Registered No. 06031254

Teighmore Construction Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Registered No. 06031254

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Company information

Directors
Mr James Sellar
Mr Jon Dixon

Secretary
Mr Charles Mavor - Resigned 1 April 2022

Auditor
PricewaterhouseCoopers CI LLP
37 Esplanade
St Helier
Jersey
JE1 4XA

Registered Office
32 London Bridge Street
London
United Kingdom
SE1 9SG

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Strategic Report
for the year ended 31 December 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Results and dividends

The loss after tax for the year was £17,526 (2020 loss of £14,443). The directors do not recommend the payment of a dividend (2020 £Nil).

Principal activity and review of the business

The company's principal activity is to facilitate and procure both residual development and post completion works in The Shard and the News Building on behalf of fellow group undertakings, Teighmore Limited for The Shard and LBQ Six Limited for the News Building. The works in the year ended 31 December 2021 comprised minor residual works for The Shard and the News Building. Only minor works, if any, are expected for The Shard in the year ahead, 2022, together with, for LBQ Six Limited, repairs to London Bridge Street which is adjacent to the News Building. The company recharges procurement costs incurred to fellow group undertakings at a mark-up on cost of 1.5%.

Corporate restructure

The company's ultimate controlling party, the Qatar Central Bank ("QCB"), can claim sovereign immunity from taxation on any income and gains that it owns directly. To enable the QCB to benefit from this the Board of Shard Funding Limited (SFL"), the intermediate parent company as at the year end, has approved a plan to restructure its UK property holdings and developments into a UK Real Estate Investment Trust ("REIT") whereby all of SFL's UK interests would be distributed out of SFL into a newly incorporated entity also owned and controlled by QCB. The company will become a subsidiary of the REIT. Since the approval of this plan in 2019 it had been the intention of SFL to complete the restructure by December 2020. However due to Government enforced travel restrictions and wider disruption resulting from the Coronavirus pandemic, the planned restructure was initially deferred from 2020 to 2021. The timeline for the restructure was further deferred from 2021 to 2022 for the same reason. On 25 July 2022 the subsidiaries of SFL owning UK property assets were restructured into a REIT of which the company is now a subsidiary.

Principal risks and uncertainties

Coronavirus/Covid-19, an infectious disease which by early 2022 was estimated to have killed more than 5.5 million people worldwide, was declared by the World Health Organisation to be a global emergency in January 2020 and a pandemic in March 2020. In the UK the disease is reported to have killed more than 150,000 people by early 2022. The disease, and the measures taken to combat it, have had a very significant global social and economic impact including in the UK. The disease has been tackled, with some success, by a combination of restrictive social measures, new treatments, and vaccination programmes.

The global and national impact of restrictive measures was to reduce economic output by 10% or more and to significantly reduce the level of general economic activity. 2021 has seen some recovery in output and activity both globally and nationally. In the UK gross domestic product was back to pre-Pandemic levels by mid-2021 and is forecast to show real growth in 2022.

The global and national economic outlook at the start of 2022 is showing signs of stress including cost inflation, low unemployment and associated recruitment issues, wage inflation, and supply and supply chain difficulties. The disruption to supply chains has had a minor impact on the company, due to shortages of materials and workers, transport disruptions and price rises occurring at the same time as sharp spikes in demand, particularly for construction materials.

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Strategic Report

for the year ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

Supply chain disruptions were exacerbated during the latter part of 2021 as major shipping ports and manufacturing facilities affected by outbreaks of the Delta coronavirus variant, either closed or reduced capacity. This disruption has led to longer supplier delivery times for some businesses, particularly in the construction sector. The imbalance of strong demand and disrupted supply has led to rising prices and higher transport costs. The construction industry is particularly affected by rising materials costs.

These inflationary pressures are a global issue and have filtered through into rising consumer price inflation.

Going concern

At 31 December 2021 the company's balance sheet shows net assets and net current assets of £9.0 million (2020 £9.0 million), including cash of £0.2 million (2020 £0.3 million) which covers the current liabilities at the balance sheet date.

The directors regularly review the cash flow requirements of the company in respect of any contracted and prospective Shard works and, separately, News Building works. Shard works are contractually undertaken on behalf of, and reimbursed by, TL and News Building works are contractually undertaken on behalf of, and reimbursed by, LBQ6. All related expenditure is reimbursed to the company at a mark-up on cost of 1.5% by way of a procurement fee. The directors are aware that TL and LBQ6 regularly monitor their cashflow forecasts and, based on a review of the cash flow projections of these companies, they have concluded that there is sufficient surplus of funds to meet the company's obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

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Director's Report
for the year ended 31 December 2021

Incorporation

The company is incorporated in England and Wales.

Dividends

The directors do not recommend the payment of a dividend (2020 £Nil).

Directors' and their interests

The directors who held office during the year ended 31 December 2021 and up to the date of this report were as follows:

Mr James Sellar
Mr Jon Dixon

The directors do not hold any interests in the share capital of the company.

Directors' and officers' indemnity insurance

All directors are entitled to contractual indemnification from the company to the extent permitted by law against claims and legal expenses incurred in the course of their duties. Such qualifying third party indemnity insurance is provided and remains in force as at the date of approving the Directors' Report.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

PricewaterhouseCoopers CI LLP was formally appointed as auditor and have indicated their willingness to continue in office.

A resolution to reappoint PricewaterhouseCoopers CI LLP as the company's auditor will be proposed at the forthcoming Board Meeting.

By order of the Board

Mr Jon Dixon
Director
Date: 4/8/22

Registered No. 06031254

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

UK Companies Act 2006 requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that they have complied with the above requirements when preparing these financial statements.

By order of the Board

Mr Jon Dixon
Director
Date: 4/8/22

Independent auditors' report to the members of Teighmore Construction Limited

Report on the audit of the financial statements

Opinion

In our opinion, Teighmore Construction Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of income and retained earnings and cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to those that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- enquiring with the management of the company and the directors as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- checking the minutes of meetings of the board of directors for matters relevant to the audit;
- testing the disclosures made in the financial statements, as well as in the Strategic Report and Directors' Report, for compliance with the requirements of the Companies Act 2006;
- performing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing; and
- identifying and testing journal entries considered to be of higher fraud risk, and the evaluation of any business rationale for any significant or unusual transactions identified as being outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Ian K B Tait

Ian Tait (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey
4 August 2022

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Statement of income and retained earnings
for the year ended 31 December 2021

	Notes	*Year ended 31 December 2021 £000*	*Year ended 31 December 2020 £000*
Turnover	3	53	148
Cost of sales	3	(52)	(146)
Gross profit		1	2
Administrative expenses	3	(6)	(6)
Legal and professional fees	3	(4)	(2)
Management fees	3	(12)	(12)
Operating loss and loss before taxation		(21)	(18)
Tax credit on loss	7	4	4
Loss for the year		(17)	(14)
Retained earnings brought forward	13	8,953	8,967
Retained earnings carried forward	13	8,936	8,953

All amounts shown above relate to continuing activities.

The notes on pages 13 to 21 form part of these financial statements.

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Balance sheet
at 31 December 2021

	Notes	2021 £000	2020 £000
Current assets			
Debtors	9	8,720	8,712
Cash at bank and in hand	8,10	238	252
		8,958	8,964
Creditors: amounts falling due within one year	11	(22)	(11)
Net current assets		8,936	8,953
Net assets		8,936	8,953
Capital and reserves			
Called up share capital	12,13	-	-
Share premium account	13	-	-
Profit and loss account	13	8,936	8,953
Equity shareholder's funds		8,936	8,953

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:

Mr Jon Dixon
Director
Date: 4/8/22

The notes on pages 13 to 21 form part of these financial statements.

Cash flow statement
for the year ended 31 December 2021

	Notes	2021 £000	2020 £000
Net cash outflow from operating activities		(19)	(29)
Corporation tax refunded		5	-
Net decrease in cash		(14)	(29)
Cash at bank and in hand at the beginning of the year		252	281
Cash at bank and in hand at the end of the year	10	238	252

Reconciliation of loss for the year to net cash outflow from operating activities:

		2021 £000	2020 £000
Loss for the year		(17)	(14)
Add back tax credit on loss on ordinary activities	7	(4)	(4)
Increase in debtors		(8)	(12)
Decrease in VAT receivable		-	1
Increase in creditors		10	-
Net cash outflow from operating activities		(19)	(29)

The notes on pages 13 to 21 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2021

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all the years presented, unless otherwise stated. From the year ended 31 December 2015 the company adopted FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ["FRS 102"]. The preparation of financial statements in conformity with FRS 102 requires both the use of certain critical accounting estimates and the exercise of judgement by management. The areas of the financial statements involving a higher degree of judgement or where assumptions and estimates are significant is set out in note 2.

Basis of preparation

The financial statements of Teighmore Construction Limited were approved for issue by the Board of Directors.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Standards including FRS 102. The financial statements are presented in pounds (£) sterling, being the functional currency of the company, and have been rounded to the nearest thousand pounds, £000, unless otherwise stated.

Going concern

At 31 December 2021 the company's balance sheet shows net assets and net current assets of £9.0 million (2020 £9.0 million), including cash of £0.2 million (2020 £0.3 million) which covers the current liabilities at the balance sheet date.

The directors regularly review the cash flow requirements of the company in respect of any contracted and prospective Shard works and, separately, News Building works. Shard works are contractually undertaken on behalf of, and reimbursed by, TL and News Building works are contractually undertaken on behalf of, and reimbursed by, LBQ6. All related expenditure is reimbursed to the company at a mark-up on cost of 1.5% by way of a procurement fee. The directors are aware that TL and LBQ6 regularly monitor their cashflow forecasts and, based on a review of the cash flow projections of these companies, they have concluded that there is sufficient surplus of funds to meet the company's obligations as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

Turnover, cost of sales, and administrative expenses

Turnover, cost of sales, and administrative expenses are accounted for on an accruals basis and are net of recoverable value added tax. Administrative expenses are the costs of operating the company.

Cash at bank and in hand

Cash at bank and in hand comprises unencumbered cash balances and short-term deposits with an original maturity of three months or less.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

Financial Instruments

The company has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets include accrued income, amounts due from group undertakings and related parties and cash and bank balances. Basic financial liabilities include trade and other payables and accruals.

Basic financial assets and liabilities are initially recognised at transaction price and subsequently carried at amortised cost using the effective interest method. Financial assets and liabilities that are not financing transactions and do not have a stated interest rate and are classified as payable or receivable within one year are measured at an undiscounted amount and are not amortised.

Financial assets are subject to an impairment review at the end of each year and if there are indications that an asset is impaired, measured by the difference between the carrying amount and the present value of the estimated cash flows, the impairment loss is recognised in the statement of income and retained earnings (as is any subsequent partial or total reversal of previous losses).

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis and to realise the assets and settle the liability simultaneously.

Related parties

The company discloses transactions with related parties being entities where there is common ownership or a similar relationship.

Taxation

The tax for the year comprises current and, when applicable, deferred tax which is recognised in the statement of income and retained earnings. Current or deferred tax assets and liabilities are not discounted. Current tax is the amount of tax payable in respect of the taxable profit for the year or prior years calculated on the basis of tax rates and laws enacted or substantively enacted by the year end. Provisions are established where appropriate on the basis of amounts expected to be paid.

Deferred tax arises from timing differences between taxable profits and the profit and loss stated in the financial statements. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax even in the longer term, with the following exceptions. deferred tax assets are recognised only to the extent that the directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted; and deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

1. Accounting policies (continued)

Provisions

Provisions are recognised when the company has an obligation arising from past events which it is probable will require settlement by payment and which can be reliably measured. Provisions are measured at the present value of the expected expenditures required to settle the obligation and changes in the provision due to the passage of time are treated as a finance cost. Provision is not made for future operating losses.

Contingencies

Contingent liabilities arising from past events are not recognised if it is not probable that there will be a settlement payment or if such a payment cannot be reliably measured or if the existence of an obligation depends on uncertain future events not within the company's control. Contingent liabilities are disclosed unless the probability of a payment is remote. Contingent assets are not recognised and are only disclosed when a receipt of economic benefits is probable.

2. Judgements and estimation uncertainty

In the view of the directors, there are no areas of significant judgement or estimation uncertainty to be disclosed in these financial statements.

3. Turnover, cost of sales, and administrative expenses

Turnover, all of which arose in the United Kingdom, is receivable from two other group undertakings, Teighmore Limited ["TL"] and LBQ Six Limited ["LBQ6"] and represents the reimbursement of development and related costs procured by the company together with a management fee charged at a percentage of 1.5%. Cost of sales comprises development and related expenditure incurred by the company in fulfilment of its procurement agreements with TL and LBQ6. Administrative expenses are the costs of operating the company. Turnover, cost of sales, and administrative expenses are accounted for on an accruals basis and are net of recoverable value added tax.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

3. Turnover, cost of sales, and administrative expenses (continued)

	Year ended 31 December 2021 £000	*Year ended 31 December 2020 £000*
Turnover:		
Procurement services: Teighmore Limited	45	75
Procurement services: LBQ Six Limited	8	73
	53	148
Cost of sales:		
Procurement costs: Teighmore Limited	(44)	(74)
Procurement costs: LBQ Six Limited	(8)	(72)
	(52)	(146)
Gross profit:		
Procurement management fee: Teighmore Limited	1	1
Procurement management fee: LBQ Six Limited	-	1
	1	2
Administrative expenses	(6)	(6)
Legal and professional fees	(4)	(2)
Management fees	(12)	(12)
	(22)	(20)

4. Loss before taxation

The loss before taxation is stated after charging:

	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
- Audit services.		
• current year	6,240	5,935
• under provision in prior year	140	280
- Tax services not provided by the company's auditors:		
• current year	3,750	1,750
• under provision in prior year	113	-

Audit services comprise the audit of the financial statements of the company.

Notes to the financial statements
for the year ended 31 December 2021 (continued)

5. Directors' emoluments

The directors have received no remuneration in respect of their services to the company during the year (2020 £Nil).

6. Staff costs

The company had no employees during the year (2020 None).

7. Taxation

(a) Tax on loss

The tax credit is made up as follows:

	Year ended 31 December 2021 £000	*Year ended 31 December 2020 £000*
Current tax:		
- UK corporation tax at 19.0% of loss (2020 19.0%)	4	4
Total current tax credit	4	4

(b) Factors affecting current and future tax charges

The United Kingdom corporation tax rate was 19.0% in both 2020 and 2021. This rate will be effective until 31 March 2023 after which it will increase to 25% for companies with profits over £50,000.

The company's ultimate controlling party, the Qatar Central Bank, can claim sovereign immunity from taxation on any income and gains that it owns directly. In order to benefit from this the Board of Shard Funding Limited, the intermediate parent company as at the year end, has approved a plan to restructure the company into a subsidiary of a UK Real Estate Investment Trust ("REIT"). The planned restructure was initially deferred from 2020 to 2021 due to Government enforced travel restrictions and wider disruption resulting from the Coronavirus pandemic. The timeline for the restructure was further deferred from 2021 to 2022 for the same reason. On 25 July 2022 the subsidiaries of SFL owning UK property assets were restructured into a REIT of which the company is now a subsidiary.

Notes to the financial statements
for the year ended 31 December 2021 (continued)

8. Financial Instruments

Financial instruments, comprising basic financial assets and liabilities, are listed below:

	2021	*2020*
	£000	*£000*
Financial assets:		
Amounts due from group undertakings	6,827	6,819
Amounts due from related parties	1,885	1,885
	8,712	8,704
Cash at bank and in hand	238	252
Total financial assets	8,950	8,956
Financial liabilities:		
Accruals	10	10
VAT payable	11	-
Amounts due to related parties	1	1
Total financial liabilities	22	11

All debtors and creditors are classified as payable within one year and do not have a stated interest rate.

9. Debtors: amounts falling due within one year

	2021	*2020*
	£000	*£000*
Amounts due from group undertakings (i)	6,827	6,819
Amounts due from related parties (i)	1,885	1,885
Corporation tax	8	8
	8,720	8,712

(i) Amounts due from group undertakings and related parties are non-interest bearing and have no fixed repayment terms but are repayable on demand.

10. Cash at bank and in hand

	2021	*2020*
	£000	*£000*
Cash at bank and in hand	238	252

Notes to the financial statements

for the year ended 31 December 2021 (continued)

11. Creditors: amounts falling due within one year

	2021	*2020*
	£000	*£000*
Accruals	10	10
VAT payable	11	-
Amounts due to related parties (i)	1	1
	22	11

(i) Amounts due to related parties are non-interest bearing and have no fixed repayment terms.

12. Share capital

	2021	*2020*
	£	*£*
Authorised, allotted, called up and fully paid		
Ordinary voting shares of £1 each	1	1

13. Reconciliation of movements in shareholder's funds

	Share capital	*Share premium*	*Profit and loss account*	*Total equity shareholder's funds*
	£000	*£000*	*£000*	*£000*
At 31 December 2019	-	-	8,967	8,967
Loss for the year	-	-	(14)	(14)
At 31 December 2020	-	-	8,953	8,953
Loss for the year	-	-	(17)	(17)
At 31 December 2021	-	-	8,936	8,936

At 31 December 2021 and 2020 share capital comprises one £1 share (note 12) and share premium comprises £2.

Notes to the financial statements
for the year ended 31 December 2021 (continued)

14. Related parties

		Fees (charged) / credited in year 2021 £000	*Fees (charged) / credited in year 2020 £000*	*Amounts due (to) / from at 31 December 2021 £000*	*Amounts due (to) / from at 31 December 2020 £000*
Teighmore Limited	(i)	45	75	6,827	6,819
LBQ Six Limited	(ii)	8	73	1,885	1,885
Qatar National Bank SAQ	(iii)	-	-	238	252
Real Estate Management (UK) Limited	(iv)	(12)	(12)	(1)	(1)
St Thomas Street Development Limited	(v)	52	52	-	-
Vesta PC Limited	(vi)	1	-	-	-

(i) Teighmore Limited ("TL") is a fellow subsidiary of the company in the LBQ group and thereby is a related party by virtue of common ownership. TL has contracted with the company to provide procurement services at The Shard for residual and other development works at cost plus a management fee at 1.5% of costs.

(ii) LBQ Six Limited ("LBQ6") is a related party by virtue of common ownership. LBQ6 has contracted with the company to provide procurement services at the News Building for residual and other development works at cost plus a management fee at 1.5% of costs.

(iii) Qatar National Bank SAQ ("QNB") is a related party by virtue of common ownership and is the company's bank.

(iv) Real Estate Management (UK) Limited ("REM") is a related party by virtue of common majority ownership. REM charges monthly fees for managing the company's corporate administration.

(v) St Thomas Street Development Limited ("STSD") is a related party by virtue of common majority ownership. Certain insurance cover is arranged by the company for STSD and recharged at cost.

(vi) Vesta PC Limited ("VPC") is a related party by virtue of common majority ownership. Certain insurance cover is arranged by the company for VPC and recharged at cost.

(vii) No family members of the Directors are employed, provide, or receive any services to/from the company and there is no commercial interaction, relationship or association between director's family members and the company.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

15. Parent undertaking and ultimate controlling party

The company's immediate parent undertaking is LBQ Two Limited, a company incorporated in Jersey, whose registered address is 1st Floor, Liberation House, Castle Street, St Helier, Jersey, JE1 1GL.

The smallest group for which consolidated financial statements have been prepared, which include results of this company, is LBQ Limited, a company incorporated in Jersey. As at the year end, the largest group for which consolidated financial statements have been prepared, which include results of this company, is Shard Funding Limited, a company incorporated in Jersey. Financial statements of LBQ Limited and Shard Funding Limited are not available to the public. In the opinion of the directors, at the date of approval of the financial statements, the ultimate controlling party is the Qatar Central Bank ("QCB"). The QCB is ultimately owned by the State of Qatar.

16. Company details

Teighmore Construction Limited is a private company, limited by share capital, incorporated and domiciled in England and Wales under the registration number 06031254. The registered address of the company is 32 London Bridge Street, London, SE1 9SG. The company's principal activity is the procurement of development services on behalf of two fellow group undertakings in connection with development works at The Shard and the News Building in Shard Quarter (formerly London Bridge Quarter).

17. Post balance sheet event

On 25 July 2022 the subsidiaries of Shard Funding Limited owning UK property assets were restructured into a UK Real Estate Investment Trust ("REIT") of which the company is now a subsidiary. As of this date the intermediate parent company changed from SFL to Redprop Holdings Limited. The Qatar Central Bank remains the company's ultimate shareholder and controlling party.