

BRAEBURN ESTATES (GP) LIMITED

Registered number: 7698559

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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BRAEBURN ESTATES (GP) LIMITED

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BRAEBURN ESTATES (GP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015

In preparing this report, the directors have taken advantage of the small companies exemptions

PRINCIPAL ACTIVITY

The company acts as the General Partner of Braeburn Estates Limited Partnership

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £7,748 (2014 - profit £NIL)

No dividends were paid or proposed

DIRECTORS

The directors who served during the year were

A P Anderson II
K M E Al-Sayed
Sheikh J H Al-Thani
R D S Archer
Sir George Iacobescu CBE
A J S Jordan (appointed 9 December 2015)
G A Pagano (resigned 27 November 2015)
M A Patrizio (resigned 30 January 2015)
S Pettit (resigned 3 February 2016)
F L Toscano (appointed 30 January 2015)

J M Holmes was appointed as an alternate director to J H Al-Thani on 26 November 2015 and as a director on 9 February 2016, subsequent to the year end

The company provides an indemnity to all directors (to the extent permitted by law) in respect of liabilities incurred as a result of their office. The company also has in place liability insurance covering the directors and officers of the company. Both the indemnity and insurance were in force during the year ended 31 December 2015 and at the time of the approval of this Directors' Report. Neither the indemnity nor the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

This report was approved by the board on 4 May 2016 and signed on its behalf



J R Garwood
Secretary

BRAEBURN ESTATES (GP) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards. Under company law the directors must not approve the financial statements unless 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 judgments and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRAEBURN ESTATES (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAEBURN ESTATES (GP) LIMITED

We have audited the financial statements of Braeburn Estates (GP) Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRS as adopted in the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

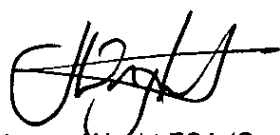
BRAEBURN ESTATES (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAEBURN ESTATES (GP) LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 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
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report



James Wright FCA (Senior Statutory Auditor)
for and on behalf of
Deloitte LLP
Chartered Accountant and Statutory Auditor
London, UK

4 May 2016

BRAEBURN ESTATES (GP) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Income from fixed assets investments		(9,449)	-
(Loss)/profit before tax		(9,449)	-
Tax on (loss)/profit	5	1,701	-
(Loss)/profit for the year		(7,748)	-
Other comprehensive income for the year			
Unrealised surplus on revaluation of fixed asset investments		36,990	-
Deferred tax on revaluation of fixed asset investments		(6,658)	-
Other comprehensive income for the year		30,332	-
Total comprehensive income for the year		22,584	-

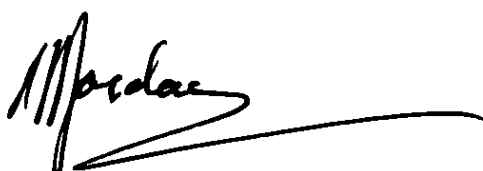
The notes on pages 9 to 15 form part of these financial statements

BRAEBURN ESTATES (GP) LIMITED
REGISTERED NUMBER:7698559

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Non current assets			
Investments	6	27,541	-
		<u>27,541</u>	<u>-</u>
Current assets			
Trade and other receivables	7	90	92
		<u>90</u>	<u>92</u>
Total assets		<u>27,631</u>	<u>92</u>
Non current liabilities			
Deferred tax	9	(4,955)	-
Total liabilities		<u>(4,955)</u>	<u>-</u>
Net assets		<u>22,676</u>	<u>92</u>
Equity			
Called up share capital	10	100	100
Revaluation reserve		30,332	-
Retained earnings		(7,756)	(8)
		<u>22,676</u>	<u>92</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 May 2016


A J S Jordan
 Director


J M Holmes
 Director

The notes on pages 9 to 15 form part of these financial statements

BRAEBURN ESTATES (GP) LIMITED
REGISTERED NUMBER:7698559

STATEMENT OF FINANCIAL POSITION
AT THE DATE OF TRANSITION

	2013 £
Current assets	
Trade and other receivables	<u>92</u>
Total assets	<u>92</u>
Net assets	<u><u>92</u></u>
Equity	
Called up share capital	100
Retained earnings	(8)
	<u><u>92</u></u>

The notes on pages 9 to 15 form part of these financial statements

BRAEBURN ESTATES (GP) LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2015	100	-	(8)	92
Comprehensive income for the year				
Loss for the year	-	-	(7,748)	(7,748)
Revaluation of investment	-	30,332	-	30,332
Other comprehensive income for the year	-	30,332	-	30,332
Total comprehensive income for the year	-	30,332	(7,748)	22,584
At 31 December 2015	100	30,332	(7,756)	22,676

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2014	100	(8)	92
Total comprehensive income for the year	-	-	-
At 31 December 2014	100	(8)	92

The notes on pages 9 to 15 form part of these financial statements

BRAEBURN ESTATES (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 General information

Braeburn Estates (GP) Limited is an English Limited Company registered at One Canada Square, Canary Wharf, London, E14 5AB

The nature of the company's operations and its principal activities are set out in the Directors' Report

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee interpretations as adopted by the EU

At the date of authorisation of these financial statements the following standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective

IFRS 9 Financial Instruments, and
IFRS 15 Revenue from contracts with customers
IFRS 16 Leases,
IAS 16 and IAS 38 (amendments) Clarification of acceptable methods of depreciation and amortisation,
IAS 16 and IAS 41 (amendments) Agriculture bearer plants,
IAS 19 (amendments) Defined benefit plans employee contributions,
IAS 27 (amendments) Equity method in separate financial statements,
IFRS 10 and IAS 28 (amendments) Sale or contribution of assets between an investor and its associate or joint venture,
IFRS 11 (amendments) Accounting for acquisitions of interests in joint operations, and
Annual improvements to IFRSs 2012–2014, and Amendments to
IFRS 5 – Non-current assets held for sale and discontinued operations,
IFRS 7 – Financial instruments disclosures,
IAS 19 – Employee benefits, and
IAS 34 – Interim financial reporting

The directors anticipate that the adoption of these standards in future periods will not have a material impact on the financial statements of the company

These financial statements have been prepared under International Financial Reporting Standards
The financial statements for the year ended 31 December 2014 were prepared under UK GAAP

The adoption of IFRS has resulted in no material adjustments to the accounting policies used by the company

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Partnership's accounting policies (see Note 2)

The principal accounting policies are summarised below

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.3 Going concern

At the year end, the company is in a net asset position

Having made the requisite enquiries and assessed the resources at the disposal of the company, the directors have a reasonable expectation that the company will have adequate resources to continue its operation for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements

1.4 Cash flow statement

The company had no cash flows during the year or the prior year and has accordingly not produced a Cash Flow Statement

1.5 Investments

Investments in partnerships and unit trusts are stated at fair value, with changes recognised in other comprehensive income unless the carrying amount of the investment falls below its original cost, after which the deficit is recognised in the income statement

Income from investments is recognised as the company becomes entitled to receive payment. Revenue profits and losses in partnerships are recognised on an accruals basis

1.6 Financial instruments

Trade and other receivables

Debtors are recognised initially at fair value. A provision for impairment is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtor concerned

1.7 Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in financial statements

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expenses or income

BRAEBURN ESTATES (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Valuation of investments

Investments in partnerships are carried at fair value. The directors have valued the investment at the company's share of the partnership's net asset value.

3. AUDITOR'S REMUNERATION

The auditor's remuneration of £555 (2014 -£550) for the audit of the company has been borne by Braeburn Estates Limited Partnership.

4. EMPLOYEES

The company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

BRAEBURN ESTATES (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

5 TAXATION

	2015 £	2014 £
Deferred tax		
Origination and reversal of timing differences	(1,701)	-
Taxation on (loss)/profit on ordinary activities	<u>(1,701)</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The difference are explained below

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	<u>(9,449)</u>	<u>-</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	(1,913)	-
Effects of:		
Change in the tax rate applied to deferred tax	<u>212</u>	<u>-</u>
Total tax charge for the year	<u>(1,701)</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The tax rate of 20.25% has been calculated by reference to the current corporation tax rate of 20% which was in effect for the final three quarters of the year and the previous rate of 21% which was in effect for the first quarter of the year

BRAEBURN ESTATES (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

6. FIXED ASSET INVESTMENTS

	Investments in partnerships £
Cost or valuation	
At 1 January 2015	10
Revaluations	36,990
At 31 December 2015	<u>37,000</u>
Share of loss	
At 1 January 2015	10
Charge for the period	9,449
At 31 December 2015	<u>9,459</u>
At 31 December 2015	<u>27,541</u>
At 31 December 2014	<u>-</u>

As a general partner, the company has contributed £10 of the capital of the Braeburn Estates Limited Partnership, an English Limited Partnership. This equates to 0.1% of the Partnership capital. The Partnership was established to redevelop a 5.25 acre site at Southbank Place, London.

7. DEBTORS

	2015 £	2014 £
Amounts owed by Braeburn Estates Limited Partnership	90	90
Deferred taxation	-	2
	<u>90</u>	<u>92</u>

Amounts owed by Braeburn Estates Limited Partnership are interest free and repayable on demand.

BRAEBURN ESTATES (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

8. FINANCIAL INSTRUMENTS

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	90	90
	<u>90</u>	<u>90</u>

Financial assets measured at amortised cost comprise trade and other receivables

9. DEFERRED TAXATION

	Deferred tax £
At 1 January 2015	2
Charged to the profit or loss	1,701
Charged to other comprehensive income	(6,658)
At 31 December 2015	<u><u>(4,955)</u></u>

The deferred taxation balance is made up as follows

	2015 £	2014 £
Tax losses carried forward	1,703	2
Revaluation of investments	(6,658)	-
	<u>(4,955)</u>	<u>2</u>

10. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
25 A ordinary shares of £1 each	25	25
25 B ordinary shares of £1 each	25	25
25 C ordinary shares of £1 each	25	25
25 D ordinary shares of £1 each	25	25
	<u>100</u>	<u>100</u>

All classes of share rank pari passu in all respects

BRAEBURN ESTATES (GP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. CONTROLLING PARTY

In 2011, entities owned by Canary Wharf Group plc and Qatari Diar Real Estate Investment Company ('Qatari Diar') entered into a 50/50 joint venture to redevelop the Shell Centre, a 5.25 acre site on the South Bank in London.

The company is 50% owned by Canary Wharf Developments Limited, a wholly owned subsidiary of Canary Wharf Group plc, and 50% owned by Project Russett (Holdings Company) Limited, a wholly owned subsidiary of Qatari Diar.

BRAEBURN ESTATES LIMITED PARTNERSHIP
Registered Number: LP14539

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No 7698559.....

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BRAEBURN ESTATES LIMITED PARTNERSHIP

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BRAEBURN ESTATES LIMITED PARTNERSHIP

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Braeburn Estates Limited Partnership was registered as an English limited partnership on 13 July 2011 and comprises one General Partner and two Limited Partners. The General Partner is incorporated in England and Wales. The Limited Partners are incorporated in Jersey.

The Amended and Restated Limited Partnership Deed dated 28 July 2011 requires that the General Partner prepares financial statements for each financial period. In preparing these financial statements, the General Partner is 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Partnership will continue in existence.

The General Partner is also responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Partnership.

The General Partner is responsible for ensuring that the Partnership has complied at all times with its obligations under the Agreement and has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Partnership and to prevent and detect fraud, errors and other irregularities.

These financial statements have been prepared under Regulation 7 of the Partnerships (Accounts) Regulations 2008.

BRAEBURN ESTATES LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF BRAEBURN ESTATES LIMITED PARTNERSHIP

We have audited the non-statutory financial statements of Braeburn Estates Limited Partnership ("the Partnership") for the year ended 31 December 2015 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Partnership Statement of Comprehensive Income, Partnership Statement of Financial Position, Partnership Statement of Changes in Equity, Partnership Cash Flow Statement and the related Notes 1 to 14 and (a) to (n). The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards ('IFRS') as adopted in the European Union.

This report is made solely for the exclusive use of the Partners, as a body, and solely for the purpose of reporting to the company's Partners those matters we are required to state to them in an auditor's report. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without prior written express consent. We accept no duty, responsibility or liability to any other party in connection with the report or this engagement.

Respective responsibilities of the General Partner and auditor

As explained more fully in the Statement of General Partner's Responsibilities, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the General Partner, and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

BRAEBURN ESTATES LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF BRAEBURN ESTATES LIMITED PARTNERSHIP

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the group's and of the Partnership's affairs as at 31 December 2015 and of the group's and the Partnership's loss for the year then ended,
- have been properly prepared in accordance with IFRS as adopted in the European Union, and
- have been properly prepared in accordance with the Limited Partnership Deed



Deloitte LLP
Chartered Accountants
London, UK
4 May 2016

BRAEBURN ESTATES LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Revenue	3	92,882,160	15,000
Cost of sales		(92,853,415)	-
Gross profit		<u>28,745</u>	<u>15,000</u>
Administrative expenses		(3,644,724)	(4,712,569)
Operating loss	4	<u>(3,615,979)</u>	<u>(4,697,569)</u>
Finance and similar income	5	30,125	52,593
Finance and similar charges	6	(400)	(345)
Loss on ordinary activities before tax		<u>(3,586,254)</u>	<u>(4,645,321)</u>
Taxation	7	(2,740)	-
Loss for the year		<u>(3,588,994)</u>	<u>(4,645,321)</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(3,588,994)</u>	<u>(4,645,321)</u>

All amounts relate to continuing activities in the United Kingdom

The Notes on pages 8 to 17 form an integral part of these financial statements

BRAEBURN ESTATES LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	31 December 2015 £	31 December 2014 £	31 December 2013 £
Current assets				
Work in progress	8	348,107,575	110,046,279	57,789,597
Trade and other receivables	9	14,565,000	11,953,664	10,754,419
Cash and cash equivalents		26,341,362	9,317,485	14,676,746
Total assets		389,013,937	131,317,428	83,220,762
Current liabilities				
Trade and other payables	10	(14,436,517)	(2,923,411)	(2,981,424)
Total current liabilities		(14,436,517)	(2,923,411)	(2,981,424)
Non current liabilities				
Residential deposits	11	(16,906,651)	-	-
Payments on account	12	(92,716,833)	-	-
Total non current liabilities		(109,623,484)	-	-
Total liabilities		(124,060,001)	(2,923,411)	(2,981,424)
Net assets		264,953,936	128,394,017	80,239,338
Equity				
Capital accounts	14	10,000	10,000	10,000
Partner advances	14	274,448,913	134,300,000	81,500,000
Partners' current accounts	14	(9,504,977)	(5,915,983)	(1,270,662)
		264,953,936	128,394,017	80,239,338

The Notes on pages 8 to 17 form an integral part of these financial statements

Approved by the partners on 4 May 2016 and signed on their behalf by


A J S Jordan
DIRECTOR


J M Holmes
DIRECTOR

On behalf of Braeburn Estates (GP) Limited

BRAEBURN ESTATES LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2015

	Capital Accounts £	Partner advances £	Current accounts £	Total equity £
At 1 January 2014	10,000	81,500,000	(1,270,662)	80,239,338
Loss for the year	-	-	(4,645,321)	(4,645,321)
Total comprehensive income	-	-	(4,645,321)	(4,645,321)
Capital contributions	-	52,800,000	-	52,800,000
Other reserve movements	-	52,800,000	-	52,800,000
At 31 December 2014	<u>10,000</u>	<u>134,300,000</u>	<u>(5,915,983)</u>	<u>128,394,017</u>
Loss for the year	-	-	(3,588,994)	(3,588,994)
Total comprehensive income	-	-	(3,588,994)	(3,588,994)
Capital contributions	-	140,148,913	-	140,148,913
Other reserve movements	-	140,148,913	-	140,148,913
At 31 December 2015	<u>10,000</u>	<u>274,448,913</u>	<u>(9,504,977)</u>	<u>264,953,936</u>

The Notes on pages 8 to 17 form an integral part of these financial statements

BRAEBURN ESTATES LIMITED PARTNERSHIP

CONSOLIDATED CASH FLOW STATEMENT

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
	£	£
Operating loss	(3,615,979)	(4,697,569)
Increase in work in progress	(238,061,296)	(52,256,682)
Increase in receivables	(2,611,336)	(1,199,245)
Increase/(decrease) in payables	121,136,590	(58,013)
Tax charge	(2,740)	-
Net cash flows from operating activities	(123,154,761)	(58,211,509)
Cash flows from investing activities		
Interest received	30,125	52,593
Interest paid	(400)	(345)
Net cash flows from investing activities	29,725	52,248
Cash flows from financing activities		
Partner advances	140,148,913	52,800,000
Net cash flows from financing activities	140,148,913	52,800,000
Net movements in cash and cash equivalents	17,023,877	(5,359,261)
Cash and cash equivalents at the start of the year	9,317,485	14,676,746
Cash and cash equivalents at the end of the year	26,341,362	9,317,485

The Notes on pages 8 to 17 form an integral part of these financial statements

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES

General information

Braeburn Estates Limited Partnership is an English Limited Partnership registered at One Canada Square, Canary Wharf, London E14 5AB

In July 2011, entities owned by Canary Wharf Group plc and Qatari Diar Real Estate Investment Company ('Qatari Diar') formed the Partnership to redevelop the Shell Centre, a 5.25 acre site on the South Bank in London

The Partnership agreed to pay £300.0m to secure the site on a 999 year lease. Of this total, £30.0m was paid on exchange of the agreement with Shell and the balance was conditional on planning permission being received. The Partnership acquired the site in July 2015, following the successful conclusion of the planning process.

The development will be mixed use, comprising office, residential and retail space, which will regenerate an important section of the South Bank in central London. The existing 27 storey tower in the middle of the Shell Centre will be preserved and retained by Shell for their use. Shell also agreed to take a 282,537 sq ft prelet of the entirety of one of the two new office buildings to be constructed on the site. In total, the redevelopment will comprise 523,000 sq ft of office space, 79,000 sq ft of retail, restaurants, cafes and a health club, and 835,000 sq ft of residential, creating 877 apartments.

The two office buildings have been presold to Almacantar, of which 2 Southbank Place was pre-leased by Shell. One of the residential buildings has been partly presold to an investment fund with the affordable housing element to be sold to a registered social landlord or similar and the retail element to be retained by the joint venture. The remainder of the buildings will have apartments for private sale and are being developed by entities controlled by the Partnership. Sales of apartments at the first two residential buildings commenced in September 2015. One York Square comprises 207 units and Belvedere Gardens 97 apartments. A third building, 30 Casson Square, comprising 164 apartments, launched in March 2016.

Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee interpretations as adopted by the European Union ('IFRS')

At the date of authorisation of these financial statements the following standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective:

IFRS 9 Financial Instruments, and
IFRS 15 Revenue from contracts with customers
IFRS 16 Leases,
IAS 16 and IAS 38 (amendments) Clarification of acceptable methods of depreciation and amortisation,
IAS 16 and IAS 41 (amendments) Agriculture bearer plants,

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

IAS 19 (amendments) Defined benefit plans employee contributions,
IAS 27 (amendments) Equity method in separate financial statements,
IFRS 10 and IAS 28 (amendments) Sale or contribution of assets between an investor and its associate or joint venture,
IFRS 11 (amendments) Accounting for acquisitions of interests in joint operations, and
Annual improvements to IFRSs 2012–2014, and Amendments to
IFRS 5 – Non-current assets held for sale and discontinued operations,
IFRS 7 – Financial instruments disclosures,
IAS 19 – Employee benefits, and
IAS 34 – Interim financial reporting

Management anticipate that the adoption of these standards in future periods will not have a material impact on the financial statements of the company

The financial statements for the year ended 31 December 2014 were prepared under UK GAAP. The adoption of IFRS for the 2015 financial statements has resulted in no material adjustments to the accounting policies used by the company

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Partnership's accounting policies (see Note 2)

The principal accounting policies are summarised below

Going Concern

The Partnership is in a net asset position at the year end

Having made the requisite enquiries and assessed the resources at the disposal of the Partnership, the Partners have a reasonable expectation that the Partnership will have adequate resources to continue its operation for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements

Basis for consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiary undertakings at 31 December 2015 and 31 December 2014 and their results for the years then ended

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Revenue

Rental income from operating leases is recognised in the Income Statement on a straight-line basis over the term of the lease

Revenue from property sales is recognised, net of VAT, on completion, when the significant risks and returns pass to the acquirer

Revenue from construction contracts is recognised in accordance with the accounting policy on construction contracts

Interest receivable and interest payable

Interest receivable and payable are recognised on an accruals basis in the period in which they fall due

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost includes construction costs and development expenditure directly related to the development. Net realisable value is calculated as the amount estimated to be recovered from the development once development work has been completed, less costs to complete.

Construction contracts

Construction contracts consist of properties that are being constructed in accordance with long term development contracts and for which the detailed design specification of each building is agreed with the purchaser. Where applicable the contracts are split into 3 component parts: sale of land, completed construction works at the date of entering into the contracts, and on-going construction contracts.

Revenue on sale of land and completed construction works is recognised at the point that the significant risks and rewards are transferred to the buyer.

Revenue on construction contracts is recognised according to the stage reached in the contract using the percentage completion method. The percentage of completion is calculated by reference to costs incurred on the building compared with the estimated total costs. The gross amount due comprises costs incurred plus recognised profits less the sum of recognised losses and progress billings. Where the sum of recognised losses and progress billings exceeds costs incurred plus recognised profits, the amount is shown as payments on account.

If it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised immediately as an expense.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Financial Instruments

(i) Trade and other receivables

Debtors are recognised initially at fair value. A provision for impairment is established where there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of the debtor concerned.

(ii) Trade and other payables

Trade and other payables are stated at cost.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

2. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Construction contracts

Revenue on construction contracts is recognised according to the stage reached in the contract using the percentage completion method. The directors estimate the outcome of each contract on an individual basis on the proportion of costs incurred compared with the estimated total costs at each balance sheet date.

Work in progress

The Partnership uses valuations performed by independent valuers in determining the net realisable value of the Partnership's work in progress. At the year end the net realisable value exceeded the historical cost.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3. REVENUE

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Sale of property	92,853,415	-
Rental income	28,745	15,000
	<u>92,882,160</u>	<u>15,000</u>

4. OPERATING LOSS

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Operating loss is stated after charging		
Remuneration of the auditor		
Audit fees for the audit of the Partnership	3,233	3,200
Audit of subsidiaries	5,550	4,400
Fees to the auditor for other services	555	550
Total audit fees	<u>9,338</u>	<u>8,150</u>

No staff were employed by the Partnership during the year or the prior year

5. FINANCE AND SIMILAR INCOME

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Bank interest receivable	30,125	52,593
	<u>30,125</u>	<u>52,593</u>

6. FINANCE AND SIMILAR CHARGES

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Bank charges	400	345
	<u>400</u>	<u>345</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

7. TAXATION

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Corporation tax		
Current tax on profits for the year	2,740	-
Taxation on profits on ordinary activities	<u>2,740</u>	<u>-</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 20 25% (2014 21 5%) The differences are explained below

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Loss on ordinary activities before tax	<u>(3,586,254)</u>	<u>(4,645,321)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20 25% (2014 - 21 5%)	(726,216)	(998,744)
Effects of:		
Loss taxed in the accounts of the Partners	728,956	998,744
Taxation on profits on ordinary activities	<u>2,740</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The tax rate of 20 25% has been calculated by reference to the current corporation tax rate of 20% which was in effect for the final three quarters of the year and the previous rate of 21% which was in effect for the first quarter of the year

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

8. WORK IN PROGRESS

	31 December 2015 £	31 December 2014 £
At 1 January	110,046,279	57,789,597
Additions	91,317,427	52,256,682
Acquisition of long lease interests	270,000,000	-
Transferred from prepayments	10,000,000	-
Transferred to cost of sales	(92,853,415)	-
Transferred to payments on account	(40,402,716)	-
At 31 December	<u>348,107,575</u>	<u>110,046,279</u>

In July 2015, the Partnership acquired the 999 year leasehold interest at the development site at Southbank Place, London

The costs associated with the two office buildings, which have been presold to Almacantar, have been transferred to payments on account

9. TRADE AND OTHER RECEIVABLES

	31 December 2015 £	31 December 2014 £
Amounts owed by Braeburn Estates Developments (1) Limited	-	507,113
Amounts owed by Braeburn Estates Developments (Infrastructure) Limited	1,818,993	1,155,294
Amounts owed by Braeburn Estates Developments Management Limited	2,633,212	-
Other debtors	60,095	70,903
Deferred loan fees	7,775,916	-
Prepayments and accrued income	2,276,784	10,220,354
	<u>14,565,000</u>	<u>11,953,664</u>

At 31 December 2014, prepayments and accrued income included a £10,000,000 refundable deposit relating to the grant of a long leasehold interest in the Shell Centre site. The balance was paid upon the award of planning permission.

Amounts owed by associated undertakings are interest free and repayable on demand.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10. TRADE AND OTHER PAYABLES

	31 December 2015 £	31 December 2014 £
Trade payables	5,843,705	17,170
Amounts owed to Braeburn Estates Developments (1) Limited	2,474,223	-
Amounts owed to Braeburn Estates Developments (2) Limited	2,877,395	-
Amounts owed to Braeburn Estates (GP) Limited	90	90
Amounts owed to Canary Wharf Limited	12,811	4,629
Corporation tax	2,740	-
Other tax payables	14,288	-
Other payables	326,676	-
Accruals and deferred income	2,884,589	2,901,522
	<u>14,436,517</u>	<u>2,923,411</u>

Amounts owed to associated undertakings are interest free and repayable on demand

11. RESIDENTIAL DEPOSITS

	31 December 2015 £	31 December 2014 £
Deposits received	<u>16,906,651</u>	<u>-</u>

Deposits for residential sales comprise reservation fees and deposits for the purchase of apartments, net of related agents' fees

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

12. PAYMENTS ON ACCOUNT

	31 December 2015 £	31 December 2014 £
Amounts received from construction contracts	110,996,345	-
Less Costs transferred from work in progress	(40,402,716)	-
Payments on account Construction contracts	70,593,629	-
Payments on account Agreements for sale	22,123,204	-
	<u>92,716,833</u>	<u>-</u>

The Partnership has entered into forward sale agreements with Almacantar for two office properties within the Shell Centre redevelopment. The aggregate consideration for the completed buildings will be £550.0m and the Partnership will undertake the development on behalf of the purchaser.

The Partnership has also entered into an agreement to sell the private rental component of one of the residential buildings it is developing to a third party purchaser upon completion of the development.

13. FINANCIAL INSTRUMENTS

	31 December 2015 £	31 December 2014 £
Financial assets		
Trade and other receivables	14,565,000	11,953,664
Cash and cash equivalents	26,341,362	9,317,485
Financial assets measured at amortised cost	<u>40,906,362</u>	<u>21,271,149</u>
Financial liabilities		
Trade and other payables	14,436,517	2,923,411
Residential deposits	16,906,651	-
Payments on account	92,716,833	-
Financial liabilities measured at amortised cost	<u>124,060,001</u>	<u>2,923,411</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

14. EQUITY

	%	Capital Account £	Partner Advances £	Current Account £	Total Equity £
Braeburn Estates (GP) Limited	0 100	10	-	(9,505)	(9,495)
Class A Canary Wharf (PB) Unit Trust	24 975	2,498	68,612,228	(2,373,868)	66,240,858
Class B Canary Wharf (PB) Unit Trust	24 975	2,497	68,612,228	(2,373,868)	66,240,857
Class C Project Russet Property Unit Trust	24 975	2,498	68,612,228	(2,373,868)	66,240,858
Class D Project Russet Property Unit Trust	24 975	2,497	68,612,229	(2,373,868)	66,240,858
		<u>10,000</u>	<u>274,448,913</u>	<u>(9,504,977)</u>	<u>264,953,936</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Revenue	(c)	339,784,153	15,000
Cost of sales		(339,755,408)	-
Gross profit		<u>28,745</u>	<u>15,000</u>
Administrative expenses		(3,462,960)	(4,709,877)
Income from investments		(141,516)	-
Operating loss	(d)	<u>(3,575,731)</u>	<u>(4,694,877)</u>
Finance and similar income	(e)	30,078	52,593
Finance and similar charges	(f)	(400)	(345)
Loss on ordinary activities before tax		<u>(3,546,053)</u>	<u>(4,642,629)</u>
Taxation	(g)	-	-
Loss for the year		<u>(3,546,053)</u>	<u>(4,642,629)</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(3,546,053)</u>	<u>(4,642,629)</u>

All amounts relate to continuing activities in the United Kingdom

The Notes on pages 22 to 31 form an integral part of these financial statements

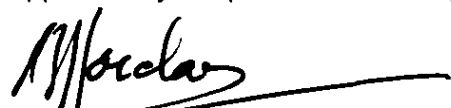
BRAEBURN ESTATES LIMITED PARTNERSHIP

PARTNERSHIP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	31 December 2015 £	31 December 2014 £	31 December 2013 £
Non current assets				
Investments	(h)	36,849,049	523	-
Total non current assets		<u>36,849,049</u>	<u>523</u>	<u>-</u>
Current assets				
Work in progress	(i)	-	109,294,380	57,789,597
Trade and other receivables	(j)	341,514,309	12,475,267	10,754,419
Cash and cash equivalents		3,535,162	9,317,485	14,676,746
Total current assets		<u>345,049,471</u>	<u>131,087,132</u>	<u>83,220,762</u>
Total assets		<u>381,898,520</u>	<u>131,087,132</u>	<u>83,220,762</u>
Current liabilities				
Trade and other payables	(k)	(9,315,279)	(2,690,946)	(2,981,424)
Total current liabilities		<u>(9,315,279)</u>	<u>(2,690,946)</u>	<u>(2,981,424)</u>
Non current liabilities				
Payments on account	(l)	(70,593,630)	-	-
Total non current liabilities		<u>(70,593,630)</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>(79,908,909)</u>	<u>(2,690,946)</u>	<u>(2,981,424)</u>
Net assets		<u>301,989,611</u>	<u>128,396,709</u>	<u>80,239,338</u>
Equity				
Capital accounts	(n)	10,000	10,000	10,000
Partner advances	(n)	274,448,913	134,300,000	81,500,000
Revaluation reserve	(n)	36,990,042	-	-
Partners' current accounts	(n)	(9,459,344)	(5,913,291)	(1,270,662)
		<u>301,989,611</u>	<u>128,396,709</u>	<u>80,239,338</u>

The Notes on pages 22 to 31 form an integral part of these financial statements

Approved by the partners on 4 May 2016 and signed on their behalf by



A J S Jordan
DIRECTOR



J M Holmes
DIRECTOR

On behalf of Braeburn Estates (GP) Limited

BRAEBURN ESTATES LIMITED PARTNERSHIP

PARTNERSHIP STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2015

	Capital Accounts £	Partner advances £	Revaluation Reserve £	Current accounts £	Total equity £
At 1 January 2014	10,000	81,500,000	-	(1,270,662)	80,239,338
Loss for the year	-	-	-	(4,642,629)	(4,642,629)
Total comprehensive income	-	-	-	(4,642,629)	(4,642,629)
Capital contributions	-	52,800,000	-	-	52,800,000
Other reserve movements	-	52,800,000	-	-	52,800,000
At 31 December 2014	10,000	134,300,000	-	(5,913,291)	128,396,709
Loss for the year	-	-	-	(3,546,053)	(3,546,053)
Revaluation of investments	-	-	36,990,042	-	36,990,042
Total comprehensive income	-	-	36,990,042	(3,546,053)	33,443,989
Capital contributions	-	140,148,913	-	-	140,148,913
Other reserve movements	-	140,148,913	-	-	140,148,913
At 31 December 2015	10,000	274,448,913	36,990,042	(9,459,344)	301,989,611

The Notes on pages 22 to 31 form an integral part of these financial statements

BRAEBURN ESTATES LIMITED PARTNERSHIP

PARTNERSHIP CASH FLOW STATEMENT

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
	£	£
Operating loss	(3,575,731)	(4,694,877)
Loss relating to investing activities	141,516	-
Decrease/(increase) in work in progress	109,294,380	(51,504,783)
Increase in receivables	(329,039,042)	(1,720,848)
Increase/(decrease) in payables	77,217,963	(290,478)
Net cash flows from operating activities	(145,960,914)	(58,210,986)
Cash flows from investing activities		
Investment in subsidiaries	-	(523)
Interest received	30,078	52,593
Interest paid	(400)	(345)
Net cash flows from investing activities	29,678	51,725
Cash flows from financing activities		
Partner advances	140,148,913	52,800,000
Net cash flows from financing activities	140,148,913	52,800,000
Net movements in cash and cash equivalents	(5,782,323)	(5,359,261)
Cash and cash equivalents at the start of the year	9,317,485	14,676,746
Cash and cash equivalents at the end of the year	3,535,162	9,317,485

The Notes on pages 22 to 31 form an integral part of these financial statements

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(a) PRINCIPAL ACCOUNTING POLICIES

General information

Braeburn Estates Limited Partnership is an English Limited Partnership registered at One Canada Square, Canary Wharf, London E14 5AB

In July 2011, entities owned by Canary Wharf Group plc and Qatari Diar Real Estate Investment Company ('Qatari Diar') formed the Partnership to redevelop the Shell Centre, a 5.25 acre site on the South Bank in London

The Partnership agreed to pay £300.0m to secure the site on a 999 year lease. Of this total, £30.0m was paid on exchange of the agreement with Shell and the balance was conditional on planning permission being received. The Partnership acquired the site in July 2015, following the successful conclusion of the planning process.

The development will be mixed use, comprising office, residential and retail space, which will regenerate an important section of the South Bank in central London. The existing 27 storey tower in the middle of the Shell Centre will be preserved and retained by Shell for their use. Shell also agreed to take a 282,537 sq ft prelet of the entirety of one of the two new office buildings to be constructed on the site. In total, the redevelopment will comprise 523,000 sq ft of office space, 79,000 sq ft of retail, restaurants, cafes and a health club, and 835,000 sq ft of residential, creating 877 apartments.

The two office buildings have been presold to Almacantar, of which 2 Southbank Place was pre-leased by Shell. The residential buildings have been sold to the Partnership's subsidiaries.

Accounting convention

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IFRS 16 Leases,
IAS 16 and IAS 38 (amendments) Clarification of acceptable methods of depreciation and amortisation,
IAS 16 and IAS 41 (amendments) Agriculture bearer plants,
IAS 19 (amendments) Defined benefit plans employee contributions,
IAS 27 (amendments) Equity method in separate financial statements,
IFRS 10 and IAS 28 (amendments) Sale or contribution of assets between an investor and its associate or joint venture,
IFRS 11 (amendments) Accounting for acquisitions of interests in joint operations, and
Annual improvements to IFRSs 2012–2014, and Amendments to
IFRS 5 – Non-current assets held for sale and discontinued operations,
IFRS 7 – Financial instruments disclosures,

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

IAS 19 – Employee benefits, and
IAS 34 – Interim financial reporting

Management anticipate that the adoption of these standards in future periods will not have a material impact on the financial statements of the company

The financial statements for the period ended 31 December 2014 were prepared under UK GAAP. The adoption of IFRS for the 2015 financial statements has resulted in no material adjustments to the accounting policies used by the company

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Partnership's accounting policies (see Note (b))

The principal accounting policies are summarised below

Going Concern

The Partnership is in a net asset position at the year end

Having made the requisite enquiries and assessed the resources at the disposal of the Partnership, the Partners have a reasonable expectation that the Partnership will have adequate resources to continue its operation for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements

Revenue

Rental income from operating leases is recognised in the Income Statement on a straight-line basis over the term of the lease

Revenue from property sales is recognised, net of VAT, on completion, when the significant risks and returns pass to the acquirer

Revenue from construction contracts is recognised in accordance with the accounting policy on construction contracts

Interest receivable and interest payable

Interest receivable and payable are recognised on an accruals basis in the period in which they fall due

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Investments

Investments in subsidiaries are stated at cost less any provision for impairment

Investments in partnerships are stated at fair value, with changes recognised in other comprehensive income unless the carrying amount of the investment falls below its original cost, after which the deficit is recognised in the income statement

Income from investments is recognised as the company becomes entitled to receive payment Dividend income from investments in companies is recognised when received or irrevocably declared Revenue profits and losses partnerships are recognised on an accruals basis

Work in progress

Work in progress is stated at the lower of cost and net realisable value Cost includes construction costs and development expenditure directly related to the development Net realisable value is calculated as the amount estimated to be recovered from the development once development work has been completed, less costs to complete

Construction contracts

Construction contracts consist of properties that are being constructed in accordance with long term development contracts and for which the detailed design specification of each building is agreed with the purchaser Where applicable the contracts are split into 3 component parts sale of land, completed construction works at the date of entering into the contracts, and on-going construction contracts

Revenue on sale of land and completed construction works is recognised at the point that the significant risks and rewards are transferred to the buyer

Revenue on construction contracts is recognised according to the stage reached in the contract using the percentage completion method The percentage of completion is calculated by reference to costs incurred on the building compared with the estimated total costs The gross amount due comprises costs incurred plus recognised profits less the sum of recognised losses and progress billings Where the sum of recognised losses and progress billings exceeds costs incurred plus recognised profits, the amount is shown as payments on account

If it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised immediately as an expense

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Financial Instruments

(i) Trade and other receivables

Debtors are recognised initially at fair value. A provision for impairment is established where there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of the debtor concerned.

(ii) Trade and other payables

Trade and other payables are stated at cost.

(b) CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Valuation of investments

Investments in partnerships are carried at fair value. The directors have valued the investment at the Partnership's share of the partnerships' net asset value, as adjusted for the fair value of the partnerships' property interests.

Construction contracts

Revenue on construction contracts is recognised according to the stage reached in the contract using the percentage completion method. The directors estimate the outcome of each contract on an individual basis on the proportion of costs incurred compared with the estimated total costs at each balance sheet date.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(c) REVENUE

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Sale of property	339,755,408	-
Rental income	28,745	15,000
	<hr/>	<hr/>
Total audit fees	<u>339,784,153</u>	<u>15,000</u>

(d) OPERATING LOSS

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Operating loss is stated after charging		
Remuneration of the auditor		
Audit fees for the audit of the Partnership	3,233	3,200
Audit of subsidiaries	4,995	4,400
Fees to the auditor for other services	555	550
	<hr/>	<hr/>
Total audit fees	<u>8,783</u>	<u>8,150</u>

No staff were employed by the Partnership during the year or the prior year

(e) FINANCE AND SIMILAR INCOME

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Bank interest receivable	30,078	52,593
	<hr/>	<hr/>
	<u>30,078</u>	<u>52,593</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(f) FINANCE AND SIMILAR CHARGES

	Year Ended 31 December 2015 £	Year Ended 31 December 2014 £
Bank charges	400	345
	<hr/> 400	<hr/> 345

(g) TAXATION

No provision for tax has been made as the income earned by the Partnership is taxable in the accounts of the partners

(h) INVESTMENTS

	£
COST OR VALUATION	
At 1 January 2015	523
Revaluation	36,990,042
Share of loss	(141,516)
At 31 December 2015	<hr/> 36,849,049

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Investments comprise shares held directly and indirectly in the following subsidiaries

	Directly Held %	Indirectly held %	Description of shares	Principal activities
Braeburn Estates Management Company Limited	37 50	62 50	Ordinary £1 shares	Property management
Braeburn Estates B3 (GP) Limited	100 00	-	Ordinary £1 shares	General partner
Braeburn Estates B3 (LP) Limited	100 00	-	Ordinary £1 shares	Limited partner
Braeburn Estates (B3) Limited Partnership	99 99	0 01	Partnership capital	Property development
Braeburn Estates (B3) T1 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates (B3) T2 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates B4A (GP) Limited	100 00	-	Ordinary £1 shares	General partner
Braeburn Estates B4A (LP) Limited	100 00	-	Ordinary £1 shares	Limited partner
Braeburn Estates (B4A) Limited Partnership	99 99	0 01	Partnership capital	Property development
Braeburn Estates (B4A) T1 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates (B4A) T2 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates B4B (GP) Limited	100 00	-	Ordinary £1 shares	General partner
Braeburn Estates B4B (LP) Limited	100 00	-	Ordinary £1 shares	Limited partner
Braeburn Estates (B4B) Limited Partnership	99 99	0 01	Partnership capital	Property development
Braeburn Estates (B4B) T1 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates (B4B) T2 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates B5 (GP) Limited	100 00	-	Ordinary £1 shares	General partner
Braeburn Estates B5 (LP) Limited	100 00	-	Ordinary £1 shares	Limited partner
Braeburn Estates (B5) Limited Partnership	99 99	0 01	Partnership capital	Property development
Braeburn Estates (B5) T1 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates (B5) T2 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates B6/7 (GP) Limited	100 00	-	Ordinary £1 shares	General partner
Braeburn Estates B6/7 (LP) Limited	100 00	-	Ordinary £1 shares	Limited partner
Braeburn Estates (B6/7) Limited Partnership	99 99	0 01	Partnership capital	Property development
Braeburn Estates (B6/7) T1 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates (B6/7) T2 Limited	-	100 00	Ordinary £1 shares	Trustee company
Braeburn Estates Retail Limited	100 00	-	Ordinary £1 shares	Property development
Braeburn Estates (Hungerford) Limited	100 00	-	Ordinary £1 shares	Property contractor
Braeburn Estates (Lollard Street) Limited	100 00	-	Ordinary £1 shares	Property contractor
Braeburn Estates (B3) Residential Limited	100 00	-	Ordinary £1 shares	Property development
Braeburn Estates (B4A) Residential Limited	100 00	-	Ordinary £1 shares	Property development
Braeburn Estates (B4B) Residential Limited	100 00	-	Ordinary £1 shares	Property development
Braeburn Estates (B5) Residential Limited	100 00	-	Ordinary £1 shares	Property development
Braeburn Estates (B6/7) Residential Limited	100 00	-	Ordinary £1 shares	Property development
Braeburn Estates (B3) Retail Limited	100 00	-	Ordinary £1 shares	Property development
Braeburn Estates (AH) Limited	100 00	-	Ordinary £1 shares	Property contractor

All of the subsidiaries are incorporated in England and Wales

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(i) WORK IN PROGRESS

	31 December 2015 £	31 December 2014 £
At 1 January	109,294,380	57,789,597
Additions	39,707,569	51,504,783
Acquisition of lease interests	270,000,000	-
Transferred from prepayments	10,000,000	-
Sold to subsidiaries	(339,755,408)	-
Recharged to subsidiaries	(48,843,825)	-
Transferred to payments on account	(40,402,716)	-
At 31 December	-	109,294,380

In July 2015, the Partnership acquired the 999 year leasehold interest at the development site at Southbank Place, London. Five of the seven building sites were immediately transferred to the Partnership's subsidiaries.

The costs associated with the two office buildings, which have been presold to Almacantar have been transferred to payments on account.

(j) TRADE AND OTHER RECEIVABLES

	31 December 2015 £	31 December 2014 £
Amounts owed by subsidiaries	316,313,962	643,706
Amounts owed by Braeburn Estates Developments (1) Limited	-	507,113
Amounts owed by Braeburn Estates Developments (Infrastructure) Limited	13,600,906	1,155,294
Amounts owed by Braeburn Estates Developments Management Limited	9,468,785	-
Other debtors	-	44,153
Prepayments and accrued income	2,130,656	10,125,001
	<u>341,514,309</u>	<u>12,475,267</u>

At 31 December 2014, prepayments and accrued income included a £10,000,000 refundable deposit relating to the grant of a long leasehold interest in the Shell Centre site. The balance was paid upon the award of planning permission.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(k) TRADE AND OTHER PAYABLES

	31 December 2015 £	31 December 2014 £
Trade payables	3,101,866	17,170
Amounts owed to Braeburn Estates Developments (1) Limited	2,474,224	-
Amounts owed to Braeburn Estates Developments (2) Limited	2,877,394	-
Amounts owed to Braeburn Estates (GP) Limited	90	90
Amounts owed to Canary Wharf Limited	9,218	4,629
Other payables	343,655	-
Accruals and deferred income	508,832	2,669,057
	<u>9,315,279</u>	<u>2,690,946</u>

(l) PAYMENTS ON ACCOUNT

	31 December 2015 £	31 December 2014 £
Amounts received from construction contracts	110,996,346	-
Transferred from work in progress	(40,402,716)	-
	<u>70,593,630</u>	<u>-</u>

The Partnership has entered into forward sale agreements with Almacantar for two office properties within the Shell Centre redevelopment. The aggregate consideration for the completed buildings will be £550.0m and the Partnership will undertake the development on behalf of the purchaser.

(m) FINANCIAL INSTRUMENTS

	31 December 2015 £	31 December 2014 £
Financial assets		
Trade and other receivables	341,514,309	12,475,267
Cash and cash equivalents	3,535,162	9,317,485
	<u>345,049,471</u>	<u>21,792,752</u>
Financial liabilities		
Trade and other payables	9,315,279	2,690,946
Payments on account	70,593,630	-
	<u>79,908,909</u>	<u>2,690,946</u>
Financial liabilities measured at amortised cost		

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(n) CAPITAL AND RESERVES

	%	Capital Account £	Partner Advances £	Revaluation Reserve £	Current Account £	Total £
Braeburn Estates (GP) Limited Class A	0 100	10	-	36,990	(9,460)	27,540
Canary Wharf (PB) Unit Trust Class B	24 975	2,498	68,612,228	9,238,263	(2,362,471)	75,490,518
Canary Wharf (PB) Unit Trust Class C	24 975	2,497	68,612,228	9,238,263	(2,362,471)	75,490,517
Project Russet Property Unit Trust Class D	24 975	2,498	68,612,228	9,238,263	(2,362,471)	75,490,518
Project Russet Property Unit Trust	24 975	2,497	68,612,229	9,238,263	(2,362,471)	75,490,518
		10,000	274,448,913	36,990,042	(9,459,344)	301,989,611