

# QATARI DIAR EUROPE LLP

## Annual Report and Financial Statements

Registered number OC416786

For the year ended 31 December 2021



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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 8 and shows the result for the year. The Partnership made a profit of £1,638,457 (2020: £1,816,186). The decrease in profit reflects a decrease in revenue for the Partnership during 2021.

The partners are of the view that there is no material impact on the Partnership as a result of COVID-19. There has been no change to Qatari Diar Europe LLP's principal activity which is to act as a market research and real estate development and investment advisor to related group entities. There are sufficient sales forecast and 3<sup>rd</sup> party funding has remained in place so there is no indication that related parties will be unable to pay for Qatari Diar Europe LLP's services. The parent company QDREIC has provided a letter of support for the period of one year from the signing of the 2021 financial statements.

### 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.

	2021 £	2020 £
Revenue	12,768,267	14,723,893
Profit for the year	1,638,457	1,816,186

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

### Principal risks and uncertainties

The principal risks and uncertainties facing the Partnership are addressed in Note 16, Financial Risk Management.

### 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 year ended 31 December 2021.

### Disabled employees

The Partnership 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

## **Strategic Report (continued)**

disabled, it is the Partnership'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:**



**Tariq Al Abdulla**

20 June 2022

## Members' Report

The members of the Partnership present their members' report and audited financial statements for the year ended 31 December 2021. 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 in accordance with UK adopted International Accounting Standards as applied to limited liability partnerships.

### Designated Members

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

Qatari Diar Real Estate Investment Company

QD UK Minority Holdings Limited

### Political contribution

The Partnership incurred no political expenditure during the year.

### 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 exit 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 one year from the signing of the 2021 financial statements. In addition, the Partners are of the view that there is no material impact on the Partnership as a result of COVID-19. This is determined on the basis that related entities will have sufficient cashflows to pay revenues as they fall due, as they have continued with on-site construction and third party funding remains in place for 12 months from the date of signing the financial statements. The Partners have therefore, prepared the financial statements on a going concern basis.

### 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.



**Tariq Al Abdulla**

20 June 2022

## 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 year. Under that law the Partners have elected to prepare the financial statements in accordance with UK adopted International Accounting Standards as applied to limited liability partnerships. 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 year. 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 accordance with UK adopted International Accounting Standards as applied to limited liability partnerships 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 as applied to limited liability partnerships. 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 LIMITED LIABILITY PARTNERSHIP ('LLP')**

### **Opinion**

We have audited the financial statements of Qatari Diar Europe LLP 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 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 UK adopted international accounting standards as applied to limited liability partnerships.

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 2021 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with UK adopted international accounting standards as applied to limited liability partnerships; 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**

In auditing the financial statements, we have concluded that the members' 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 limited liability partnership'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 members 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 limited liability partnership'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 members are responsible for the other information contained within the annual report.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QATARI DIAR EUROPE LIMITED LIABILITY PARTNERSHIP ('LLP') (continued)**

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

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 4, 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.

#### ***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 QATARI DIAR EUROPE LIMITED LIABILITY PARTNERSHIP ('LLP') (continued)**

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant is UK adopted International Accounting Standards as applied to limited liability partnerships.
- We understood how the limited liability partnership is complying with this framework by making enquiries of management to understand how the limited liability partnership maintains and communicates its policies and procedures in such areas.
- 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 limited liability partnership'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.
- We assessed the susceptibility of the limited liability partnership'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 partnership's key performance indicators and considering the processes and controls which the limited liability partnership has established to prevent and detect fraud, and how those controls are monitored.

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/auditorsresponsibilities>. 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.

*Ernst & Young LLP*

Claire Johnson (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 21 June 2022

**Statement of Comprehensive Income**  
*For the year ended 31 December 2021*

	Note	2021 £	2020 £
<b>Revenue</b>	2	12,768,267	14,723,893
<b>Cost of sales</b>	3	<u>(9,657,133)</u>	<u>(11,398,438)</u>
<b>Gross profit</b>		3,111,134	3,325,455
 <b>Administrative expenses</b>		 <u>(753,922)</u>	 <u>(659,924)</u>
<b>Operating profit</b>		2,357,212	2,665,531
 <b>Interest expense</b>	8	 (722,677)	 (851,803)
<b>Finance income</b>		<u>3,922</u>	<u>2,458</u>
<b>Profit before tax</b>		1,638,457	1,816,186
 <b>Taxation charge</b>	6	 -	 -
<b>Profit for the year</b>		<u>1,638,457</u>	<u>1,816,186</u>
 <b>Other comprehensive income</b>		 -	 -
<b>Total comprehensive income for the year</b>		<u><u>1,638,457</u></u>	<u><u>1,816,186</u></u>

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

There was no income or expense for the current financial year, or preceding period, other than that reported in the Statement of Comprehensive income.

## Statement of Financial Position

*As at 31 December 2021*

	Note	2021 £	2020 £
<b>Non-current assets</b>			
Property, plant and equipment	7	42,672	49,054
Right of use asset	8	<u>3,405,703</u>	<u>4,090,075</u>
		3,448,375	4,139,129
<b>Current assets</b>			
Trade and other receivables	9	3,327,861	5,157,504
Amount due from parent company	14	1,591,987	-
Amount due from other related parties	14	3,691,788	3,150,954
Cash and cash equivalents	10	<u>3,578,469</u>	<u>3,740,603</u>
		12,190,105	12,049,061
<b>Total assets</b>		<u>15,638,480</u>	<u>16,188,190</u>
<b>Non-current liabilities</b>			
Lease liability	8	<u>(6,680,343)</u>	<u>(7,618,491)</u>
		(6,680,343)	(7,618,491)
<b>Current liabilities</b>			
Trade and other payables	11	(3,359,137)	(3,243,568)
Amount due to parent company	14	-	(501,374)
Amount due to other related parties	14	<u>(341)</u>	<u>(864,555)</u>
		(3,359,478)	(4,609,497)
<b>Total liabilities</b>		<u>(10,039,821)</u>	<u>(12,227,988)</u>
<b>Net assets attributable to Members</b>		<u>5,598,659</u>	<u>3,960,202</u>
<b>Represented by:</b>			
Members' loan account – classified as equity	12	1,000	1,000
Attributable profit	12	<u>5,597,659</u>	<u>3,959,202</u>
<b>Total attributable to Members</b>		<u>5,598,659</u>	<u>3,960,202</u>

These financial statements were approved and signed on 20 June 2022 on behalf of the members of the Partnership by the board:



**Tariq Al Abdulla**  
Chief Development & Project Delivery Officer Europe and Americas

Partnership registration number OC416786

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

	<b>Members' Capital £</b>	<b>Attributable profit £</b>	<b>Total equity £</b>
<b>At 1 January 2020</b>	1,000	2,143,016	2,144,016
Total comprehensive income for the year	-	1,816,186	1,816,186
<b>At 31 December 2020</b>	<u>1,000</u>	<u>3,959,202</u>	<u>3,960,202</u>
Total comprehensive income for the year	-	1,638,457	1,638,457
<b>At 31 December 2021</b>	<u>1,000</u>	<u>5,597,659</u>	<u>5,598,659</u>

**Statement of Cash Flow**  
*For the year ended 31 December 2021*

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit before tax		1,638,457	1,816,186
Adjustments for:			
Depreciation PPE and right-of-use assets	7,8	705,643	712,598
Finance income		(3,922)	(2,458)
Interest payment		722,677	851,803
		<u>3,062,855</u>	<u>3,378,129</u>
Decrease / (Increase) in trade and other receivables	9	1,829,643	(2,353,363)
Increase in trade and other payables	11	115,569	90,411
(Decrease) / Increase in intercompany receivables and payables	14	(3,498,409)	3,898,899
<b>Net cash flow generated from operating activities</b>		<u><b>1,509,658</b></u>	<u><b>5,014,076</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(14,889)	(9,247)
Interest received		3,922	2,458
<b>Net cash flow used in investing activities</b>		<u><b>(10,967)</b></u>	<u><b>(6,789)</b></u>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(938,148)	(813,492)
Payment of interest portion of lease liabilities		(722,677)	(850,333)
<b>Net cash used in financing activities</b>		<u><b>(1,660,825)</b></u>	<u><b>(1,663,825)</b></u>
Net (decrease)/increase in cash and cash equivalents		(162,134)	3,343,462
Cash and cash equivalents at beginning of the year		3,740,603	397,141
<b>Cash and cash equivalents at the end of the year</b>		<u><b>3,578,469</b></u>	<u><b>3,740,603</b></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.

#### *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.

#### *Basis of Preparation*

The financial statements have been prepared in accordance with UK adopted International Accounting Standards as applied to limited liability partnerships.

The financial statements are presented in Sterling because that is the currency of the primary economic environment in which the partnership operates. 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 General Partner believes that the new standard that has come into effect above has not had an impact on the financial statements of the Partnership.

#### *Standards issued but not yet effective*

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

The General Partner believes that none of the standards issued but not yet effective will have an impact on the financial statements of the Partnership.

## Notes to the financial statements (continued)

### 1 General Information & Accounting Policies (Continued)

#### *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 exit 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 one year from the signing of the 2021 financial statements. In addition, the Partners are of the view that there is no material impact on the Partnership as a result of COVID-19. This is determined on the basis that related entities will have sufficient cashflows to pay revenues as they fall due, as they have continued with on-site construction and third party funding remains in place for 12 months from the date of signing the financial statements. The Partners have therefore, prepared the financial statements on a going concern basis.

#### *Critical accounting judgements and key sources of estimation uncertainty*

The preparation of the financial statements in accordance with UK adopted International Accounting Standards as applied to limited liability partnerships 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 estimates and judgments are:

#### *Key Estimates*

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

#### *Key Judgements*

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

## Notes to the financial statements (continued)

### 1 General Information & Accounting Policies (Continued)

#### *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.

#### *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 Partnership's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### *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.

#### *Partnership as a lessee*

The Partnership applies a single recognition and measurement approach of leases, except short-term leases and leases of low value assets. The Partnership recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes amounts of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful economic lives of the assets.



## Notes to the financial statements (continued)

### 1 General Information & Accounting Policies (Continued)

#### *Partnership as a lessee (continued)*

##### *Lease liabilities*

At the commencement date of the lease, the Partnership recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are fixed payments less any lease incentive receivable. In calculating the present value of lease payments, the Partnership uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase an underlying asset.

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

A transfer pricing margin is applied to the cost of sales and operating costs charged to profit and loss in respect of the service the Partnership provides to related parties, billed quarterly in arrears. Revenue from third parties is for development advisor services provided which are billed quarterly in advance in line with the joint venture agreement. Revenue billed in advance is deferred in full and released monthly once the performance obligations have been met.

Revenue from contracts is recognised, in accordance with IFRS 15 Revenue from Contracts with Customers, when the Partnership deems the performance obligations of the contract have been met. Performance obligations are satisfied as services are rendered. The amount of revenue recorded reflects the consideration that the Partnership expects to be entitled to in exchange for those services. Payment is generally due within 30 to 90 days from services 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

	2021 £	2020 £
Rendering of services		
- to parent company	2,122,098	2,356,757
- to other related parties	9,066,775	10,505,367
- to third parties	1,579,394	1,861,769
	<u>12,768,267</u>	<u>14,723,893</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

	2021 £	2020 £
Current Year audit of financial statements	14,881	6,500
(Over) accrual of prior year audit fee	-	(9,000)
Staff wages and salaries	4,692,217	5,367,021
Depreciation of plant and machinery	21,271	25,356

### 5 Staff numbers and costs

The monthly average number of employees during the year was 38 (2020: 39).

The aggregate payroll costs of these persons were as follows:

	2021 £	2020 £
- Wages and salaries	4,692,217	5,367,021
- Social security costs	1,185,669	1,091,223
- Employer contribution towards defined contribution pension scheme	275,147	293,258
	<u>6,153,033</u>	<u>6,751,502</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 £
<b>Cost</b>			
Balance at 1 January 2020	263,555	108,434	371,989
Additions during the year	9,247	-	9,247
Balance at 31 December 2020	272,802	108,434	381,236
 Additions during the year	 14,889	 -	 14,889
<b>Balance at 31 December 2021</b>	<b>287,691</b>	<b>108,434</b>	<b>396,125</b>
 <b>Depreciation</b>			
Balance at 1 January 2020	(258,909)	(47,917)	(306,826)
Depreciation charge for the year	(3,448)	(21,908)	(25,356)
Balance at 31 December 2020	(262,357)	(69,825)	(332,182)
 Depreciation charge for the year	 (3,996)	 (17,275)	 (21,271)
<b>Balance at 31 December 2021</b>	<b>(266,353)</b>	<b>(87,100)</b>	<b>(353,453)</b>
 <b>Net book value</b>			
At 31 December 2020	10,445	38,609	49,054
<b>At 31 December 2021</b>	<b>21,338</b>	<b>21,334</b>	<b>42,672</b>

### 8 Leases

The Partnership has property leases which have lease terms between 3 and 10 years, with the primary lease commencing from February 2017. The Partnership's obligations under its leases are secured by the lessor's title to the leased assets. The Partnership is unrestricted from subleasing the leased assets,

Set out below is the carrying amount of the right-of-use asset recognised and the movements during the year:

	Property leases £	Total £
<b>Cost</b>		
Balance at 1 January 2020	4,725,654	4,725,654
Additions in the year	51,663	51,663
Depreciation expense of right-of-use assets	(687,242)	(687,242)
Balance at 31 December 2020	4,090,075	4,090,075
 Balance at 1 January 2021	 4,090,075	 4,090,075
Depreciation expense of right-of-use assets	(684,372)	(684,372)
Balance at 31 December 2021	3,405,703	3,405,703

## Notes to the financial statements (continued)

### 8 Leases (continued)

Set out below is the carrying amount of lease liabilities and movements during the year:

	Property leases £	Total £
<b>Cost</b>		
Balance at 1 January 2020	8,378,850	8,378,850
Additions in the year	51,663	51,663
Interest expense on lease liabilities	851,803	851,803
Payments	(1,663,825)	(1,663,825)
Balance at 31 December 2020	<u>7,618,491</u>	<u>7,618,491</u>
Balance at 1 January 2021	7,618,491	7,618,491
Interest expense on lease liabilities	722,677	722,677
Payments	(1,660,825)	(1,660,825)
Balance at 31 December 2021	<u>6,680,343</u>	<u>6,680,343</u>

The following are the amounts recognised in the profit for the year:

	2021 £	2020 £
Depreciation expense of right-of-use asset	684,372	687,242
Interest expense on lease liabilities	722,677	851,803
<b>Total amounts recognised in profit for the year</b>	<u>1,407,049</u>	<u>1,539,045</u>

During the year, the Partnership had total cash outflows for leases of £1,660,825 (2020: £1,663,825).

### Finance Leases

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

	2021 £	2020 £
Obligations over leasing agreements – due within 1 year	1,657,825	1,660,825
Obligations over leasing agreements – due between 1-5 years	6,571,300	6,586,300
Obligations over leasing agreements – due after 5 years	136,902	1,779,727
	<u>8,366,027</u>	<u>10,026,852</u>

## Notes to the financial statements (continued)

### 9 Trade and other receivables

	2021	2020
	£	£
Trade receivables	-	240,285
Other receivables	340,283	9,363
Accrued income	2,839,719	4,765,785
Prepayments	147,859	142,071
	<u>3,327,861</u>	<u>5,157,504</u>

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

### 10 Cash and cash equivalents

	2021	2020
	£	£
Unrestricted cash	3,578,469	3,740,603
	<u>3,578,469</u>	<u>3,740,603</u>

### 11 Trade and other payables

	2021	2020
	£	£
Trade and other payables	95,490	130,107
VAT and payroll taxes payable	2,166,498	612,400
Deferred income*	446,487	349,181
Accrued expenses	650,662	2,151,880
	<u>3,359,137</u>	<u>3,243,568</u>

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

\*Of the Deferred income balance of £349,181 as at 31 December 2020, £349,181 has been released as income in the period ended 31 March 2021.

### 12 Members' interests

	Members' capital (classified as equity)	Attributable profit	Total equity/ members' interests
	£	£	£
At 1 January 2020	1,000	2,143,016	2,144,016
Total comprehensive income for the year	-	1,816,186	1,816,186
At 31 December 2020	<u>1,000</u>	<u>3,959,202</u>	<u>3,960,202</u>
Total comprehensive income for the year	-	1,638,457	1,638,457
At 31 December 2021	<u>1,000</u>	<u>5,597,659</u>	<u>5,598,659</u>

## Notes to the financial statements (continued)

### 13 Financial instruments

The Partnership'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 Partnership's operations
- Amounts due from parent company and related parties

#### Financial liabilities:

- Trade and other payables, that arise directly from the Partnership's operations
- Amounts due to parent company and related parties

	Notes	2021 £	2020 £
<b>Financial assets carried at amortised cost</b>			
Cash	10	3,578,469	3,740,603
Trade & other receivables	9	3,180,002	5,015,433
Amounts due from parent company	14	1,591,987	-
Amounts due from other related parties	14	3,691,788	3,150,954
		<u>12,042,246</u>	<u>11,906,990</u>
		2021 £	2020 £
<b>Financial liabilities carried at amortised cost</b>			
Trade and other payables	11	95,490	130,107
Amounts due to parent company	14	-	501,374
Amounts due to other related parties	14	341	864,555
		<u>95,831</u>	<u>1,496,036</u>

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

#### Changes in liabilities arising from financing activities

	1 January 2021 £	Cash flows £	New leases £	Other £	31 December 2021 £
Non-current lease liabilities (Note 8)	7,618,491	(1,660,825)	-	722,677	6,680,343
Total liabilities from financing activities	<u>7,618,491</u>	<u>(1,660,825)</u>	<u>-</u>	<u>722,677</u>	<u>6,680,343</u>
	1 January 2020 £	Cash flows £	New leases £	Other £	31 December 2020 £
Non-current lease liabilities (Note 8)	8,378,850	(1,663,825)	51,663	851,803	7,618,491
Total liabilities from financing activities	<u>8,378,850</u>	<u>(1,663,825)</u>	<u>51,663</u>	<u>851,803</u>	<u>7,618,491</u>

The 'Other' column includes the interest expense on lease liabilities.

## 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:

	Transaction amount during the year 31 December 2021	Balance at 31 December 2021 Receivable / (Payable)	Details of transaction
	£	£	
<b>Group undertakings</b>			
Qatari Diar Development (UK) Company	17,468	-	Provision of services and other recharges
Qatari Diar Europe S.a.r.l	85,000	-	Provision of services and other recharges
Qatari Diar US Real Estate Company	284,178	-	Provision of services and other recharges
GPS Holdings S.a.r.l	253,620	52,216	Provision of services and other recharges
Chelsea Barracks (1-3) GP LLP	5,408,640	221,421	Provision of services and other recharges
Chelsea Barracks (4) GP LLP	4,048,106	2,198	Provision of services and other recharges
Chelsea Barracks (5) GP LLP	95,816	4,644	Provision of services and other recharges
Chelsea Barracks (6) GP LLP	66,334	3,215	Provision of services and other recharges
Qatari Diar UK Limited	957,578	3,238,182	Provision of services and other recharges
30 GS GP LLP	2,496,436	4,370	Provision of services and other recharges
Casinvest	-	2,134	No transactions in current year
CB Estates	-	300	No transactions in current year
Qatari Diar Hotel and Property Investment Montenegro	-	82,965	No transactions in current year
16 GS GP LLP	(1,841,739)	80,143	Rent liability due at the year end less recharges raised by QDE to 16GS.
<b>Total amounts owed from group undertakings</b>	<b>-</b>	<b>3,691,788</b>	
CB Foundations	-	(341)	No transactions in current year
<b>Total amounts owed to group undertakings</b>		<b>(341)</b>	
<b>Total transactions with group undertakings during the year</b>	<b>11,871,437</b>		

### Parent Company

Qatari Diar Real Estate Investment Company	2,093,361	1,591,987	Provision of services and other recharges
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All amounts are interest free and repayable on demand.

## Notes to the financial statements (continued)

### 14 Related party transactions (Continued)

	Transaction amount during the year 31 December 2020	Balance at 31 December 2020 Receivable / (Payable)	Details of transaction
	£	£	
<b>Group undertakings</b>			
Qatari Diar Development (UK) Company	178,603	-	Provision of services and other recharges
Qatari Diar US Real Estate Company	198,741	-	Provision of services and other recharges
GPS Holdings S.a.r.l	146,977	52,216	Provision of services and other recharges
Chelsea Barracks (1-3) GP LLP	4,057,468	546,475	Provision of services and other recharges
Chelsea Barracks (4) GP LLP	2,110,354	26,003	Provision of services and other recharges
Chelsea Barracks (5) GP LLP	129,873	-	Provision of services and other recharges
Chelsea Barracks (6) GP LLP	153,851	-	Provision of services and other recharges
Qatari Diar UK Limited	-	2,402,598	No transactions in the year
30 GS GP LLP	2,901,587	38,263	Provision of services and other recharges
Casinvest	-	2,134	No transactions in the year
CB Estates	-	300	No transactions in the year
Qatari Diar Hotel and Property Investment Montenegro	18,544	82,965	Recharge in the year
<b>Total amounts owed from group undertakings</b>	<b>-</b>	<b>3,150,954</b>	
16 GS GP LLP	(1,861,827)	(864,214)	Rent liability due at the year end less recharges raised by QDE to 16GS.
CB Foundations	(341)	(341)	Recharge in the year
<b>Total amounts owed to group undertakings</b>		<b>(864,555)</b>	
<b>Total transactions with group undertakings during the year</b>	<b>8,033,830</b>		

#### Parent Company

Qatari Diar Real Estate Investment Company (as restated- see note 18)	1,129,313	(501,374)	Provision of services and other recharges
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All amounts are interest free and repayable on demand.



## Notes to the financial statements (continued)

### 14 Related party transactions (Continued)

#### Compensation of key management personnel

	2021	2020
	£	£
Short-term employee benefits	3,327,010	3,544,439
Post-employment pension benefits	64,062	78,401
Long-term employee benefits	56,063	192,589
	<u>3,447,135</u>	<u>3,815,429</u>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

### 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. The consolidated financial statements of the ultimate parent company are not available to the public.

### 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 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 that it will continue to support the Partnership for a period of twelve months from the date the financial statements are signed.

#### *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 twelve months from the date the financial statements are signed.

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

## Notes to the financial statements (continued)

### 16 Financial Risk Management (continued)

31 December 2021	On Demand £	Less than 1 year £	1 to 5 years £	Total £
Trade payables	95,490	-	-	95,490
Amounts due to other related parties	341	-	-	341
	<u>95,831</u>	<u>-</u>	<u>-</u>	<u>95,831</u>
31 December 2020	On Demand £	Less than 1 year £	1 to 5 years £	Total £
Trade payables	130,107	-	-	130,107
Amounts due to parent company	501,374	-	-	501,374
Amounts due to other related parties	864,555	-	-	864,555
	<u>1,496,036</u>	<u>-</u>	<u>-</u>	<u>1,496,036</u>

#### *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.

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

#### *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.

## **Notes to the financial statements (continued)**

### **16 Financial Risk Management (continued)**

#### ***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 year ended 31 December 2021.