

# **QATARI DIAR EUROPE LLP**

## **Annual Report and Financial Statements**

**Registered number OC416786**

**For the period from 6 April 2017 to 31  
December 2017**



## Contents

Strategic report	1
Members' report	2
Members' responsibilities statement	3
Independent auditor's report to the members of Qatari Diar Europe LLP	4-5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the financial statements	10-19

---

## Strategic Report

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

### Principal activities

Qatari Diar Europe LLP was incorporated on the 6<sup>th</sup> April 2017 under the name of Qatari Diar London UK LLP and the name was changed to Qatari Diar Europe LLP on the 13<sup>th</sup> May 2017 and consequently the first accounting period for the entity is for a 9 month period, although the entity did not start to trade until the 1<sup>st</sup> September 2017.

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 period. The Partnership made a profit of £350,566 for the period ended 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. Turnover and profit indicate the volume of sales and its profitability.

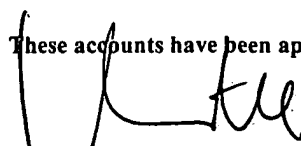
	2017 £
Revenue	4,334,848
Profit for the period	350,566

Revenues are generated from services provided to related companies under the terms of specific agreements for the provision of services. These agreements are based on market standard terms and conditions.

### 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 2017.

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

  
Jean Lamothe  
Chief Investment Officer

## Members' Report

The members of the Partnership present their members' report and audited financial statements for the period ended 31 December 2017. 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.

### Incorporation

In 2017, the Board of QDREIC approved a corporate restructuring. As a result of this Qatari Diar Europe LLP was incorporated on the 6<sup>th</sup> April 2017 and the restructure took place on the 1<sup>st</sup> September 2017. This resulted in the majority of the business of Qatari Diar UK Limited and Qatari Diar Development Company (UK) Limited transferring to the new entity, Qatari Diar Europe LLP. The employees of Qatari Diar UK Limited were transferred to the Partnership on the 1<sup>st</sup> September via a TUPE transfer. The majority of the physical assets and current assets and liabilities of Qatari Diar UK Limited and Qatari Diar Development Company Limited were transferred to the Partnership on the same date.

### Designated Members

The following Designated Members have held office during the financial period and subsequently:  
Qatari Diar Real Estate Investment Company (appointed on 06/04/2017)  
QD UK Minority Holdings Limited (appointed on 06/04/2017)

### 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

Deloitte LLP have not been reappointed as the auditors and Ernst & Young LLP will be appointed going forwards.

By order of the board



Jean Lamothe  
Chief Investment Officer

## 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 directors 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 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 Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- 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**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements Qatari Diar Europe LLP:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position
- the statement of changes in equity;
- the statement of cash flow and;
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent limited liability partnership financial statements, as applied in accordance with the provisions 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 limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

#### **Other information**

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## Independent auditor's report to the members of Qatari Diar Europe LLP (Continued)

### Responsibilities of members

As explained more fully in the members' responsibilities statement, 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 limited liability 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 [group or the parent] limited liability 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Report on other legal and regulatory requirements

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

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters 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; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships regime.

We have nothing to report in respect of these matters.

### Use of our report

This report is made solely to the limited liability partnership's 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 limited liability partnership'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 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.



Siobhan Durcan (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
St Helier, Jersey  
Date  22 May 2019

**Statement of Comprehensive Income**  
*For the period ended 31 December 2017*

	Note	2017 £
Revenue	2	4,334,848
Cost of sales	3	(3,940,704)
		<u>394,144</u>
<b>Gross profit</b>		
Administrative expenses		(43,578)
Net finance income		-
		<u>350,566</u>
<b>Profit before tax</b>		
Taxation charge	6	-
		<u>350,566</u>
<b>Profit for the period</b>		<u>350,566</u>

The results of the Partnership are derived entirely from continuing activities. There was no income and expense for the current financial year other than that reported in the statement of comprehensive income.

The notes on pages 10 to 19 form part of the Financial Statements.




**Statement of Financial Position**  
*As at 31 December 2017*

	Note	2017
		£
<b>Non-current assets</b>		
Property, plant and equipment	7	200,708
		<u>200,708</u>
<b>Current assets</b>		
Trade and other receivables	9	132,042
Amount due from related companies	13	5,437,631
Cash and bank balances		2,620,985
		<u>8,190,658</u>
<b>Total assets</b>		<u><u>8,391,366</u></u>
<b>Current liabilities</b>		
Trade and other payables	10	(3,741,669)
Amount due to parent company	13	(3,285,565)
Amount due to related companies	13	(1,012,566)
		<u>(8,039,800)</u>
<b>Total liabilities</b>		<u>(8,039,800)</u>
<b>Net assets attributable to Members</b>		<u><u>351,566</u></u>
<b>Represented by:</b>		
Members' loan account – classified as equity	11	1,000
Attributable profit	11	350,566
		<u>351,566</u>
<b>Total attributable to Members</b>		<u><u>351,566</u></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 17<sup>th</sup> May 2019 on behalf of the members of the Partnership by the board:

  
Jean Lamothe  
Chief Investment Officer

Partnership registration number OC416786

The notes on pages 10 to 19 form part of the Financial Statements.

**Statement of Changes in Equity**  
*For the period ended 31 December 2017*

	Members' Capital (classified as equity) £	Attributable profit £	Total equity £
Balance at 06 April 2017	-	-	-
Capital Provided upon formation	1,000	-	1,000
Total comprehensive profit for the period	-	350,566	350,566
<b>Balance at 31 December 2017</b>	<b>1,000</b>	<b>350,566</b>	<b>351,566</b>

The notes on pages 10 to 19 form part of the Financial Statements.

**Statement of Cash Flow**  
*For the period ended 31 December 2017*

	Note	2017 £
<b>Cash flows from operating activities</b>		
Profit before tax		350,566
Adjustments for:		
Depreciation	7	61,992
		<u>412,558</u>
 Increase in trade and other receivables	9	(132,042)
Increase in trade and other payables	10	3,741,669
Increase in intercompany receivables		(5,410,170)
		<u>(1,387,985)</u>
Cash flow from operations		(1,387,985)
 <b>Net cash flow used in operating activities</b>		<u>(1,387,985)</u>
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment	7	(262,700)
		<u>(262,700)</u>
<b>Net cash flow from investing activities</b>		<u>(262,700)</u>
 <b>Cash flows from financing activities</b>		
Intercompany funding received		4,270,670
Member's equity contribution		1,000
		<u>4,271,670</u>
<b>Net cash generated from financing activities</b>		4,271,670
 Net increase in cash and cash equivalents		2,620,985
Cash and cash equivalents at beginning of the period		-
		<u>2,620,985</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>2,620,985</u></u>

The notes on pages 10 to 19 form part of the Financial Statements.

## Notes to the financial statements

### 1 General Information

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.

#### *Accounting Policies*

The Partnership's financial statements have been prepared and approved by the board in accordance with International Financial Reporting Standards as it applies to the financial statements of the Partnership for the period ended 31 December 2017.

The financial statements are presented in Sterling because that is the currency of the primary economic environment in which the Partnership operates and are prepared on the historical cost basis. The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

#### *New and amended standards and interpretations - not yet effective*

New standards, amendments to standards and interpretations not yet effective for the period ended 31 December 2017 and which have not been applied in preparing these consolidated financial statements are as follows:

- IFRS 9 Financial Instruments (endorsed by the EU on the 22 November 2016) introduces an impairment requirement based on an expected credit loss ("ECL") model which replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at fair value through profit or loss, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 and lease receivables under IAS 17 or IFRS 16. With the exception of purchased or originated credit impairment financial assets, expected credit losses are required to be measured through a loss allowance equal to either the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). The requirements are to recognise 12-month ECL on initial recognition and thereafter as long as there is no significant deterioration in credit risk. If there has been a significant increase in credit risk on an individual or collective basis, then there is a requirement to recognise lifetime ECL. There is also a rebuttable presumption that the credit risk has increased significantly when contractual payments are more than 30 days past due. The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows, and the impairment requirements will generally result in earlier recognition of credit losses. The effective date is for periods beginning on or after 1 January 2018.
- IFRS 15 Revenue from Contracts with Customers (endorsed by the EU on the 22 September 2016), provides a single, principles based five-step model to apply to all contracts with customers and will supersede IAS 18 Revenue and IAS 11 Construction Contracts. The effective date of IFRS 15 is for periods beginning on or after 1 January 2018 and will be applicable to the Partnership.
- IFRS 16 Leases (endorsed by the EU on the 31 October 2017) has been issued and is effective for annual periods beginning on or after 1 January 2019.
- IFRS 17 Insurance Contracts (not yet endorsed by the EU) will provide a comprehensive accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective it will replace IFRS 4 Insurance contracts and will be effective for annual periods beginning on or after 1 January 2021.
- Annual improvements to IFRSs 2014-2016 Cycle
- Annual improvements to IFRSs 2015-2017 Cycle

Management are currently considering the above amendments and associated numerical and qualitative considerations to assess whether these will have a material impact on the financial statements.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *Going concern*

The principle 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 Partnership has assessed the market challenges, such as the inherent uncertainty relating to super-prime property development in the UK, 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 and concluded that it is not considered that this impacts on the ability of the Partnership to continue as a going concern. In addition, the Partnership provides supervisory and administrative services to related companies and QDREIC investments in joint ventures. QDREIC has provided a letter of support for a period of one year from the signing of the 2017 financial statements.

#### *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 and impairment, transfer pricing, recoverability of intercompany transactions and including expectations of future events that are believed to be reasonable under the circumstances.

#### *Foreign currency*

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to Sterling at foreign exchange rates ruling at the dates the fair value was determined.

#### *Non-derivative financial instruments*

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables as well as amounts due/from related parties.

#### *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 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 the same as the fair value on date of origination.

#### *Amounts due/from related parties*

Amounts due/from related parties are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *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.

Leases in which the Partnership assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the 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
- IT equipment - 3 years (grouped within plant and equipment).

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

#### *Cash and cash equivalents*

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

#### *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.

#### *Provisions*

A provision is recognised in the balance sheet when the Partnership 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.

#### *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.

## Notes to the financial statements (continued)

### 1 Accounting policies (*continued*)

#### *Revenue and cost of sales*

A transfer pricing margin is applied to the operating cost charged to profit and loss in respect of the service, the Partnership provides to its related companies.

The Partnership's business activity is that described in the Strategic Report, and accordingly all revenue is generated within the group of QDREIC.

Cost of sales arise from the services that the Partnership provides to its related companies which is the Partnership's main source of revenue and accounted for on an accrual basis. Revenue is recognised in accordance with IAS 18 Revenue once the services have been fully 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.

#### *Other long term employee benefits*

In 2015 and again in 2016, Qatari Diar UK Limited and Tasleem (UK) Limited issued Long Term Incentive Plans (LTIP) to various employees which both had 3 year vesting periods. These LTIPs were then transferred to Qatari Diar Europe LLP under the TUPE of the employees to Qatari Diar Europe LLP from Tasleem (UK) Limited and Qatari Diar UK Limited on the 1<sup>st</sup> September 2017. Qatari Diar Europe LLP has accrued for the discounted pro-rated amount of the LTIP as at the 31<sup>st</sup> December 2017 for employees involved in the scheme.

Long Term Incentive Plans (LTIP) to various employees are recognised on a straight line basis over the vesting period (3 years from the date of issue) and are discounted to their present value using the groups' Weighted Average Cost of Capital (WACC).

## Notes to the financial statements (continued)

2	2017 £
<b>Revenue</b>	
Rendering of services	
- to parent company	983,817
- to related companies	<u>3,351,031</u>
	<u>4,334,848</u>

## 3 Cost of sales

This is made up of the costs incurred by the Partnership which are recharged to related companies.

## 4 Operating profit

Included in the operating profit are the following amounts	2017 £
Audit of financial statements	8,200
Staff wages and salaries	1,626,337
Depreciation	61,992

## 5 Staff numbers and costs

The monthly average number of employees during the year (from the 1<sup>st</sup> September 2017 when staff were transferred under the TUPE process across from Qatari Diar UK Limited) was 49.

The aggregate payroll costs of these persons were as follows:	2017 £
Wages and salaries	1,626,337
Social security costs	207,800
Employer contribution towards pension	<u>92,006</u>
	<u>1,926,143</u>

Employment related costs transferred across from Qatari Diar UK Limited and Tasleem on the 1<sup>st</sup> September 2017:

	2017 £
Employee advances	12,045
Employee bonuses	641,077

Key management personnel remuneration for 2017 (remuneration outstanding: £nil) 353,384

## 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 £	PPE Total £
<b>Cost</b>			
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
<b>Depreciation</b>			
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)
<b>Net book value</b>			
At 31 December 2017	196,442	4,266	200,708
At 6 April 2017	-	-	-

### 8 Rental Expense

	2017 £
16 Grosvenor Street	426,667
	426,667
	2017 £
Obligations over leasing agreements for 16 Grosvenor Street – due within 1 year	1,280,000
Obligations over leasing agreements for 16 Grosvenor Street – due between 1-5 years	5,120,000
Obligations over leasing agreements for 16 Grosvenor Street – due after 5 years	5,333,333
	11,733,333

### 9 Trade and other receivables

	2017 £
Other receivables	13,754
Prepayments	118,288
	132,042

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

## Notes to the financial statements (continued)

### 10 Trade and other payables

	2017 £
<b>Current</b>	
Trade payables	44,007
VAT and salary taxes payable	844,631
Accrued expenses	2,853,031
	<hr/> 3,741,669 <hr/>

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

### 11 Members' interests

	Members' capital (classified as equity)	Attributable profit	Total equity/ members' interests
	£	£	£
Balance as at 6 <sup>th</sup> April 2017	-	-	-
Increase in member's equity contribution	1,000	-	1,000
Profit for the period	-	350,566	350,566
Balance as at 31st December 2017	<hr/> 1,000 <hr/>	<hr/> 350,566 <hr/>	<hr/> 351,566 <hr/>

### 12 Fair values of financial instruments

#### *Trade and other receivables*

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

#### *Trade and other payables*

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

#### *Cash and cash equivalents*

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

#### *Market risk – foreign currency risk*

There is no risk to the Partnership from exposure to foreign currency risk as all transactions are in sterling. The total exposure at the balance sheet date is reflected as amounts due to parent company.

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

## Notes to the financial statements (continued)

### 13 Related party transactions

The Partnership 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 £	Balance at 31 December £	Details of transaction
<b>2017</b>			
Qatari Diar Real Estate Investment Company	(3,285,565)	(3,285,565)	Provision of market research advisory services and Member's Equity
Qatari Diar Development (UK) Company	157,830	157,830	Provision of office sharing and administrative services to sister company
Qatari Diar US Real Estate Company	119,019	119,019	Provision of services to sister company
Tasleem (UK) Limited	136,719	136,719	Provision of services to sister company
Qatari Diar Europe Sarl	617,304	617,304	Money lent to sister company
GPS Holdings Sarl	27,460	27,460	Money lent to sister company
Qatari Diar UK Limited	2,424,981	2,424,981	Money lent to sister company
GS 16 Sarl	(1,012,566)	(1,012,566)	Money lent to sister company
Chelsea Barracks (1-3) GP LLP on behalf of Chelsea Barracks (1-3) LP	1,294,134	1,294,134	Money lent to sister company
Chelsea Barracks (4) GP LLP on behalf of Chelsea Barracks (4) LP	426,118	426,118	Money lent to sister company
Chelsea Barracks (5) GP LLP on behalf of Chelsea Barracks (5) LP	62,330	62,330	Money lent to sister company
Chelsea Barracks (6) GP LLP on behalf of Chelsea Barracks (6) LP	171,735	171,735	Money lent to sister company
QD UK Minority Holdings Ltd	1	1	Member's Equity

All amounts are interest free and repayable on demand.

## Notes to the financial statements (continued)

### 13 Related party transactions (Continued)

Balances taken on by the Partnership as at the 1<sup>st</sup> September 2017 as part of the Transfer of Going Concern from Qatari Diar UK Limited and transferred from Tasleem UK Limited were as follows:

Entity Transferred from	Asset/Liability transferred	Amount Transferred in GBP
Qatari Diar UK Limited	Employee Advances	7,416
Qatari Diar UK Limited	Fixed Assets	171,748
Qatari Diar UK Limited	Prepayments	104,235
Qatari Diar UK Limited	Bonus	496,658
Qatari Diar UK Limited	Rent Accrual	640,000
Qatari Diar UK Limited	Petty Cash	1,864
Tasleem UK Limited	Fixed Assets	67,569
Tasleem UK Limited	Employee Advances	4,629
Tasleem UK Limited	Bonus	144,419

### 14 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 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. The consolidated financial statements of this group are not available to the public.

### 15 Long Term Incentive Plan

The cost of sales figure includes an accrual for £103,399 for Long Term Incentive Plans (LTIPs) of employees. Additionally, LTIP accrued liabilities of £496,658 and £144,419 were transferred from Qatari Diar UK Limited and Tasleem UK Limited respectively as part of the transfer going concern which took place on the 1<sup>st</sup> September 2017 which TUPEd the employees across into the Partnership. These LTIPs were issued on 1<sup>st</sup> April 2015 and 1<sup>st</sup> April 2016 and have a 3 year vesting period.

### 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 consists of equity, which includes loans and cash and cash equivalents. The Partnership continues to monitor the balance of the capital structure considering the issue of debt. The Partnership is not subject to any externally imposed capital requirements. 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.

#### *Liquidity risk*

Liquidity risk is the risk that the Partnership may be unable to meet its short and long term financial demands. 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.

***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***

When the Partnership undertakes transactions denominated in foreign currencies; it is consequently exposed to exchange rate fluctuations. 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 the 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 for the period ended 31 December 2017.