000 (2020: $Nil).

Directors

The following directors have held office during the financial year and to the date of this report:

Tariq Al-Abdulla
Richard Oakes
Raheel Mir (Resigned 19 August 2022)

Political contributions
The Company incurred no political expenditure (2020: $nil) during the year.

Post Balance Sheet Events
There have been no post balance sheet events affecting the company.

Going concern

Based on the positive Statement of Financial Position and profits made during the year the Directors believe it is appropriate for the Company to prepare its financial statements on a going concern basis.

In making this statement the Directors note that Qatari Diar Real Estate Investment Company, the ultimate parent, has confirmed it will assist the company in meeting its liabilities as they fall due for a period of one year from the signing of the 2021 financial statements.

The directors are of the view that there is no material impact on the company as a result of COVID-19. In forming this view the directors have considered that the main source of income is interest earned on the loan to the company's subsidiary. This is seen as stable income sufficient to generate future profits and to enable the company to continue

Directors' report (Continued)

Going concern (continued)

as a going concern. The company's subsidiary has real estate assets that are expected to generate returns over the holding period sufficient to repay the loan.

The Directors also intend to continue the operations of this company for the foreseeable future.

Financial Risk Management

The financial risk management objectives and policies of the Company, as well as the exposure of the Company to the price risk, credit risk, liquidity risk and cash flow risk are as disclosed in Note 13 of the financial statements.

Strategic Report

The company has taken advantage of the exemption under s414B of the Companies Act 2006 not to prepare a Strategic Report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware of; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

In accordance with s485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditor will be proposed.

By order of the board

Tariq Al-Abdulla
Director

Date: 22 November 2022

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Adopted International Accounting Standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- provide additional disclosures when compliance with the specific requirements in UK Adopted International Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENTAUDITOR'S REPORT TO THE MEMBERS OF LIC GOTHAM (UK) LTD

Opinion

We have audited the financial statements of LIC Gotham (UK) Ltd (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view 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 UK adopted international accounting standards; 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 directors' 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 12 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. 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 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 the 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 LIC GOTHAM (UK) LTD – CONTINUED

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIC GOTHAM (UK) LTD – CONTINUED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant is UK adopted International Accounting Standards and UK tax legislation.
- We understood how the Company is complying with these frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in such areas.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud; determining which account balances are subjective in nature; understanding the company's key performance indicators and considering the processes and controls which the company has established to prevent and detect fraud, and how those controls are monitored.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: inquiries of management (and where applicable those charged with governance); obtaining the written confirmations of compliance with the company's policies through the six monthly compliance checklists required to be completed by relevant Members and key individuals in the business; review of Board minutes; and obtaining written representations. In addition, we tested journals identified by specific risk criteria back to source documentation.

A further escryption of our responsibilities for the audit of the financial statements is located 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.

DocuSigned by:
Ernst & Young LLP
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Claire Johnson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 23 November 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

	Note	2021	2020
		$	**$**
Management fees		(39,359)	(34,810)
Professional fees		(12,719)	(43,640)
Miscellaneous expenses		(2,426)	(7,339)
Operating loss		**(54,504)**	**(85,789)**
Interest income	3	11,018,274	12,124,512
Profit before tax		**10,963,770**	**12,038,723**
Tax charge	6	-	-
Profit for the year		**10,963,770**	**12,038,723**
Other comprehensive income		-	-
Total comprehensive income for the year		**10,963,770**	**12,038,723**

The results of the Company are derived entirely from continuing operations.

There was no income and expense for the current financial year other than that reported in the Statement of Comprehensive Income.

Statement of Financial Position

As at 31 December 2021

	Note	2021	2020
		$	**$**
Assets			
Non-current assets			
Investment in a subsidiary	2	71,523,906	71,523,906
Loan to a related party	11	182,033,485	-
Total non-current assets		**253,557,391**	**71,523,906**
Current assets			
Loan to a related party	11	-	200,855,211
Cash and cash equivalents	10	93,233	7,740
Total current assets		**93,233**	**200,862,951**
Total assets		**253,650,624**	**272,386,857**
Current liabilities			
Trade and other payables	7	39,484	44,656
Amount due to group companies	11	12,171	207,002
Total current liabilities		**51,655**	**251,658**
Total liabilities		**51,655**	**251,658**
Net assets		**253,598,969**	**272,135,199**
Equity			
Share capital	8	237,687,079	237,687,079
Retained earnings		15,911,890	34,448,120
Total equity		**253,598,969**	**272,135,199**

These financial statements were approved by the board of directors on 22 November 2022 and were signed on its behalf by:

Tariq Al-Abdulla
Director
Company registration number 10236685

Statement of Changes in Equity
For the year ended 31 December 2021

	Share capital $	Retained earnings $	Total equity $
Balance at 1 January 2020	236,516,539	22,409,397	258,925,936
Issuance of new share capital (Note 8)	1,170,540	-	1,170,540
Total comprehensive income for the year	-	12,038,723	12,038,723
Balance at 31 December 2020	**237,687,079**	**34,448,120**	**272,135,199**
Dividend (Note 8)	-	(29,500,000)	(29,500,000)
Total comprehensive income for the year	-	10,963,770	10,963,770
Balance at 31 December 2021	**237,687,079**	**15,911,890**	**253,598,969**

Statement of Cash Flow

For the year ended 31 December 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Profit before tax		10,963,770	12,038,723
Adjustments for:			
(Decrease)/Increase in amounts due to group companies	11	(194,831)	58,400
(Decrease)/Increase in trade and other payables	7	(5,172)	27,389
Interest income	3	(11,018,274)	(12,124,512)
Net cash flow used in operating activities		**(254,507)**	**-**
Cash flows from investing activities			
Additions to investments in subsidiary	2	-	(571,344)
Repayment/(issuance) of loan to a related party	11	29,840,000	(599,196)
Net cash flow used in investing activities		**29,840,000**	**(1,170,540)**
Cash flows from financing activities			
Dividend paid		(29,500,000)	-
Proceeds from issuance of share capital	8	-	1,170,540
Net cash flow (used in) /generated from financing activities		**(29,500,000)**	**1,170,540**
Net increase in cash and cash equivalents		**85,493**	**-**
Cash and cash equivalents at beginning of the year		7,740	7,740
Cash and cash equivalents at the end of the year		**93,233**	**7,740**

Notes (forming part of the financial statements)

General Information

LIC Gotham (UK) Ltd (the "Company") is a company limited by shares which is incorporated and domiciled in the UK. The address of the registered office is 16 Grosvenor Street, Mayfair, London, W1K 4QF.

The Company's principal activity is that of a holding company. It has a wholly owned subsidiary whose principal activity is real estate investment.

The shareholder and the shareholding interests in the Company is as follows:

Name of the shareholder	*% of holding*
QD US Real Estate Company	100%

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Qatari Diar Real Estate Investment Company, a company incorporated in Qatar of which it is a member for which consolidated financial statements are drawn up.

The financial statements contain information about LIC Gotham (UK) Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, QD US Real Estate Company, a company registered in the Cayman Islands. Consolidated accounts of the parent are publicly available and can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

1 Accounting policies

Basis of Preparation

The financial statements have been prepared and approved by the board in accordance with UK Adopted International Accounting Standards.

The financial statements are presented in US dollars which is also the company's functional currency because that is the currency of the primary economic environment in which the company operates and is prepared on the historical cost basis. No rounding has been applied. The accounting policies set out below have, unless otherwise stated, been applied consistently as presented in these financial statements.

New and amended standards and interpretations

Effective standards for the year ended 31 December 2021

New standards and amendments	**Effective date:**
IFRS 17 Insurance Contracts	1 January 2021

The directors believe that the new standard that has come into effect has not had an impact on the financial statements of the Company for the year ended 31 December 2021.

Standards issued but not yet effective

The new and amended standards and interpretation that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The company intends to adopt the new and amended standards and interpretations, if applicable, when they become effective.

Notes (continued)

1 Accounting policies (continued)

Standards issued but not yet effective (continued)

Implementing the new standards is not expected to have a material impact on future financial statements.

New standards and amendments	Effective date:
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Reference to Conceptual Framework – Amendments to IFRS 3	1 January 2022
Property, Plant and Equipment Proceeds before Intended Use – Amendments to IAS 16	1 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	1 January 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022

Going concern

Based on the positive Statement of Financial Position and profits made during the year the Directors believe it is appropriate for the Company to prepare its financial statements on a going concern basis.

In making this statement the Directors note that Qatari Diar Real Estate Investment Company, the ultimate parent, has confirmed it will assist the company in meeting its liabilities as they fall due for a period of one year from the signing of the 2021 financial statements.

The directors are of the view that there is no material impact on the company as a result of COVID-19. In forming this view the directors have considered that the main source of income is interest earned on the loan to the company's subsidiary. This is seen as stable income sufficient to generate future profits and to enable the company to continue as a going concern. The company's subsidiary has real estate assets that are expected to generate returns over the holding period sufficient to repay the loan.

The Directors also intend to continue the operations of this company for the foreseeable future.

Investments in a subsidiary

A subsidiary is an entity over which the Company has control. Control is achieved when;

(i) has power over the investee;
(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
(iii) has the ability to use its power to affect its returns.

Investments in a subsidiary is stated at cost less, where appropriate, provisions for impairment of the subsidiary.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Trade, other receivables and loans

Trade and other receivables are recognised initially at fair value. Subsequently to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Given the nature of trade and other receivables, and their short length of time between the origination and settlement, their amortised cost is the same as the fair value on date of origination.

Notes (continued)

1 Accounting policies (continued)

Trade, other receivables and loans (continued)

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the separate statement of comprehensive income.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Given the nature of trade and other payables, and their short length of time between the origination and settlement, their amortised cost is the same as the fair value on date of origination.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Impairments

The carrying amounts of the company's financial assets are reviewed at each balance sheet date for expected credit losses; a financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the credit risk.

If at the balance sheet date, there is a significant change to the credit risk of a financial asset the lifetime expected credit loss will be recognised. If the credit risk of a financial asset has not increased significantly at the balance sheet date, then the company will only recognise impairments equal to 12 months expected credit losses.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Interest income

The only source of revenue for the company is interest on the intercompany loan as detailed below.

Interest income comprises interest from loans to the subsidiary. Interest income is recognised as it accrues in the separate Statement of Comprehensive Income, using the effective interest method.

Taxation

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Critical Accounting Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with UK Adopted International Accounting Standards requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and impairment, transfer pricing, recoverability of intercompany and including expectations of future events that are believed to be reasonable under the circumstances. The key estimate and judgments are:

Key Estimates

- Impairment assessment of the 'Investment in a Subsidiary' carrying value – the investment in a subsidiary carrying value is assessed annually at the year-end for impairment. In order to assess for an impairment, the carrying value of the subsidiary is compared against the higher of its fair value and value in use, where the value in use is measured at the expected returns from the subsidiary. At the year-end no impairment was recorded as the expected returns from the subsidiary (value in use) were greater than the carrying value of the subsidiary.

Key Judgements

- Recoverability of Receivables;
- Indications of impairment on Financial Assets;

2 Investments in a Subsidiary

The Company has the following investment in a subsidiary which is stated at cost in the company's Statement of financial position, less any provision for impairment.

Name of subsidiary	*Country of incorporation*	***Company's effective shareholding***		***Company's cost of investment***	
		2021	*2020*	***2021 $***	*2020 $*
LIC Gotham (US) Inc.	United States	**100%**	100%	**71,523,906**	71,523,906

The subsidiary's principal place of business is 16 Grosvenor Street, London, W1K 4QF. All issued and outstanding shares are ordinary in nature. No additional shares were issued in the year (2020: 571,344 ordinary shares at a price of USD 1 per share).

3 Interest income

	2021 $	**2020 $**
Interest charged		
- to group companies	11,018,274	12,124,512
	11,018,274	12,124,512

Notes (continued)

4 Operating loss

	2021 $	2020 $
Included in the operating loss are the following amounts paid to the auditor		
Audit of financial statements	6,133	6,480

5 Staff costs

The Company did not have employees during the current or prior year. Directors received no remuneration or fees for their service to the Company in 2021 (2020 $nil).

6 Taxation

Analysis of tax charge in the year	**2021 $**	**2020 $**
UK Corporation tax charge on profits for the year	-	-
Tax charge in the year	-	-

Reconciliation of total tax charge/(credit)	**2021 $**	**2020 $**
Profit for the year	10,963,770	12,038,723
Tax at the UK standard corporation tax rate of 19% (2019: 19%)	2,083,116	2,287,357
Expenses not taxable / expenses not deductible	286	764
Utilization of tax losses and group relief surrendered	(2,083,402)	(2,288,121)
Total tax charge	-	-

Corporation tax is calculated at 19% effective 1 April 2021 (2020: 19%) of the estimated taxable profit for the year.

Group relief is surrendered in accordance with the provisions of Part 5 of the Corporation Tax Act 2010. Where losses exceed amounts surrendered to other members of the QD US Real Estate Group, these losses will be carried forward.

7 Trade and other payables

Current	**2021 $**	**2020 $**
Accruals and provision	39,484	44,656
	39,484	44,656

The carrying amounts of trade and other payables is considered approximate to their fair value.

Notes (continued)

8 Share capital

The authorised share capital of the Company is $300,000,000 (2020: $300,000,000) divided into 300,000,000 participating shares of $1.00 par value. Shares are issuable at $1 per share, with the excess above par values credited to a share premium reserve. The share premium reserve is available for use only in the circumstances prescribed in the Company's Articles of Association.

Quantitative information about the Company's capital is provided in the table below. These shares are entitled to dividends when declared and to payment of a proportionate share of the Company's net asset value upon winding up of the Company.

At 31 December, the issued share capital is as follows:

2021

	Number of shares	*Par value*	*Share capital*
			$
Shares:			
Ordinary shares	**237,687,079**	$1.00	**237,687,079**

2020

	Number of shares	*Par value*	*Share capital*
			$
Shares:			
Ordinary shares	237,687,079	$1.00	237,687,079

During the year, the company issued no ordinary shares (2020: 1,170,540 ordinary shares issued at a price of $1 per share).

Dividends of $29,500,000 (2020: $Nil) were declared and paid during the year. This equated to a dividend of $0.1241 per ordinary share issued.

9 Financial instruments

The Company's main financial instruments comprise the following assets and liabilities summarised in the table below:

Financial assets:

- Cash and cash equivalents
- Loans to subsidiary undertakings. The fair value of the loan to subsidiary is estimated at $222,605,888 as at 31 December 2021. In estimating this fair value a commercial borrowing rate of 3.32% was used to discount the loans future cash flows. The borrowing rate used in the discounting is an estimate of a commercial loan rate using market reports.

Financial liabilities:

- Trade and other payables, that arise directly from the Company's operations

	Notes	2021	2020
		$	**$**
Financial assets carried at amortised cost			
Cash and cash equivalents	10	93,233	7,740
Loans to related party	11	182,033,485	200,855,211
		182,126,718	200,862,951

		2021	2020
Financial liabilities carried at amortised cost		**$**	**$**
Amounts due to group companies	11	12,171	207,002
Trade and other payables	7	39,484	44,656
		51,655	251,658

Notes (continued)

10 Cash and cash equivalents

	2021 $	2020 $
Cash and cash equivalents	93,233	7,740

11 Related parties

The Company has a related party relationship with its parent company, group undertakings and its directors. Particulars of transactions, arrangement and agreements involving related parties are as follows:

Related party	Amount of transaction during the year $	Balance At 31 December 2021 $	Details of transaction
LIC Gotham (US) Inc	11,018,274	182,033,485	No intercompany Loan advances in the year.
QD US Real Estate Company	(40,439)	(12,171)	Intercompany Loan includes expenses paid by QD US Real Estate Company on behalf of the company and management fees.

Related party	Amount of transaction during the year $	Balance At 31 December 2020 $	Details of transaction
LIC Gotham (US) Inc	12,723,708	200,855,211	Intercompany Loan including advances in the year of $599,196 and interest charged of $12,124,512
QD US Real Estate Company	(58,400)	(207,002)	Intercompany Loan includes expenses paid by QD US Real Estate Company on behalf of the company and management fees.

The loan to LIC Gotham (US) Inc is denominated in US$ which was granted on 30 June 2016. The loan originally carried an interest rate of 3 months US Dollar LIBOR plus 5.5% and was repayable as a bullet payment after five years from the effective date being 29 June 2021. The loan was extended during July 2021 to mature on 30 June 2026. The Company's exposure at the year end to LIBORs transition comprise of $11.02m in relation to the loan due from LIC Gotham (US) Inc included within financial liabilities. However, such exposure had been transitioned from LIBOR (3months) to synthetic LIBOR (3 months) on 01 January 2022. By the end of 2022, the interest rate on this loan will transition to the Risk Free Rate, with the loan agreement being updated accordingly to reflect this change.

Transactions with QD US Real Estate Company are made at terms approved by the Directors. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel

No amounts were paid to the Company's directors who constitute key management personnel (2020: $nil).

Notes (continued)

12 Ultimate parent company and parent company of larger group

The ultimate parent company is Qatari Diar Real Estate Investment Company incorporated in Qatar. The ultimate parent company owns 100% of the share capital in QD US Real Estate Company incorporated in the Cayman Islands.

QD US Real Estate Company is the parent company of the company owning 100% of the share capital. The consolidated financial statements of the QD US Real Estate Company are available at Companies House, Crown Way, Cardiff CF14 3UZ.

The consolidated financial statements of Qatari Diar Real Estate Investment Company are not available to the public.

13 Financial Risk Management

The Company's principal activity is that of a holding company. It has a wholly owned subsidiary whose principal activity is real estate investment. The following describes pertinent risks and the applied risk management. These risks are managed through a process of ongoing identification, measurement and monitoring.

The Company is responsible for implementing the risk strategy and policy, including the identification and evaluation on a continuous basis of all significant risks to the business and the design and implementation of appropriate internal controls to minimise them. This is executed through various planning/strategy meetings, continuous reviews of the business plan, and analysis of the monthly management accounts by the senior management.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2021 and 2020.

Capital comprises share capital and retained earnings and is measured at 31 December 2021 at $253,598,969 (2020: $272,135,199).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. The Company limits its liquidity risk by ensuring financing facilities are available from its shareholders, through capital calls.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

31 December 2021	**On Demand**	**Less than 1 year**	**1 to 5 years**	**Total**
	$	**$**	**$**	**$**
Amounts due to group companies	12,171	-	-	12,171
Trade and other payables	39,484	-	-	39,484
	51,655	-	-	51,655

31 December 2020	**On Demand**	**Less than 1 year**	**1 to 5 years**	**Total**
	$	**$**	**$**	**$**
Amounts due to group companies	207,002	-	-	207,002
Trade and other payables	44,656	-	-	44,656
	251,658	-	-	251,658

Notes (continued)

13 Financial Risk Management (Continued)

Interest rate risk

Interest rate risk arises due to the changes in market interest rates, affecting the floating rate financial instruments of the Company. At the reporting date, interest rate risk arises from a loan to a related party. The interest rate charged is 5.5% plus 3-month US Dollar Libor meaning a significant proportion of the interest receivable is at a fixed rate.

Sensitivity analysis of variable rate financial instruments
A change of 100 basis points in the variable interest rates element at the reporting date would have increased / (decreased) the profit by the amounts shown below:

	100 bp increase US$	*100 bp Decrease US$*
Variable rate financial liabilities		
2021	1,817,955	(1,817,955)
2020	2,008,552	(2,008,552)

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's credit risk exposure and mitigation management requirements are minimal due to the vast majority of the receivables being with a sister company in the Qatari Diar Group. The company's policy on cash balances is to hold these with reputable financial institutions and at the balance sheet all the company's cash at bank was placed with a counterparty with an A-1 Standard & Poor's credit rating.

The carrying value of the financial assets in the financial statements represents the company's maximum exposure to credit risk.

There has been no credit loss allowance during the current or prior year as all balances are deemed recoverable. The company continuously monitors the recoverability of receivable amounts.

Foreign currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not hedge its exposures to currency risk. The Company has limited exposure to foreign currency fluctuations on supplier invoices during the year. There are no financial instruments exposed to foreign currency fluctuations at the reporting date (2020: $Nil).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to minimal market risk with limited operating expenses incurred in a foreign currency. The company does not see the need to hedge the interest rate risk as the only loan in issue is to its subsidiary.

Concentration of risk

Concentration risks include those that threaten the supply chain or ability to deliver the completion of a project and its subsequent effect on the management of that project by the Company. If a key customer base or supplier experiences turmoil this can negatively impact on performance.

Notes (continued)

14 Post Balance Sheet Events

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact. The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time. However, the Directors believed that measures put in place to stop the spread of COVID-19 by national and local authorities will, with time, result in restrictions easing.

As detailed within note 1 under 'Going Concern' the main source of income for the company, interest, will remain unchanged by the COVID-19 and while the impact of COVID-19 on the company's subsidiary is being monitored it is still believed that returns will be sufficient to meet the future loan and interest obligations.