

QATARI DIAR EUROPE LLP

Annual Report and Financial Statements

Registered number OC416786

For the year ended 31 December 2018



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Strategic Report

The members, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Principal activities

Qatari Diar Europe LLP's ("the Partnership") principal activity is to act as a market research and real estate development and investment advisor focusing on existing and potential investment opportunities for Qatari Diar Real Estate Investment Company (QDREIC). In addition, the Partnership provides supervisory and administrative services to group companies and QDREIC investments in joint ventures.

Business review

The Statement of Comprehensive Income is set out on page 6 and shows the result for the year. The Partnership made a profit of £1,213,620 (2017: £350,566). The increase in profit reflects the full 12-month results to 31 December 2018 compared to the 8-month results to 31 December 2017.

Key performance indicators

A range of performance indicators is used to monitor and manage the business. Those that are particularly important in monitoring the Partnership's progress in generating value for the members are considered to be key performance indicators (KPIs). These KPIs measure past performance and also provide management with information to allow them to manage the business into the future.

	2018	2017
	£	£
Revenue	13,592,479	4,334,848
Profit for the period	1,213,620	350,566

Revenues are generated from services provided to third parties and related parties under the terms of specific agreements for the provision of services.

Post Balance Sheet Events

At the date of this report, the Partnership is not aware of any events that would affect the financial statements for the period ended 31 December 2018.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

These accounts have been approved and signed on behalf of the Board by:


Jean Lamothe

04 December 2019

Members' Report

The members of the Partnership present their members' report and audited financial statements for the year ended 31 December 2018. The annual report comprises the strategic report and members' report, which together provide the information required by the Companies Act 2006. The financial statements have been prepared under International Financial Reporting Standards as adopted by the European Union.

Designated Members

The following Designated Members have held office during the financial period and subsequently:

Qatari Diar Real Estate Investment Company

QD UK Minority Holdings Limited

Political contribution

The Partnership incurred no political expenditure during the period.

Disclosure of information to auditor

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

As per section 481 of the Companies Act 2006 members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime.

Auditor

Following the resignation of Deloitte LLP as auditor, Ernst & Young LLP were appointed as auditor to the company on 22 August 2019.



Jean Lamothe

04 December 2019

Members' responsibilities statement

The designated members are responsible for preparing the Annual Report, Strategic Report, Members' Report and the financial statements in accordance with applicable law and regulations.

The designated members confirm that they have complied with the above requirements in preparing the financial statements for each financial period. Under that law the Partners have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Partners 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 Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, International Accounting Standard 1 requires that Partners:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with specific requirements in IFRSs 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
- Make an assessment of the Partnership's ability to continue as a going concern.

The designated members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership 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 Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QATARI DIAR EUROPE LLP

Opinion

We have audited the financial statements of Qatari Diar Europe LLP for the year ended 31 December 2018 which comprise Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow and the related notes 1 to 17, including a summary of 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 European Union.

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2018 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with IFRS as adopted by the European Union; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 below. We are independent of the limited liability partnership 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

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 members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QATARI DIAR EUROPE LLP (Continued)

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- ▶ we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members 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 members 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 members are responsible for assessing the partnership'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 members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

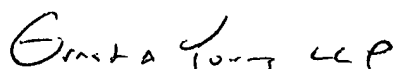
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditors>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Williams (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
6 December 2019

Statement of Comprehensive Income
For the year ended 31 December 2018

	Note	2018 £	Period from 6 April 2017 to 31 December 2017 £
Revenue	2	13,592,479	4,334,848
Cost of sales	3	(12,178,145)	(3,940,704)
Gross profit		<u>1,414,334</u>	<u>394,144</u>
Administrative expenses		(223,513)	(43,578)
Operating profit		<u>1,190,821</u>	<u>350,566</u>
Finance income		22,799	-
Profit before tax		<u>1,213,620</u>	<u>350,566</u>
Taxation charge	6	-	-
Profit for the period		<u><u>1,213,620</u></u>	<u><u>350,566</u></u>

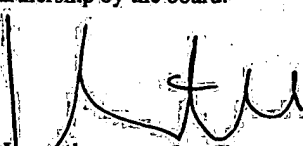
Profit for the period represents Total Comprehensive Income.

Statement of Financial Position
As at 31 December 2018

	Note	2018	2017
		£	£
Non-current assets			
Property, plant and equipment	7	163,748	200,708
		<u>163,748</u>	<u>200,708</u>
Current assets			
Receivables and prepayments	9	282,253	132,042
Amount due from related parties	14	6,841,547	5,437,631
Cash and bank balances	10	38,910,113	2,620,985
		<u>46,033,913</u>	<u>8,190,658</u>
Total assets		<u>46,197,661</u>	<u>8,391,366</u>
Current liabilities			
Trade and other payables	11	(2,691,630)	(3,741,669)
Amount due to parent company	14	(2,483,830)	(3,285,565)
Amount due to other related parties	14	(39,457,015)	(1,012,566)
		<u>(44,632,475)</u>	<u>(8,039,800)</u>
Total liabilities		<u>(44,632,475)</u>	<u>(8,039,800)</u>
Net assets attributable to Members		<u>1,565,186</u>	<u>351,566</u>
Represented by:			
Members' loan account – classified as equity	12	1,000	1,000
Attributable profit	12	1,564,186	350,566
Total attributable to Members		<u>1,565,186</u>	<u>351,566</u>

As per section 481 of the Companies Act 2006 members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime.

These financial statements were approved and signed on 04 December 2019 on behalf of the members of the Partnership by the board:


Jean Lamothé
Chief Investment Officer

Partnership registration number OC416786

Statement of Changes in Equity
For the year ended 31 December 2018

	Members' Capital £	Attributable profit £	Total equity £
At 6 April 2017	-	-	-
Capital provided upon formation	1,000	-	1,000
Total comprehensive income for the period	-	350,566	350,566
At 31 December 2017	<u>1,000</u>	<u>350,566</u>	<u>351,566</u>
 Total comprehensive income for the year	 -	 1,213,620	 1,213,620
At 31 December 2018	<u>1,000</u>	<u>1,564,186</u>	<u>1,565,186</u>

Statement of Cash Flow
For the year ended 31 December 2018

	Note	2018 £	Period from 6 April 2017 to 31 December 2017 £
Cash flows from operating activities			
Profit before tax		1,213,620	350,566
Adjustments for:			
Depreciation	7	145,098	61,992
Finance income		(22,799)	-
		<u>1,335,919</u>	<u>412,558</u>
Increase in trade and other receivables	9	(150,212)	(132,042)
(Decrease)/increase in trade and other payables	11	(1,050,040)	3,741,670
(Decrease)/increase in intercompany receivables		<u>(1,496,546)</u>	<u>(5,139,501)</u>
Net cash flow generated from/(used) in operating activities		<u>(1,360,879)</u>	<u>(1,117,315)</u>
Cash flows used in investing activities			
Purchase of property, plant and equipment	7	(108,137)	(262,700)
Interest received		22,799	-
Net cash flow used in investing activities		<u>(85,338)</u>	<u>(262,700)</u>
Cash flows from financing activities			
Funding received from related parties		37,735,345	4,000,000
Member's equity contribution		-	1,000
Net cash generated from financing activities		<u>37,735,345</u>	<u>4,001,000</u>
Net increase in cash		36,289,128	2,620,985
Cash at beginning of the year		2,620,985	-
Cash at the end of the year		<u>38,910,113</u>	<u>2,620,985</u>

Notes to the financial statements

1 General Information & Accounting policies

Qatari Diar Europe LLP (the "Partnership") is a Limited Liability Partnership incorporated and domiciled in England, UK. Qatari Diar Europe LLP's registered office is 16 Grosvenor Street, Mayfair, London, W1K 4QF.

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the IASB ("IFRSs") and on an historic cost basis.

The financial statements are presented in Sterling because that is the currency of the primary economic environment in which the partnership operates.

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

The company applied IFRS 15 and IFRS 9 for the first time from the 1st January 2018. The nature and effect of the changes as a result of the adoption of these new accounting standards are described below:

- IFRS 9 Financial Instruments replaces IAS39 and brings together three aspects of accounting for financial instruments being classification and measurement, impairment and hedge accounting. There have been no changes to the financial statements following the adoption of IFRS 9.
- IFRS 15 Revenue from Contracts with Customers supersedes IAS 11 Construction contracts, IAS 18 Revenue and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for goods or services.

IFRS 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

There have been no significant changes to the financial statements following the adoption of IFRS 15.

Standards issued but not yet effective

There are a number of new and amended standards and interpretation that are issued, but not yet effective, up to the date of issuance of the financial statements. The company intends to adopt the new and amended standards and interpretations, if applicable, when they become effective, but considers that only IFRS 16 Leases, which is effective for annual periods beginning on or after 1 January 2019, will impact the financial statements.

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a lease, SIC-15 operating leases-incentives and SIC-17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out principles for the recognition, measurement, presentation and disclosure of the leases and requires lessees to account for all leases under a single on-balance sheet model similar to accounting for leases under IAS 17.

The standard includes two recognition exemptions for lessees – leases of 'low value' assets (i.e. printers, computers) and short-term leases (i.e. less than 12 months).

Notes to the financial statements (continued)

1 Accounting policies (continued)

At the commencement date of the lease, a lessee will recognise a liability to make a lease payment (i.e. right of use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right of use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (i.e. change in lease term, change in future payments or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

The company is likely to adopt the modified retrospective approach with any transitional adjustments made within the opening retained earnings in 2019. The company will also elect to use the exemptions proposed by the standard for short term leases and low value assets.

The company has performed an impact assessment of IFRS 16 which indicates the following impact:

- Recognition of a non-current right of use asset £7.9 million
- Recognition of a non-current right of use liability £8.9 million
- Reduction in opening retained earnings 2019 £1 million.

Going concern

The principal activity of the Partnership is to act as a market research and real estate development and investment advisor focusing on existing and potential investment opportunities for Qatari Diar Real Estate Investment Company (QDREIC). QDREIC is committed to the various projects within Europe and Americas, for which the Partnership is the Development Manager.

The Partners have assessed the market challenges, such as the inherent uncertainty relating to super-prime property development in the UK and the unpredictable overall economic and construction industry environment, presently exacerbated by certain events such as the imminent departure of the UK from the European Union for the various projects.

The Partners also note that QDREIC has confirmed they will assist the Partnership in meeting its liabilities as they fall due for a period of at least one year from the signing of the 2018 financial statements.

The Partners have therefore prepared the financial statements on a going concern basis.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Partnership's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience. The key estimate and judgments are:

Key Estimates

- Depreciation, Useful Economic Life and residual value policy applied to Fixed Assets;
- Certain Accruals and Prepayments;

Key Judgements

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

Trade and other receivables

Trade and other receivables 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 receivables, and their short length of time between the origination and settlement, their amortised cost is typically the same as the fair value on date of origination.

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 typically the same as the fair value on date of origination.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to profit and loss 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 are as follows:

- plant and equipment - 3 years
- fixtures and fittings - 5 years

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

Notes to the financial statements (continued)

1 Accounting policies (continued)

Operating lease payments

Payments made under operating leases are recognised in the profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss as an integral part of the total lease expense.

Impairments

The carrying amounts of the Partnership's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment; a financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss.

Revenue

The Partnership's business activity is that described in the Strategic Report.

Revenue from services is recognised over the period in which those services are provided.

Taxation

Qatari Diar Europe LLP does not pay corporation or income tax in the UK as it is an LLP. Members will be assessed and taxed on their share of profit attributable to them from the Partnership.

Long term employee benefits

Amounts payable under Long Term Incentive Plans (LTIPs) to employees are recognised on a straight-line basis over the vesting period.

Notes to the financial statements (continued)

2	Revenue	2018 £	Period from 6 April 2017 to 31 December 2017 £
	Rendering of services		
	- to parent company	1,801,735	983,817
	- to other related parties	11,618,519	3,351,031
	- to third parties	172,225	-
		<u>13,592,479</u>	<u>4,334,848</u>

3 Cost of sales

This represents costs recognised and incurred by the Partnership which are then recharged.

4 Operating profit

Included in the operating profit are the following amounts

	2018 £	Period from 6 April 2017 to 31 December 2017
Audit of financial statements	11,400	8,200
Staff wages and salaries	5,320,733	1,626,337
Depreciation	145,098	61,992

5 Staff numbers and costs

The monthly average number of employees during the year was 39 (2017: 49).

The aggregate payroll costs of these persons were as follows:

	2018 £	Period from 6 April 2017 to 31 December 2017 £
- Wages and salaries	5,484,067	1,626,337
- Social security costs	1,021,514	207,800
- Employer contribution towards pension	214,896	92,006
	<u>6,720,477</u>	<u>1,926,143</u>

6 Taxation

Qatari Diar Europe LLP does not pay corporation or income tax in the UK as it is an LLP. Members will be assessed and taxed on their share of profit attributable to them from the LLP.

Notes to the financial statements (continued)

7 Property, plant and equipment

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
Balance at 6 April 2017	-	-	-
Additions during the period	257,919	4,781	262,700
Balance at 31 December 2017	257,919	4,781	262,700
 Additions during the year	 4,485	 103,653	 108,138
Balance at 31 December 2018	262,404	108,434	370,838
 Depreciation			
Balance at 6 April 2017	-	-	-
Depreciation charge for the period	(61,477)	(515)	(61,992)
Balance at 31 December 2017	(61,477)	(515)	(61,992)
 Depreciation charge for the year	 (119,971)	 (25,127)	 (145,098)
Balance at 31 December 2018	(181,448)	(25,642)	(207,090)
 Net book value			
At 31 December 2017	196,442	4,266	200,708
At 31 December 2018	80,956	82,792	163,748

8 Operating leases

	2018 £	Period from 6 April 2017 to 31 December 2017 £
Amounts recognised in the period	1,280,000	426,667
	<u>1,280,000</u>	<u>426,667</u>

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	Period from 6 April 2017 to 31 December 2017 £
Obligations over leasing agreements – due within 1 year	1,280,000	1,280,000
Obligations over leasing agreements – due between 1-5 years	5,120,000	5,120,000
Obligations over leasing agreements – due after 5 years	4,053,333	5,333,333
	<u>10,453,333</u>	<u>11,733,333</u>

The lease is non-cancellable and runs for a period of 10 years starting in February 2017 and ending in February 2027.

Notes to the financial statements (continued)

9 Receivables and prepayments

	2018	2017
	£	£
Receivables	33,144	13,754
Prepayments	249,110	118,288
	<u>282,254</u>	<u>132,042</u>

The carrying amount of receivables are considered to approximate their fair value.

10 Cash & cash equivalent

	2018	2017
	£	£
Unrestricted cash	2,136,213	2,620,985
Restricted cash	36,773,900	-
	<u>38,910,113</u>	<u>2,620,985</u>

The restricted cash balance relates to funds held on behalf of QDUK Holdings LP.

11 Trade and other payables

	2018	2017
	£	£
Trade payables	111,273	44,007
VAT and payroll taxes payable	597,476	844,631
Accrued expenses	1,982,881	2,853,031
	<u>2,691,630</u>	<u>3,741,669</u>

The carrying amount of trade payables are considered to approximate their fair value.

12 Members' interests

	Members' capital (classified as equity)	Attributable profit	Total equity/ members' interests
	£	£	£
At 6 April 2017	-	-	-
Increase in member's equity contribution	1,000	-	1,000
Total comprehensive income for the period	-	350,566	350,566
At 31 December 2017	<u>1,000</u>	<u>350,566</u>	<u>351,566</u>
Total comprehensive income for the year	-	1,213,620	1,213,620
At 31 December 2018	<u>1,000</u>	<u>1,564,186</u>	<u>1,565,186</u>

Notes to the financial statements (continued)

13 Financial instruments

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

Financial assets:

- Cash and cash equivalents
- Trade and other receivables that arise directly from the Company's operations

Financial liabilities:

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

		2018	2017
	Notes	£	£
Financial assets carried at amortised cost			
Cash	10	38,910,113	2,620,985
Receivables	9	33,144	13,754
Amounts due from related parties	14	6,841,547	5,437,631
		<u>45,784,824</u>	<u>8,072,370</u>
		2018	2017
Financial liabilities carried at amortised cost			
		£	£
Trade payables	11	111,273	44,007
Amounts due to parent company	14	2,483,830	3,285,565
Amounts due to related parties	14	39,457,015	1,012,566
		<u>42,052,118</u>	<u>4,342,138</u>

There is no material difference between the carrying value and fair value of the Partnership's financial instruments.

Notes to the financial statements (continued)

14 Related party transactions

The Partnership has a related party relationship with its parent company, other group undertakings and its Partners.

Particulars of transactions, arrangement and agreements involving related parties are as follows:

	Amount of transaction during the year £	Balance at 31 December 2018 Receivable / (Payable) £	Details of transaction
Group undertakings			
Qatari Diar Development (UK) Company	400,488	66,107	Provision of office sharing and administrative services
Qatari Diar US Real Estate Company	214,140	74,921	Provision of services and other recharges
Qatari Diar Europe (Chancery) Ltd	1,259,736	721,839	Provision of services and other recharges
GPS Holdings S.a.r.l	85,803	42,198	Provision of services and other recharges
Chelsea Barracks (1-3) GP LLP	5,108,676	1,718,891	Provision of services and other recharges
Chelsea Barracks (4) GP LLP	1,475,891	361,817	Provision of services and other recharges
Chelsea Barracks (5) GP LLP	235,825	43,036	Provision of services and other recharges
Chelsea Barracks (6) GP LLP	605,699	81,289	Provision of services and other recharges
Qatari Diar UK Limited	1,667,841	3,048,648	Provision of services and other recharges
QD UK Minority Holdings Limited	-	1	Member's equity introduced
30 GS GP LLP	442,309	530,771	Provision of services and other recharges
GS16 Sarl	85,705	-	Provision of services and other recharges
CB Foundations	-	7,609	Money lent
16 GS GP LLP	36,406	-	Provision of services and other recharges
Tasleem (UK) Limited	-	144,419	Payroll expenses paid on behalf of Tasleem (UK) Limited
Total	11,618,519	6,841,546	

Parent Company

Qatari Diar Real Estate Investment Company	1,801,735	(2,483,830)	Provision of services and other recharges
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Group undertakings

16 GS GP LLP	(1,280,000)	(2,683,115)	Rent liability for current year plus historical rent liability from rent free period less amounts paid on behalf of 16 GS GP LLP
QDUK Holdings LP	(36,773,900)	(36,773,900)	Money held on entities behalf
Total	(38,053,900)	(39,457,015)	

All amounts are interest free and repayable on demand.

Notes to the financial statements (continued)

15 Ultimate parent company and parent company of larger group

The Partnership is a wholly owned subsidiary undertaking of Qatari Diar Real Estate Investment Company which is also the ultimate parent company incorporated in Qatar.

The only group in which the results of the Partnership are consolidated is Qatari Diar Real Estate Investment Company incorporated in Qatar, registered address: PO Box 23175, Doha, Qatar.

16 Financial Risk Management

The following describes pertinent risks and the applied risk management. These risks are managed through a process of ongoing identification, measurement and monitoring.

The Partnership 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 capital structure of the Partnership principally consists of equity, amounts due to related parties and cash.

The Partnership is not subject to any externally imposed capital requirements.

Liquidity risk

Liquidity risk is the risk that the Partnership may be unable to settle its obligations as they fall due. Qatari Diar Real Estate Investment Company, the ultimate parent, has confirmed to the Partnership that it will continue to support the Partnership for a period of at least twelve months from the date the financial statements are signed.

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

31 December 2018	On Demand £	Less than 1 year £	1 to 5 years £	Total £
Trade payables	111,273	-	-	111,273
Amounts due to parent company	2,483,830	-	-	2,483,830
Amounts due to other related parties	39,250,240	-	-	39,250,240
	<u>41,845,343</u>	<u>-</u>	<u>-</u>	<u>41,845,343</u>
31 December 2017	On Demand £	Less than 1 year £	1 to 5 years £	Total £
Trade payables	44,007	-	-	44,007
Amounts due to parent company	3,285,565	-	-	3,285,565
Amounts due to other related parties	1,012,566	-	-	1,012,566
	<u>4,342,138</u>	<u>-</u>	<u>-</u>	<u>4,342,138</u>

Notes to the financial statements (continued)

16 Financial Risk Management (continued)

Interest rate risk

The Partnership is not exposed to any interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Partnership. The Partnership's credit risk exposure and mitigation management requirements are minimal due to the vast majority of receivables being with a sister company in the Qatari Diar Group. The Partnership's policy on cash balances is to hold these with reputable finance institutions and at the balance sheet date all the Partnership's cash at bank was placed with a counterparty with an A-1+ Standard & Poor's credit rating.

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

Foreign currency risk

The Partnership currently has no exposure to foreign currency exchange rate movements as all assets and liabilities are denominated in sterling.

Market risk

The Partnership focuses on the development advisory services relating to real estate projects. There is limited market risk to the Partnership as most of the work for the Partnership relates to projects which have the support of the ultimate parent company (QDREIC) who have confirmed that they will provide finance to enable the build out of the project.

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 Partnership. If a key customer base or supplier experiences turmoil this can negatively impact on performance.

17 Post Balance Sheet Events

At the date of this report, the Partnership is not aware of any events arising post year end that would affect the balances and transactions as detailed in the financial statements, or require disclosure, for the period ended 31 December 2018.