

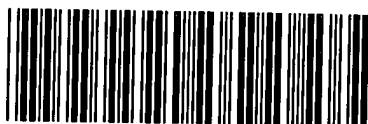
# QATARI DIAR EUROPE LLP

## Annual Report and Financial Statements

Registered number OC416786

For the year ended 31 December 2020

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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 £1,816,186 (2019: £1,516,467 as restated). The increase in profit reflects an increase in revenue for the Partnership during 2020.

### 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.

	2020	2019
	£	As restated £
Revenue		
Profit for the year	14,723,893	13,775,630
	1,816,187	1,516,467

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

### Post Balance Sheet Events

Since the year end, the UK economy has continued to be significantly impacted by COVID-19 which has caused widespread disruption and economic uncertainty. Accordingly, the valuation of assets and liabilities at the balance sheet date have not been adjusted for the subsequent uncertainty caused by these ongoing events.

Qatari Diar Europe LLP's principal activity is to act as a market research and real estate development and investment advisor to related group entities. As construction works have continued on-site during the pandemic, there are sufficient sales forecasts and 3<sup>rd</sup> party funding has remained in place there is no indication that related parties will be unable to pay for Qatari Diar Europe LLP's services. The members believe that there is no material impact on the Partnership as a result of COVID 19.

### 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**

16 August 2021

## Members' Report

The members of the Partnership present their members' report and audited financial statements for the year ended 31 December 2020. 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 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 2020 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.

### Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. Ernst & Young LLP have indicated their willingness to continue in office as auditor.



**Tariq Al Abdulla**

16 August 2021

## **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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 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 International Accounting Standards in conformity with the requirements of Companies Act 2006 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's final 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 2020 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 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 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 2020 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 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 twelve 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.

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 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.
- In addition to the above, 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 considering the risk of management override and by assuming revenue to be a fraud risk. We performed the following procedures to support our understanding: 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.
- Where the risk was considered higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. We tested journals identified by specific risk criteria back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.

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: 16<sup>th</sup> August 2021

**Statement of Comprehensive Income**  
*For the year ended 31 December 2020*

	Note	2020	2019
		£	(as restated- see note 18) £
<b>Revenue</b>	2	14,723,893	13,775,630
<b>Cost of sales</b>	3	(11,398,438)	(10,478,885)
<b>Gross profit</b>		<u>3,325,455</u>	<u>3,296,745</u>
 Administrative expenses		 (659,924)	 (811,375)
<b>Operating profit</b>		<u>2,665,531</u>	<u>2,485,370</u>
 Interest expense	8	 (851,803)	 (978,685)
Finance income		<u>2,458</u>	<u>9,782</u>
<b>Profit before tax</b>		<u>1,816,186</u>	<u>1,516,467</u>
 Taxation charge	6	 -	 -
<b>Profit for the year</b>		<u>1,816,186</u>	<u>1,516,467</u>
 <b>Other comprehensive income</b>		 -	 -
 <b>Total comprehensive income for the year</b>		<u><u>1,816,186</u></u>	<u><u>1,516,467</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 2020*

	Note	2020	2019 (as restated- see note 18)	As at 1 January 2019 (as restated- note 18)
		£	£	£
<b>Non-current assets</b>				
Property, plant and equipment	7	49,054	65,163	163,748
Right of use asset	8	4,090,075	4,725,654	-
		<u>4,139,129</u>	<u>4,790,817</u>	<u>163,748</u>
<b>Current assets</b>				
Trade and other receivables	9	5,157,504	2,804,140	473,343
Amount due from related parties	14	3,150,954	7,795,162	6,841,547
Cash and cash equivalents	10	3,740,603	397,141	38,910,113
		<u>12,049,061</u>	<u>10,996,443</u>	<u>46,225,003</u>
<b>Total assets</b>		<u>16,188,190</u>	<u>15,787,260</u>	<u>46,388,751</u>
<b>Non-current liabilities</b>				
Lease liability	8	(7,618,491)	(8,378,850)	-
		<u>(7,618,491)</u>	<u>(8,378,850)</u>	<u>-</u>
<b>Current liabilities</b>				
Trade and other payables	11	(3,243,568)	(3,153,157)	(2,691,630)
Amount due to parent company	14	(501,374)	(1,711,059)	(2,618,273)
Amount due to other related parties	14	(864,555)	(400,178)	(39,457,015)
		<u>(4,609,497)</u>	<u>(5,264,394)</u>	<u>(44,766,918)</u>
<b>Total liabilities</b>		<u>(12,227,988)</u>	<u>(13,643,244)</u>	<u>(44,766,918)</u>
<b>Net assets attributable to Members</b>		<u>3,960,202</u>	<u>2,144,016</u>	<u>1,621,833</u>
<b>Represented by:</b>				
Members' loan account – classified as equity	12	1,000	1,000	1,000
Attributable profit	12	3,959,202	2,143,016	1,620,833
<b>Total attributable to Members</b>		<u>3,960,202</u>	<u>2,144,016</u>	<u>1,621,833</u>

These financial statements were approved and signed on 16<sup>th</sup> August 2021 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 2020*

	Members' Capital £	Attributable profit £	Total equity £
<b>At 1 January 2019 (as previously reported)</b>	1,000	1,564,186	1,565,186
Prior year adjustment (note 18)	-	56,647	56,647
<b>As at 1 January 2019 (as restated)</b>	<b>1,000</b>	<b>1,620,833</b>	<b>1,621,833</b>
IFRS 16 adjustment	-	(994,284)	(994,284)
Total comprehensive income for the year (as restated- see note 18)	-	1,516,467	1,516,467
<b>At 31 December 2019 (as restated- see note 18)</b>	<b>1,000</b>	<b>2,143,016</b>	<b>2,144,016</b>
Total comprehensive income for the year	-	1,816,186	1,816,186
<b>At 31 December 2020</b>	<b>1,000</b>	<b>3,959,202</b>	<b>3,960,202</b>

**Statement of Cash Flow**  
*For the year ended 31 December 2020*

	Note	2020	2019 (as restated- see note 18)
		£	£
<b>Cash flows from operating activities</b>			
Profit before tax		1,816,186	1,516,467
Adjustments for:			
Depreciation PPE and right-of-use assets	7,8	712,598	766,887
Finance income		(2,458)	(9,782)
Interest payment		851,803	978,685
		<u>3,378,129</u>	<u>3,252,257</u>
Increase in trade and other receivables	9	(2,353,363)	(2,330,797)
Increase in trade and other payables	11	90,411	461,527
Increase/(Decrease) in intercompany receivables and payables		3,898,899	(1,624,767)
<b>Net cash flow generated from/(used in) operating activities</b>		<u><b>5,014,076</b></u>	<u><b>(241,780)</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(9,247)	(1,151)
Interest received		2,458	9,782
<b>Net cash flow (used in)/generated from investing activities</b>		<u><b>(6,789)</b></u>	<u><b>8,631</b></u>
<b>Cash flows from financing activities</b>			
Intercompany funding received/(paid)		-	(36,773,900)
Payment of principal portion of lease liabilities		(813,492)	(527,238)
Payment of interest portion of lease liabilities		(850,333)	(978,685)
<b>Net cash used in financing activities</b>		<u><b>(1,663,825)</b></u>	<u><b>(38,279,823)</b></u>
Net increase/(decrease) in cash and cash equivalents		3,343,462	(38,512,972)
Cash and cash equivalents at beginning of the year		397,141	38,910,113
<b>Cash and cash equivalents at the end of the year</b>		<u><b>3,740,603</b></u>	<u><b>397,141</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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 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 2020*

New standards and amendments	Effective date:
Amendments to IFRS 3: Definition of a Business	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	1 January 2020
Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform	1 January 2020
Conceptual Framework for Financial Reporting	1 January 2020

The General Partner believes that none of the new standards that have come into effect above have an impact on the financial statements of the Partnership.

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

New standards and amendments	Effective date:
IFRS 17 Insurance Contracts	1 January 2021
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 2020 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 with International Accounting Standards in conformity with the requirements of Companies Act 2006 requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Partnership's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience. The key estimate and judgments are:

#### *Key Estimates*

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

#### *Key Judgements*

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

## 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.

##### *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

	2020 £	2019 £
Rendering of services		
- to parent company	2,356,757	1,958,671
- to other related parties	10,505,367	9,834,185
- to third parties	1,861,769	1,982,774
	<u>14,723,893</u>	<u>13,775,630</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

	2020 £	2019 £
Current Year audit of financial statements	6,500	12,000
(Over) accrual of prior year audit fee	(9,000)	-
Staff wages and salaries	5,367,021	5,183,875
Depreciation of plant and machinery	25,356	99,736

### 5 Staff numbers and costs

The monthly average number of employees during the year was 39 (2019: 40).

The aggregate payroll costs of these persons were as follows:

	2020 £	2019 £
- Wages and salaries	5,367,021	5,183,875
- Social security costs	1,091,223	908,477
- Employer contribution towards defined contribution pension scheme	293,258	316,525
	<u>6,751,502</u>	<u>6,408,877</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 2019	262,404	108,434	370,838
Additions during the year	1,151	-	1,151
Balance at 31 December 2019	263,555	108,434	371,989
 Additions during the year	 9,247	 -	 9,247
<b>Balance at 31 December 2020</b>	<b>272,802</b>	<b>108,434</b>	<b>381,236</b>
 <b>Depreciation</b>			
Balance at 1 January 2019	(181,448)	(25,642)	(207,090)
Depreciation charge for the year	(77,461)	(22,275)	(99,736)
Balance at 31 December 2019	(258,909)	(47,917)	(306,826)
 Depreciation charge for the year	 (3,448)	 (21,908)	 (25,356)
<b>Balance at 31 December 2020</b>	<b>(262,357)</b>	<b>(69,825)</b>	<b>(332,182)</b>
 <b>Net book value</b>			
At 31 December 2019	4,646	60,517	65,163
<b>At 31 December 2020</b>	<b>10,445</b>	<b>38,609</b>	<b>49,054</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 2019	5,392,805	5,392,805
Depreciation expense of right-of-use assets	(667,151)	(667,151)
Balance at 31 December 2019	4,725,654	4,725,654
 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)
<b>Balance at 31 December 2020</b>	<b>4,090,075</b>	<b>4,090,075</b>

## 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 2019	8,906,088	8,906,088
Interest expense on lease liabilities	978,685	978,685
Payments	(1,505,923)	(1,505,923)
Balance at 31 December 2019	8,378,850	8,378,850
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	7,618,491	7,618,491

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

	2020	2019
	£	£
Depreciation expense of right-of-use asset	687,242	667,151
Interest expense on lease liabilities	851,803	978,685
<b>Total amounts recognised in profit for the year</b>	<u>1,539,045</u>	<u>1,645,836</u>

During the year, the Partnership had total cash outflows for leases of £1,663,825 (2019: £1,505,923).

### Finance Leases

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

	2020	2019
	£	£
Obligations over leasing agreements – due within 1 year	1,660,825	1,642,825
Obligations over leasing agreements – due between 1-5 years	6,586,300	6,571,300
Obligations over leasing agreements – due after 5 years	1,779,727	3,422,552
	<u>10,026,852</u>	<u>11,636,677</u>

## Notes to the financial statements (continued)

### 9 Trade and other receivables

	2020	2019 (As restated)
	£	£
Trade receivables	240,285	1,641,082
Other receivables	9,363	16,658
Accrued income	4,765,785	797,982
Prepayments	142,071	348,418
	<u>5,157,504</u>	<u>2,804,140</u>

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

### 10 Cash and cash equivalents

	2020	2019
	£	£
Unrestricted cash	<u>3,740,603</u>	<u>397,141</u>
	<u>3,740,603</u>	<u>397,141</u>

### 11 Trade and other payables

	2020	2019 As restated- note 18
	£	£
Trade and other payables	130,107	203,330
VAT and payroll taxes payable	612,400	715,386
Deferred income	349,181	418,184
Accrued expenses	<u>2,151,880</u>	<u>1,816,257</u>
	<u>3,243,568</u>	<u>3,153,157</u>

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

### 12 Members' interests

	Members' capital (classified as equity)	Attributable profit	Total equity/ members' interests
	£	£	£
At 1 January 2019	1,000	1,620,833	1,621,833
IFRS 16 adjustment	-	(994,284)	(994,284)
Total comprehensive income for the year	-	1,516,467	1,516,467
At 31 December 2019	<u>1,000</u>	<u>2,143,016</u>	<u>2,144,016</u>
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>

## 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 related parties

#### Financial liabilities:

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

		2020	2019
	Notes	£	£
<b>Financial assets carried at amortised cost</b>			
Cash	10	3,740,603	397,141
Trade & other receivables	9	5,015,433	2,455,722
Amounts due from related parties	14	3,150,954	7,795,162
		<u>11,906,990</u>	<u>10,648,025</u>
		2020	2019
<b>Financial liabilities carried at amortised cost</b>		£	£
Trade and other payables	11	130,107	203,330
Amounts due to parent company	14	501,374	1,711,059
Amounts due to related parties	14	864,555	400,178
		<u>1,496,036</u>	<u>2,314,567</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 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>

	1 January 2019	Cash flows	Other	31 December 2019
	£	£	£	£
Non-current lease liabilities (Note 8)	8,906,088	(1,505,923)	978,685	8,378,850
Total liabilities from financing activities	<u>8,906,088</u>	<u>(1,505,923)</u>	<u>978,685</u>	<u>8,378,850</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 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 current year
30 GS GP LLP	2,901,587	38,263	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	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>		
<b>Parent Company</b>			
Qatari Diar Real Estate Investment Company	1,129,313	(501,374)	Provision of services and other recharges

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 2019 (Restated)	Balance at 31 December 2019 Receivable / (Payable) (As Restated)	Details of transaction
	£	£	
<b>Group undertakings</b>			
Qatari Diar Development (UK) Company	1,048,956	874,439	Provision of services and other recharges
Qatari Diar US Real Estate Company	267,804	61,178	Provision of services and other recharges
GPS Holdings S.a.r.l	204,208	108,472	Provision of services and other recharges
Chelsea Barracks (1-3) GP LLP	5,893,795	2,855,495	Provision of services and other recharges
Chelsea Barracks (4) GP LLP	1,630,843	491,199	Provision of services and other recharges
Chelsea Barracks (5) GP LLP	110,415	23,706	Provision of services and other recharges
Chelsea Barracks (6) GP LLP	128,742	-	Provision of services and other recharges
Qatari Diar UK Limited	2,783	2,402,598	Recharge in the year
30 GS GP LLP	3,352,869	766,800	Provision of services and other recharges
Tasleem (UK) Limited	-	144,419	No transactions in the year
Casinvest	2,134	2,134	Recharge in the year
CB Estates	300	300	Recharge in the year
Qatari Diar Hotel and Property Investment Montenegro	64,422	64,422	Recharge in the year
<b>Total amounts owed from group undertakings</b>	<b>-</b>	<b>7,795,162</b>	
16 GS GP LLP	(1,666,719)	(400,178)	Rent liability outstanding at the year end due to 16 GS less provision of services provided by QDE LLP
QDUK Holdings LP	39,000	-	Payment made on behalf of related party
<b>Total amounts owed to group undertakings</b>		<b>(400,178)</b>	
<b>Total transactions with group undertakings during the year</b>	<b>11,079,552</b>		

### Parent Company

Qatari Diar Real Estate Investment Company (as restated- see note 18)	4,369,610	(1,711,059)	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

	2020	2019
	£	£
Short-term employee benefits	3,544,439	2,684,063
Post-employment pension benefits	78,401	75,713
Long-term employee benefits	192,589	102,945
	<u>3,815,429</u>	<u>2,862,721</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 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>
31 December 2019 (as restated)	On Demand £	Less than 1 year £	1 to 5 years £	Total £
Trade payables	203,330	-	-	203,330
Amounts due to parent company	1,711,059	-	-	1,711,059
Amounts due to other related parties	400,178	-	-	400,178
	<u>2,314,567</u>	<u>-</u>	<u>-</u>	<u>2,314,567</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

Since the year end, the UK economy has continued to be significantly impacted by COVID-19 which has caused widespread disruption and economic uncertainty. Accordingly, the valuation of assets and liabilities at the balance sheet date have not been adjusted for the subsequent uncertainty caused by these ongoing events.

Qatari Diar Europe LLP's principal activity is to act as a market research and real estate development and investment advisor to related group entities. As construction works have continued on-site during the pandemic, there are sufficient sales forecasts and 3<sup>rd</sup> party funding has remained in place there is no indication that related parties will be unable to pay for Qatari Diar Europe LLP's services. The members believe that there is no material impact on the Partnership as a result of COVID 19.

### 18 Prior Year Restatement

During the preparation of the current year financial statements, it was noted that there were errors in the financial statements for both the year ended 31 December 2018 and 2019. These errors were as follows:

- a) The financial statements for year ended 31 December 2018 omitted intercompany recharges due to the ultimate parent entity for £134,443 which are now presented within amounts due to parent company and retained earnings.
- b) The financial statements for the year ended 31 December 2018 omitted unbilled development management fee revenue of £191,090 due from a related party which are now presented as accrued income within trade and other receivables and retained earnings in the Statement of Financial Position as at 1 January 2019.
- c) The financial statements for the year ended 31 December 2019 omitted unbilled development management fee revenue of £606,892 due from a related party now included within trade and other receivables.
- d) A reclassification has been made on comparative figure within the prior year column of the trade and other payables disclosure note to show deferred income of £418,184 separately from accrued expenses. This does not impact the underlying total trade and other payables balance presented in Statement of Financial Position for the year ended 31 December 2019.
- e) A reclassification has been made to the Statement of Comprehensive Income for the year ended 31 December 2019 to show interest expense of £978,685 separately from administrative expenses.
- f) A number of restatements have been made to the amount of transactions during the year ended 31 December 2019 disclosures in note 14 'Related party transactions' to exclude the effect of the settlement of receivables and payables from the transaction amounts.

The errors have been corrected and the prior year opening balances have been restated to reflect this. The impact of the restatement on the financial statements is summarised below:

## Notes to the financial statements (continued)

### 18 Prior Year Restatement (continued)

#### Statement of Financial Position

As at 1 January 2019

	As previously stated £	Adjustments £	As restated £
<b>Current liabilities</b>			
Amounts due to Parent Company	(2,483,830)	(134,443)	(2,618,273)
<b>Current assets</b>			
Trade and other receivables	282,253	191,090	473,343
<b>Net assets</b>	<b>1,565,186</b>	<b>56,647</b>	<b>1,621,833</b>
<b>Equity</b>			
Retained earnings	1,564,186	56,647	1,620,833

As at 31 December 2019

	As previously stated £	Adjustments £	As restated £
<b>Current assets</b>			
Trade and other receivables	2,006,158	797,982	2,804,140
<b>Current Liabilities</b>			
Amounts due to Parent Company	(1,576,616)	(134,443)	(1,711,059)
<b>Net assets</b>	<b>1,480,477</b>	<b>663,539</b>	<b>2,144,016</b>
<b>Equity</b>			
Retained earnings	1,479,477	663,539	2,143,016

#### Statement of Comprehensive Income

For the year ended 31 December 2019

	As previously stated £	Adjustments £	As restated £
Revenue	13,168,738	606,892	13,775,630
Administrative expenses	(1,790,060)	978,685	(811,375)
Interest expense	-	(978,685)	(978,685)
<b>Profit for the year</b>	<b>909,575</b>	<b>606,892</b>	<b>1,516,467</b>

## Notes to the financial statements (continued)

### 18 Prior Year Restatement (continued)

	For the year ended 31 December 2019		
<u>Statement of Cash Flow</u>	As previously stated	Adjustments	As restated
	£	£	£
<b>Cash flow from operating activities</b>			
Operating profit	909,575	606,892	1,516,467
Increase in trade and other receivables	1,723,905	606,892	2,330,797

### Note 14 Related party transactions

	<u>Amount of transaction during the year ended 31 December 2019</u>		
	As previously stated	Adjustments	As restated
	£	£	£
Total of amount of transactions with group undertakings	40,010,453	(28,930,901)	11,079,552
Total of amount of transactions with parent company	907,213	3,462,397	4,369,610