

BRAEBURN ESTATES (GP) LIMITED

Registered number: 7698559

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



BRAEBURN ESTATES (GP) LIMITED

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BRAEBURN ESTATES (GP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

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 £245 (2015 -loss £7,748).

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
J Lamothe (appointed 13 July 2016)
J M Holmes (appointed 3 February 2016)
S Pettit (resigned 3 February 2016)
F L Toscano (resigned 13 July 2016)

J M Holmes was appointed as an alternate director to Sheikh J H Al-Thani on 26 November 2015.

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 2016 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 11 May 2017 and signed on its behalf.



J R Garwood
Secretary

BRAEBURN ESTATES (GP) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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 Reporting Standards ('IFRS') as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12. 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 2016 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, based on the work undertaken in the course of the audit: the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

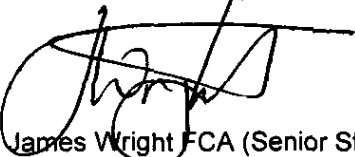
BRAEBURN ESTATES (GP) LIMITED

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

11 May 2017

BRAEBURN ESTATES (GP) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Share of loss in partnership	7	(181)	(9,449)
LOSS BEFORE TAX		<u>(181)</u>	<u>(9,449)</u>
Tax on loss	6	(64)	1,701
LOSS FOR THE YEAR		<u>(245)</u>	<u>(7,748)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Unrealised (deficit)/surplus on revaluation of fixed asset investments		(3,334)	36,990
Tax on revaluation of fixed asset investments		936	(6,658)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>(2,398)</u>	<u>30,332</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(2,643)</u>	<u>22,584</u>

The notes on pages 8 to 14 form part of these financial statements.

BRAEBURN ESTATES (GP) LIMITED
REGISTERED NUMBER: 7698559

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
NON CURRENT ASSETS			
Investments	7	24,026	27,541
		<u>24,026</u>	<u>27,541</u>
CURRENT ASSETS			
Trade and other receivables	8	90	90
		<u>90</u>	<u>90</u>
TOTAL ASSETS		<u>24,116</u>	<u>27,631</u>
NON CURRENT LIABILITIES			
Deferred tax	10	(4,083)	(4,955)
		<u>(4,083)</u>	<u>(4,955)</u>
NET ASSETS		<u>20,033</u>	<u>22,676</u>
EQUITY			
Called up share capital	11	100	100
Revaluation reserve		27,934	30,332
Retained earnings		(8,001)	(7,756)
		<u>20,033</u>	<u>22,676</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 May 2017.



A P Anderson II
Director



J M Holmes
Director

The notes on pages 8 to 14 form part of these financial statements.

BRAEBURN ESTATES (GP) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2016	100	30,332	(7,756)	22,676
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(245)	(245)
Revaluation of investment	-	(2,398)	-	(2,398)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	(2,398)	-	(2,398)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(2,398)	(245)	(2,643)
AT 31 DECEMBER 2016	100	27,934	(8,001)	20,033

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up 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)
Surplus on revaluation of other fixed assets	-	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

The notes on pages 8 to 14 form part of these financial statements.

BRAEBURN ESTATES (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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.

2. ACCOUNTING POLICIES

2.1 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.

The following new and revised accounting standards and interpretations have been adopted by the company in 2016. Their adoption has not had any significant impact on the amounts reported in these financial statements, but may impact the accounting for future transactions and arrangements:

IAS1 'Presentation of Financial Statements'

IAS19 (amendment) 'Defined Benefit Plus: Employee Contributions amendments to IAS19
Annual improvements to the IFRS, 2010-2012 Cycle (various standards)

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;

IFRS 11 (amendment) Accounting for acquisitions of interest in joint operation;

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 27 (amendments) Equity method in separate financial statements;

Annual improvements to IFRS: 2012-2014 cycle (various standards)

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.

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 3).

The principal accounting policies are summarised below:

2.2 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.

BRAEBURN ESTATES (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.3 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.

2.4 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.

2.5 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.

Trade and other payables

Trade and other payables are stated at cost.

2.6 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 2016

3. 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.

4. AUDITOR'S REMUNERATION

The auditor's remuneration of £560 (2015 -£555) for the audit of the company has been borne by Braeburn Estates Limited Partnership.

5. EMPLOYEES

The company has no employees other than the directors, who did not receive any remuneration (2015 -£NIL).

BRAEBURN ESTATES (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016****6. TAXATION**

	2016 £	2015 £
TOTAL CURRENT TAX	-	-
DEFERRED TAX		
Origination and reversal of timing differences	64	(1,701)
TOTAL DEFERRED TAX	64	(1,701)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	64	(1,701)

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% (2015 -20.25%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(181)	(9,449)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%)	(36)	(1,913)
EFFECTS OF:		
Change in rate applied to deferred tax	100	212
TOTAL TAX CHARGE FOR THE YEAR	64	(1,701)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The standard rate of corporation tax payable reduced from 21.0% to 20.0% with effect from 1 April 2015.

Enacted in the Finance Act (No.2) 2015 is a reduction in the corporation tax rate to 19.0% on 1 April 2017 and a further reduction to 17.0% on 1 April 2020. Deferred tax has been provided by reference to this enacted corporation tax rate.

BRAEBURN ESTATES (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. FIXED ASSET INVESTMENTS

	Investments in partnerships £
COST OR VALUATION	
At 1 January 2016	27,541
Revaluations	(3,334)
Share of profit/(loss)	(181)
At 31 December 2016	<u>24,026</u>
NET BOOK VALUE	
At 31 December 2016	<u>24,026</u>
At 31 December 2015	<u>27,541</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.

8. DEBTORS

	2016 £	2015 £
Amounts owed to Braeburn Estates Limited Partnership	<u>90</u>	<u>90</u>
	<u>90</u>	<u>90</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 2016**

9. FINANCIAL INSTRUMENTS

	2016 £	2015 £
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 amounts owed to Braeburn Estates Limited Partnership.

10. DEFERRED TAXATION

	2016 £
At beginning of year	(4,955)
Charged to the profit or loss	(64)
Charged to other comprehensive income	936
AT END OF YEAR	<u>(4,083)</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Tax losses carried forward	1,639	1,703
Revaluation of investments	(5,722)	(6,658)
	<u>(4,083)</u>	<u>(4,955)</u>

BRAEBURN ESTATES (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11. SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
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
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

All classes of share rank pari passu in all respects.

12. 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 Holdings (PB) Limited, a wholly owned subsidiary of Canary Wharf Group plc, and 50% owned by Project Russet (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 2016

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

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 2016 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 16 and (a) to (m). 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 2016 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
11 May 2017

BRAEBURN ESTATES LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Revenue	3	31,970,860	92,882,160
Cost of sales		(29,186,446)	(92,853,415)
Gross profit		<u>2,784,414</u>	<u>28,745</u>
Administrative expenses		(3,059,354)	(3,644,724)
Other operating income		5,000	-
Operating loss	4	<u>(269,940)</u>	<u>(3,615,979)</u>
Finance and similar income	5	86,882	30,125
Finance and similar charges	6	(94)	(400)
Loss on ordinary activities before tax		<u>(183,152)</u>	<u>(3,586,254)</u>
Taxation	7	(14,729)	(2,740)
Loss for the year		<u>(197,881)</u>	<u>(3,588,994)</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(197,881)</u>	<u>(3,588,994)</u>

All amounts relate to continuing activities in the United Kingdom.

The Notes on pages 8 to 21 form an integral part of these financial statements.

BRAEBURN ESTATES LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	31 December 2016 £	31 December 2015 £
Current assets			
Work in progress	8	424,053,177	348,107,575
Trade and other receivables	9	32,177,587	14,565,000
Cash and cash equivalents		87,459,457	26,341,362
Total assets		543,690,221	389,013,937
Current liabilities			
Trade and other payables	10	(28,744,330)	(14,436,517)
Total current liabilities		(28,744,330)	(14,436,517)
Non current liabilities			
Residential deposits	11	(56,833,199)	(16,906,651)
Payments on account	12	(174,341,664)	(92,716,833)
Bank loan	13	(19,014,973)	-
Derivative instrument	14	(547,096)	-
Total non current liabilities		(250,736,932)	(109,623,484)
Total liabilities		(279,481,262)	(124,060,001)
Net assets		264,208,959	264,953,936
Equity			
Capital accounts	16	10,000	10,000
Partner advances	16	274,448,913	274,448,913
Hedging reserve	14	(547,096)	-
Partners' current accounts	16	(9,702,858)	(9,504,977)
		264,208,959	264,953,936

The Notes on pages 8 to 21 form an integral part of these financial statements.

Approved by the partners on 11 May 2017 and signed on their behalf by:


A P Anderson II
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 2016

	Capital Accounts £	Partner advances £	Hedging reserve £	Current accounts £	Total equity £
At 1 January 2015	10,000	134,300,000	-	(5,915,983)	128,394,017
Loss for the year	-	-	-	(3,588,994)	(3,588,994)
Total comprehensive income	-	-	-	(3,588,994)	(3,588,994)
<i>Capital contributions</i>	-	140,148,913	-	-	140,148,913
Other reserve movements	-	140,148,913	-	-	140,148,913
At 31 December 2015	10,000	274,448,913	-	(9,504,977)	264,953,936
Loss for the year	-	-	-	(197,881)	(197,881)
Total comprehensive income	-	-	-	(197,881)	(197,881)
Fair value movement of effective hedging instruments	-	-	(547,096)	-	(547,096)
Other reserve movements	-	-	(547,096)	-	(547,096)
At 31 December 2016	10,000	274,448,913	(547,096)	(9,702,858)	264,208,959

The Notes on pages 8 to 21 form an integral part of these financial statements.

BRAEBURN ESTATES LIMITED PARTNERSHIP

CONSOLIDATED CASH FLOW STATEMENT

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Operating loss	(269,940)	(3,615,979)
Increase in work in progress	(75,945,602)	(238,061,296)
Increase in receivables	(17,612,587)	(2,611,336)
Increase in payables	135,859,192	121,136,590
Tax charge	(14,729)	(2,740)
Net cash flows from operating activities	42,016,334	(123,154,761)
Cash flows from investing activities		
Interest received	86,882	30,125
Interest paid	(94)	(400)
Net cash flows from investing activities	86,788	29,725
Cash flows from financing activities		
Bank loans	19,014,973	-
Partner advances	-	140,148,913
Net cash flows from financing activities	19,014,973	140,148,913
Net movements in cash and cash equivalents	61,118,095	17,023,877
Cash and cash equivalents at the start of the year	26,341,362	9,317,485
Cash and cash equivalents at the end of the year	87,459,457	26,341,362

The Notes on pages 8 to 21 form an integral part of these financial statements.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 part 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 EU.

The following new and revised accounting standards and interpretations have been adopted by the company in 2016. Their adoption has not had any significant impact on the amounts reported in these financial statements, but may impact the accounting for future transactions and arrangements:

IAS1 'Presentation of Financial Statements';
IAS19 (amendment) 'Defined Benefit Plus: Employee Contributions amendments to IAS19';
Annual improvements to the IFRS, 2010-2012 Cycle (various standards).

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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;
IFRS 11 (amendment) Accounting for acquisitions of interest in joint operation;
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 27 (amendments) Equity method in separate financial statements;
Annual improvements to IFRS: 2012–2014 cycle (various standards);

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.

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 2016 and 31 December 2015 and their results for the years then ended.

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Finance costs associated with direct expenditure are capitalised. Interest is capitalised as from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted.

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 resulting balance carried in the statement of financial position 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.

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.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(iii) Loans payable

Loans payable are recognised initially at the net proceeds including transaction costs.

Subsequent to initial recognition, loans payable are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Income Statement over the period of the loan, using the effective interest method.

(iv) Derivative instruments

The Partnership uses interest rate derivatives to help manage its risks of changes in interest rates. The Partnership does not hold or issue derivatives for trading purposes.

In order for a derivative to qualify for hedge accounting, the Partnership is required to document the relationship between the item being hedged and the hedging instrument. The Partnership is also required to demonstrate an assessment of the relationship between the hedged item and the hedging instrument which shows that the hedge will be effective on an on-going basis. The effectiveness testing is re-performed at each balance sheet date to ensure that the hedge remains highly effective.

The changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income. The changes in the fair value of derivative financial instruments that are designated and effective as fair value hedges are recognised against the item being hedged. The changes in the fair value of any ineffective portions of hedges or undesignated financial instruments are recognised in the profit and loss account.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument is retained in equity and recycled to the Income Statement when the forecast transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

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.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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.

3. REVENUE

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Sale of property	-	92,853,415
Rental income	37,701	28,745
Construction revenue	31,933,159	-
	<u>31,970,860</u>	<u>92,882,160</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. OPERATING LOSS

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Operating loss is stated after charging:		
Remuneration of the auditor:		
Audit fees for the audit of the Partnership	3,265	3,233
Audit of subsidiaries	5,600	5,550
Fees to the auditor for other services	555	555
Total audit fees	<u>9,420</u>	<u>9,338</u>

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

5. FINANCE AND SIMILAR INCOME

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Bank interest receivable	86,882	30,125
	<u>86,882</u>	<u>30,125</u>

6. FINANCE AND SIMILAR CHARGES

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Bank charges	94	400
	<u>94</u>	<u>400</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. TAXATION

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Corporation tax		
Current tax on profits for the year	14,729	2,740
Taxation on profits on ordinary activities	<u>14,729</u>	<u>2,740</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% (2015: 20.25%). The differences are explained below:

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Loss on ordinary activities before tax	<u>(183,152)</u>	<u>(3,586,254)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(36,630)	(726,216)
Effects of:		
Loss taxed in the accounts of the Partners	51,359	728,956
Taxation on profits on ordinary activities	<u>14,729</u>	<u>2,740</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The standard rate of corporation tax payable reduced from 21.0% to 20.0% with effect from 1 April 2015.

Enacted in the Finance Act (No.2) 2015 is a reduction in the corporation tax rate to 19.0% on 1 April 2017 and a further reduction to 17.0% on 1 April 2020. Deferred tax has been provided by reference to this enacted corporation tax rate.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

8. WORK IN PROGRESS

	31 December 2016 £	31 December 2015 £
At 1 January	348,107,575	110,046,279
Additions	124,095,430	91,317,427
Acquisition of long lease interests	-	270,000,000
Transferred from prepayments	-	10,000,000
Transferred to cost of sales	(29,186,346)	(92,853,415)
Transferred to payments on account	(18,963,482)	(40,402,716)
At 31 December	<u>424,053,177</u>	<u>348,107,575</u>

During the 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, were transferred to payments on account. The refundable deposit of £10,000,000 relating to the grant of a long leasehold interest in the Shell Centre site was transferred to work in progress upon the award of planning permission.

9. TRADE AND OTHER RECEIVABLES

	31 December 2016 £	31 December 2015 £
Trade receivables	15,631,475	-
Derivative financial instruments	21,258	-
Amounts owed by Braeburn Estates Developments (1) Limited	18,524	-
Amounts owed by Braeburn Estates Developments (Infrastructure) Limited	-	1,818,993
Amounts owed by Braeburn Estates Developments Management Limited	2,733,171	2,633,212
Other debtors	1,026,574	60,095
Deferred loan fees	8,531,949	7,775,916
Prepayments and accrued income	4,214,636	2,276,784
	<u>32,177,587</u>	<u>14,565,000</u>

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 2016

10. TRADE AND OTHER PAYABLES

	31 December 2016 £	31 December 2015 £
Trade payables	5,478,111	5,843,705
Amounts owed to Braeburn Estates Developments (1) Limited	-	2,474,223
Amounts owed to Braeburn Estates Developments (2) Limited	16,682,828	2,877,395
Amounts owed to Braeburn Estates Developments (Infrastructure) Limited	404,290	-
Amounts owed to Braeburn Estates (GP) Limited	90	90
Amounts owed to Canary Wharf Limited	132,786	12,811
Corporation tax	14,728	2,740
Other tax payables	-	14,288
Other payables	2,011	326,676
Accruals and deferred income	6,029,486	2,884,589
	<u>28,744,330</u>	<u>14,436,517</u>

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

11. RESIDENTIAL DEPOSITS

	31 December 2016 £	31 December 2015 £
Deposits received	<u>56,833,199</u>	<u>16,906,651</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 2016

12. PAYMENTS ON ACCOUNT

	31 December 2016 £	31 December 2015 £
Amounts received from construction contracts	221,950,474	110,996,345
Amounts transferred from work in progress	(59,366,198)	(40,402,716)
Amounts transferred to turnover	(31,933,159)	-
	<hr/>	<hr/>
Payments on account: Construction contracts	130,651,117	70,593,629
Payments on account: Agreements for sale	43,690,547	22,123,204
	<hr/>	<hr/>
	174,341,664	92,716,833

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.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. BANK LOAN

The Partnership has four construction facilities totalling £505 million of which £384 million bears interest at LIBOR plus 2.75% and £121 million bears interest at LIBOR plus 3.25%. The facilities are repayable at various dates in 2019 and 2020 and are secured on the Partnership's development properties (Note 8).

Only one of the four facilities had been utilised at 31 December 2016. 75% of the loan is hedged by interest rate swaps, which based on a notional drawdown profile, serves to fix the interest rate at 3.583%. The remaining 25% of the loan is hedged by an interest rate cap, which serves to restrict the interest rate to a maximum of 4.25%. Details of the derivative financial instruments are set out in note 14.

Movements in the carrying value of the loan were as follows:

	31 December 2016 £	31 December 2015 £
Construction drawings	22,804,740	-
Interest drawings	125,073	-
Loan fees incurred	(4,726,496)	-
Fee amortisation	811,657	-
Carried forward	<u>19,014,973</u>	<u>-</u>

The carrying amount is analysed as follows:

	31 December 2016 £	31 December 2015 £
Drawings	22,929,813	-
Fees	(3,914,839)	-
Carried forward	<u>19,014,973</u>	<u>-</u>

Accrued interest of £148,168 (2015: £nil) has been included in accruals and deferred income.

The fair value of the loan is its carrying value.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. DERIVATIVE FINANCIAL INSTRUMENTS

The Partnership uses interest rate swaps and caps to hedge exposure to the variability in cash flows on floating rate debt caused by movements in the market rates of interest.

The Partnership holds interest rate swaps which serve to fix the interest on 75% of its loan to a rate of 3.583%. These swaps are classified as highly effective and qualify for hedge accounting. The fair value of the swaps at 31 December 2016 was £547,096 (liability).

The Partnership also holds an interest cap which serves to restrict the interest payable on 25% of its loan to a maximum of 4.25%. The cap is classified as not highly effective. The fair value of the cap at 31 December 2016 was £21,258 (asset).

The following table shows the undiscounted cash inflows and outflows in relation to the Partnership's derivative financial instruments based on the Partnership's prediction of future movements in interest rates.

	Swaps £	Cap £	2016 £	2015 £
Within one year	177,353	—	177,353	—
In one to two years	305,690	—	305,690	—
In two to five years	68,041	—	68,041	—
	<u>551,084</u>	<u>—</u>	<u>551,084</u>	<u>—</u>

Changes in interest rates would affect the market value of derivative financial instruments. These changes would impact on the income statement for the cap which is not designated as being in an effective hedging relationship and would impact the reserves for the swaps, which are highly effective. A 0.5% parallel shift in the interest rate curve used to value the derivatives, with all other variables held constant, would have the following impact:

	31 December 2016 £	31 December 2015 £
0.5% increase in interest rates		
Impact on Income Statement	74,293	—
Impact on hedging reserve	789,426	—
Impact on net assets	<u>863,719</u>	<u>—</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

15. FINANCIAL INSTRUMENTS

	31 December 2016 £	31 December 2015 £
Financial assets		
Trade and other receivables	32,177,587	14,565,000
Cash and cash equivalents	87,459,457	26,341,362
Financial assets measured at amortised cost	<u>119,637,044</u>	<u>40,906,362</u>
Financial liabilities		
Trade and other payables	28,744,330	14,436,517
Residential deposits	56,833,199	16,906,651
Payments on account	174,341,664	92,716,833
Bank loans	19,014,973	-
Financial liabilities measured at amortised cost	<u>278,934,166</u>	<u>124,060,001</u>
Derivative instrument measured at fair value through profit or loss	547,095	-
	<u>279,481,261</u>	<u>124,060,001</u>

FINANCIAL RISKS

Interest rate risk

The Partnership has borrowed in sterling at floating rates of interest and uses interest rate swaps and caps to generate the desired interest profile and to manage the Partnership's exposure to interest rate fluctuations. 75% of the Partnership's loan is fixed by interest rate swaps and 25% is covered by an interest rate cap.

Liquidity risk

The Partnership's construction loan is drawn to fund the construction program. The remaining term of the loan at 31 December 2016 was 3.0 years, which is expected to expire after practical completion of the building.

Loan covenants

The loan is subject to a maximum 60% Loan to Value financial covenant. Based on the valuation at 31 December 2016, the ratio was 57%.

Credit risk

The Partnership restricts the counterparties with which derivative transactions can be contracted and cash balances deposited. This ensures that exposure is spread across a number of approved financial institutions with higher credit ratings.

The carrying amount of financial assets recorded in the financial statements represents the Partnership's maximum exposure to credit risk.

BRAEBURN ESTATES LIMITED PARTNERSHIP

PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

Externally imposed capital requirements

The Partnership is not subject to externally imposed capital requirements.

16. EQUITY

	%	Capital Account £	Hedging Reserve £	Partner Advances £	Current Account £	Total Equity £
Braeburn Estates (GP) Limited	0.100	10	(548)	-	(9,702)	(10,240)
Class A: Canary Wharf (PB) Unit Trust	24.975	2,498	(136,637)	68,612,228	(2,423,289)	66,054,800
Class B: Canary Wharf (PB) Unit Trust	24.975	2,497	(136,637)	68,612,228	(2,423,289)	66,054,799
Class C: Project Russet Property Unit Trust	24.975	2,498	(136,637)	68,612,228	(2,423,289)	66,054,800
Class D: Project Russet Property Unit Trust	24.975	2,497	(136,637)	68,612,229	(2,423,289)	66,054,800
		<u>10,000</u>	<u>(547,096)</u>	<u>274,448,913</u>	<u>(9,702,858)</u>	<u>264,208,959</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Revenue	(c)	31,970,860	339,784,153
Cost of sales		(29,186,446)	(339,755,408)
Gross profit		<u>2,784,414</u>	<u>28,745</u>
Administrative expenses		(2,908,976)	(3,462,960)
Share of loss of partnerships	(h)	(29,441)	(141,516)
Operating loss	(d)	<u>(154,003)</u>	<u>(3,575,731)</u>
Finance and similar income	(e)	61,910	30,078
Finance and similar charges	(f)	(94)	(400)
Loss on ordinary activities before tax		<u>(92,187)</u>	<u>(3,546,053)</u>
Taxation	(g)	-	-
Loss for the year		<u>(92,187)</u>	<u>(3,546,053)</u>
Other comprehensive income		-	-
Total comprehensive income		<u>(92,187)</u>	<u>(3,546,053)</u>

All amounts relate to continuing activities in the United Kingdom.

The Notes on pages 26 to 34 form an integral part of these financial statements.

BRAEBURN ESTATES LIMITED PARTNERSHIP

PARTNERSHIP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	31 December 2016 £	31 December 2015 £
Non current assets			
Investments	(h)	33,485,841	36,849,049
Total non current assets		<u>33,485,841</u>	<u>36,849,049</u>
Current assets			
Trade and other receivables	(i)	399,981,977	341,514,309
Cash and cash equivalents		16,396,019	3,535,162
Total current assets		<u>416,377,996</u>	<u>345,049,471</u>
Total assets		<u>449,863,837</u>	<u>381,898,520</u>
Current liabilities			
Trade and other payables	(j)	(20,649,063)	(9,315,279)
Total current liabilities		<u>(20,649,063)</u>	<u>(9,315,279)</u>
Non current liabilities			
Payments on account	(k)	(130,651,117)	(70,593,630)
Total non current liabilities		<u>(130,651,117)</u>	<u>(70,593,630)</u>
Total liabilities		<u>(151,300,180)</u>	<u>(79,908,909)</u>
Net assets		<u>298,563,657</u>	<u>301,989,611</u>
Equity			
Capital accounts	(m)	10,000	10,000
Partner advances	(m)	274,448,913	274,448,913
Revaluation reserve	(m)	33,656,275	36,990,042
Partners' current accounts	(m)	(9,551,531)	(9,459,344)
		<u>298,563,657</u>	<u>301,989,611</u>

The Notes on pages 26 to 34 form an integral part of these financial statements.

Approved by the partners on 11 May 2017 and signed on their behalf by:


A P Anderson II
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 2016

	Capital Accounts £	Partner advances £	Revaluation Reserve £	Current accounts £	Total equity £
At 1 January 2015	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
Loss for the year	-	-	-	(92,187)	(92,187)
Revaluation of investments	-	-	(3,333,767)	-	(3,333,767)
Total comprehensive income	-	-	(3,333,767)	(92,187)	(3,425,954)
Capital contributions	-		-	-	
Other reserve movements	-		-	-	
At 31 December 2016	10,000	274,448,913	33,656,275	(9,551,531)	298,563,657

The Notes on pages 26 to 34 form an integral part of these financial statements.

BRAEBURN ESTATES LIMITED PARTNERSHIP

PARTNERSHIP CASH FLOW STATEMENT

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
	£	£
Operating loss	(154,003)	(3,575,731)
Loss relating to investing activities	29,441	141,516
Decrease in work in progress	-	109,294,380
Increase in receivables	(58,467,668)	(329,039,042)
Increase in payables	71,391,271	77,217,963
Net cash flows from operating activities	12,799,041	(145,960,914)
Cash flows from investing activities		
Interest received	61,910	30,078
Interest paid	(94)	(400)
Net cash flows from investing activities	61,816	29,678
Cash flows from financing activities		
Partner advances	-	140,148,913
Net cash flows from financing activities	-	140,148,913
Net movements in cash and cash equivalents	12,860,857	(5,782,323)
Cash and cash equivalents at the start of the year	3,535,162	9,317,485
Cash and cash equivalents at the end of the year	16,396,019	3,535,162

The Notes on pages 25 to 33 form an integral part of these financial statements.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(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

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.

The following new and revised accounting standards and interpretations have been adopted by the company in 2016. Their adoption has not had any significant impact on the amounts reported in these financial statements, but may impact the accounting for future transactions and arrangements:

IAS1 'Presentation of Financial Statements';
IAS19 (amendment) 'Defined Benefit Plus: Employee Contributions amendments to IAS19';
Annual improvements to the IFRS, 2010-2012 Cycle (various standards).

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;
IFRS 11 (amendment) Accounting for acquisitions of interest in joint operation;
IFRS 15 Revenue from contracts with customers;
IFRS 16 Leases;

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

IAS 16 and IAS 38 (amendments) Clarification of acceptable methods of depreciation and amortisation;

IAS 27 (amendments) Equity method in separate financial statements;

Annual improvements to IFRS: 2012–2014 cycle (various standards)

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.

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.

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.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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.

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.

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(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.

(c) REVENUE

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Sale of property	-	339,755,408
Rental income	37,701	28,745
Construction revenue	31,933,159	-
	<u>31,970,860</u>	<u>339,784,153</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(d) OPERATING LOSS

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Operating loss is stated after charging:		
Remuneration of the auditor:		
Audit fees for the audit of the Partnership	3,265	3,233
Audit of subsidiaries	5,040	4,995
Fees to the auditor for other services	555	555
Total audit fees	<u>8,860</u>	<u>8,783</u>

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

(e) FINANCE AND SIMILAR INCOME

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Bank interest receivable	61,910	30,078
	<u>61,910</u>	<u>30,078</u>

(f) FINANCE AND SIMILAR CHARGES

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Bank charges	94	400
	<u>94</u>	<u>400</u>

(g) TAXATION

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

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(h) INVESTMENTS

	£
COST OR VALUATION	
At 1 January 2016	36,849,049
Revaluation	(3,333,767)
Share of loss	(29,441)
 At 31 December 2016	 <u>33,485,841</u>

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 2016

(i) TRADE AND OTHER RECEIVABLES

	31 December 2016 £	31 December 2015 £
Amounts owed by subsidiaries	333,039,234	316,313,962
Amounts owed by Braeburn Estates Developments (1) Limited	18,524	-
Amounts owed by Braeburn Estates Developments (Infrastructure) Limited	52,818,055	13,600,906
Amounts owed by Braeburn Estates Developments Management Limited	9,796,998	9,468,785
Other debtors	792,973	-
Prepayments and accrued income	3,516,193	2,130,656
	<u>399,981,977</u>	<u>341,514,309</u>

(j) TRADE AND OTHER PAYABLES

	31 December 2016 £	31 December 2015 £
Trade payables	3,822,483	3,101,866
Amounts owed to Braeburn Estates Developments (1) Limited	-	2,474,224
Amounts owed to Braeburn Estates Developments (2) Limited	16,682,828	2,877,394
Amounts owed to Braeburn Estates (GP) Limited	90	90
Amounts owed to Canary Wharf Limited	132,786	9,218
Other payables	2,011	343,655
Accruals and deferred income	8,865	508,832
	<u>20,649,063</u>	<u>9,315,279</u>

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(k) PAYMENTS ON ACCOUNT

	31 December 2016 £	31 December 2015 £
Amounts received from construction contracts	221,950,474	110,996,346
Amounts transferred from work in progress	(59,366,198)	(40,402,716)
Amounts transferred to turnover	(31,933,159)	-
	<u>130,651,117</u>	<u>70,593,630</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.

(l) FINANCIAL INSTRUMENTS

	31 December 2016 £	31 December 2015 £
Financial assets		
Trade and other receivables	399,981,977	341,514,309
Cash and cash equivalents	16,396,019	3,535,162
	<u>416,367,996</u>	<u>345,049,471</u>
Financial liabilities		
Trade and other payables	20,649,063	9,315,279
Payments on account	130,651,117	70,593,630
	<u>151,300,180</u>	<u>79,908,909</u>
Financial liabilities measured at amortised cost		

BRAEBURN ESTATES LIMITED PARTNERSHIP

NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

(m) CAPITAL AND RESERVES

	%	Capital Account £	Partner Advances £	Revaluation Reserve £	Current Account £	Total £
Braeburn Estates (GP) Limited	0.100	10	-	33,656	(9,551)	24,115
Class A: Canary Wharf (PB) Unit Trust	24.975	2,498	68,612,228	8,405,655	(2,385,495)	74,634,886
Class B: Canary Wharf (PB) Unit Trust	24.975	2,497	68,612,228	8,405,655	(2,385,495)	74,634,885
Class C: Project Russet Property Unit Trust	24.975	2,498	68,612,228	8,405,655	(2,385,495)	74,634,886
Class D: Project Russet Property Unit Trust	24.975	2,497	68,612,229	8,405,655	(2,385,495)	74,634,885
		10,000	274,448,913	33,656,275	(9,551,531)	298,563,657