

## **BRAEBURN ESTATES (GP) LIMITED**

Registered number: 7698559

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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## **BRAEBURN ESTATES (GP) LIMITED**

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## **BRAEBURN ESTATES (GP) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

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 profit for the year, after taxation, amounted to £7,082 (2016 - loss £245).

No dividends were paid or proposed.

#### **DIRECTORS**

The directors who served during the year were:

A P Anderson II  
K M E Al-Sayed (resigned 8 April 2017)  
Sheikh J H Al-Thani (resigned 16 December 2017)  
R D S Archer  
Sir George Iacobescu CBE  
A J S Jordan  
J Lamothe  
J M Holmes  
N M AlBuenain (appointed 8 April 2017)

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 2017 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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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 9 May 2018 and signed on its behalf.



**J R Garwood**  
Secretary

## **BRAEBURN ESTATES (GP) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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 to 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**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **OPINION**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Braeburn Estates (GP) Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

##### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **CONCLUSIONS RELATING TO GOING CONCERN**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **BRAEBURN ESTATES (GP) LIMITED**

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

#### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

#### **RESPONSIBILITIES OF DIRECTORS**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **USE OF OUR REPORT**

This report is made solely to the 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.

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Opinions on other matters 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 the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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 and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



James Wright FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
9 May 2018

**BRAEBURN ESTATES (GP) LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Share of profit/(loss) in partnership	7	8,533	(181)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<u>8,533</u>	<u>(181)</u>
Tax on profit/(loss)	6	(1,565)	(64)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u><u>6,968</u></u>	<u><u>(245)</u></u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
Unrealised surplus/(deficit) on revaluation of fixed asset investments	7	2,085	(3,334)
Tax on revaluation of fixed asset investments	11	(354)	936
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,731</u>	<u>(2,398)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>8,699</u></u>	<u><u>(2,643)</u></u>

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 2017**

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Investments	7	34,644	24,026
		<u>34,644</u>	<u>24,026</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	90	90
		<u>90</u>	<u>90</u>
Creditors: amounts falling due within one year	9	(1,342)	-
		<u>(1,252)</u>	<u>90</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>33,392</u>	<u>24,116</u>
Deferred tax	11	(4,660)	(4,083)
<b>NET ASSETS</b>		<u><u>28,732</u></u>	<u><u>20,033</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Revaluation reserve		29,665	27,934
Retained earnings		(1,033)	(8,001)
		<u><u>28,732</u></u>	<u><u>20,033</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 May 2018.

  
**A P Anderson II**  
 Director

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

  
**J M Holmes**  
 Director

**BRAEBURN ESTATES (GP) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Revaluation reserve £	Retained earnings £	Total equity £
At 1 January 2017	100	27,934	(8,001)	20,033
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Profit for the year	-	-	6,968	6,968
Revaluation of investment	-	1,731	-	1,731
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	-	1,731	-	1,731
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	1,731	6,968	8,699
<b>AT 31 DECEMBER 2017</b>	100	29,665	(1,033)	28,732

**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
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Loss for the year	-	-	(245)	(245)
Revaluation of investment	-	(2,398)	-	(2,398)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(2,398)	-	(2,398)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(2,398)	(245)	(2,643)
<b>AT 31 DECEMBER 2016</b>	100	27,934	(8,001)	20,033

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 2017**

#### **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.

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 15 Revenue from contracts with customers;  
IFRS 16 Leases;  
Improvements to the 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 2017**

#### **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 2017**

#### **3. CRITICAL ACCOUNTING JUDGEMENTS 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 £554 (2016 -£560) 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 (2016 - £NIL).

**BRAEBURN ESTATES (GP) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017****6. TAXATION**

	2017 £	2016 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	1,342	-
<b>TOTAL CURRENT TAX</b>	<u>1,342</u>	<u>-</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	223	64
<b>TOTAL DEFERRED TAX</b>	<u>223</u>	<u>64</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>1,565</u>	<u>64</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 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	8,533	(181)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	1,643	(36)
<b>EFFECTS OF:</b>		
Adjustments to tax charge in respect of prior periods	77	-
Non-taxable income	(125)	-
Change in rate applied to deferred tax	(30)	100
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u>1,565</u>	<u>64</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The tax rate of 19.25% has been calculated by reference to the current corporation tax rate of 19% which was in effect for the final three quarters of the year and the previous rate of 20% which was in effect for the first quarter of the year.

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 2017

#### 7. FIXED ASSET INVESTMENTS

	Investments in partnerships £
<b>COST OR VALUATION</b>	
At 1 January 2017	24,026
Revaluations	2,085
Share of profit/(loss)	8,533
At 31 December 2017	<u>34,644</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>34,644</u>
At 31 December 2016	<u>24,026</u>

As a general partner, the company has contributed £10 of the capital of the Braeburn Estates Limited Partnership, an English Limited Partnership registered at One Canada Square, Canary Wharf, London E14 5AB. 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. TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Amounts owed to Braeburn Estates Limited Partnership	90	90
	<u>90</u>	<u>90</u>

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

#### 9. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Corporation tax	1,342	-
	<u>1,342</u>	<u>-</u>

## BRAEBURN ESTATES (GP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 10. FINANCIAL INSTRUMENTS

	2017 £	2016 £
<b>FINANCIAL ASSETS</b>		
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.

#### 11. DEFERRED TAXATION

	2017 £
At beginning of year	(4,083)
Charged to the profit or loss	(223)
Charged to other comprehensive income	(354)
<b>AT END OF YEAR</b>	<u><u>(4,660)</u></u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Tax losses carried forward	1,416	1,639
Revaluation of investments	(6,076)	(5,722)
	<u><u>(4,660)</u></u>	<u><u>(4,083)</u></u>



## BRAEBURN ESTATES (GP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 12. SHARE CAPITAL

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
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.

#### 13. 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 2017**

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**

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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**

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In our opinion:

- the non-statutory financial statements give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 31 December 2017 and of the group's profit for the year then ended;
- the group non-statutory financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- the non-statutory financial statements have been prepared in accordance with Limited Partnership Agreement.

We have audited the non-statutory financial statements of Braeburn Estates Limited Partnership (the 'parent limited liability partnership') and its subsidiaries (the 'group') which comprise:

- the consolidated and parent limited partnership statements of comprehensive income;
- the consolidated and parent limited partnership statements of financial position;
- the consolidated and parent limited partnership statements of changes in equity;
- the consolidated and parent limited partnership cash flow statements; 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 and the Limited Partnership Agreement.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the non-statutory financial statements section of our report.

We are independent of the group and of the parent limited partnership in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# **BRAEBURN ESTATES LIMITED PARTNERSHIP**

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

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### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the general partners' use of the going concern basis of accounting in preparation of the non-statutory financial statements is not appropriate; or
- the general partner has not disclosed in the non-statutory financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the non-statutory financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Responsibilities of members**

As explained more fully in the general partner's responsibilities statement, the general partner is responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view, and for such internal control as the general partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, the general partner is responsible for assessing the group's and the parent limited partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the partners either intend to liquidate the group or the parent limited partnership or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

A further description of our responsibilities for the audit of the non-statutory financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# **BRAEBURN ESTATES LIMITED PARTNERSHIP**

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

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### **Use of our report**

This report is made solely for the exclusive use of the partners and solely for the purpose set out in our engagement letter. 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.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

**Deloitte LLP**  
**Statutory Auditors**  
**London, UK**  
**9 May 2018**

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
<b>Revenue</b>	<b>3</b>	190,061,607	31,970,860
Cost of sales		(180,977,711)	(29,186,446)
<b>Gross profit</b>		<u>9,083,896</u>	<u>2,784,414</u>
Administrative expenses		(2,801,386)	(3,059,354)
Other operating income		-	5,000
<b>Operating profit/(loss)</b>	<b>4</b>	<u>6,282,510</u>	<u>(269,940)</u>
Finance and similar income	<b>5</b>	35,356	86,882
Finance and similar charges	<b>6</b>	(427)	(94)
<b>Profit/(loss) on ordinary activities before tax</b>		<u>6,317,439</u>	<u>(183,152)</u>
Taxation	<b>7</b>	(46,645)	(14,729)
<b>Profit/(loss) for the year</b>		<u>6,270,794</u>	<u>(197,881)</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<u>6,270,794</u>	<u>(197,881)</u>

All amounts relate to continuing activities in the United Kingdom.

The Notes on pages 9 to 22 form an integral part of these financial statements.



# BRAEBURN ESTATES LIMITED PARTNERSHIP

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	31 December 2016 £
<b>Current assets</b>			
Work in progress	8	564,075,267	424,053,177
Trade and other receivables	9	56,353,273	32,177,587
Cash and cash equivalents		57,032,909	87,459,457
<b>Total assets</b>		<b>677,461,449</b>	<b>543,690,221</b>
<b>Current liabilities</b>			
Trade and other payables	10	(96,354,831)	(28,744,330)
<b>Total current liabilities</b>		<b>(96,354,831)</b>	<b>(28,744,330)</b>
<b>Non current liabilities</b>			
Residential deposits	11	(85,835,000)	(56,833,199)
Payments on account	12	(157,082,289)	(174,341,664)
Bank loan	13	(67,162,480)	(19,014,973)
Derivative instrument	14	(475,817)	(547,096)
<b>Total non current liabilities</b>		<b>(310,555,586)</b>	<b>(250,736,932)</b>
<b>Total liabilities</b>		<b>(406,910,417)</b>	<b>(279,481,262)</b>
<b>Net assets</b>		<b>270,551,032</b>	<b>264,208,959</b>
<b>Equity</b>			
Capital accounts	16	10,000	10,000
Partner advances	16	274,448,913	274,448,913
Hedging reserve	14	(475,817)	(547,096)
Partners' current accounts	16	(3,432,064)	(9,702,858)
		<b>270,551,032</b>	<b>264,208,959</b>

The Notes on pages 9 to 22 form an integral part of these financial statements.

Approved by the partners on 9 May 2018 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 2017

	Capital Accounts £	Partner advances £	Hedging reserve £	Current accounts £	Total equity £
<b>At 1 January 2016</b>	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)
<b>At 31 December 2016</b>	10,000	274,448,913	(547,096)	(9,702,858)	264,208,959
Profit for the year	-	-	-	6,270,794	6,270,794
Total comprehensive income	-	-	-	6,270,794	6,270,794
Fair value movement of effective hedging instruments	-	-	71,279	-	71,279
Other reserve movements	-	-	71,279	-	71,279
<b>At 31 December 2017</b>	10,000	274,448,913	(475,817)	(3,432,064)	270,551,032

The Notes on pages 9 to 22 form an integral part of these financial statements.

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## CONSOLIDATED CASH FLOW STATEMENT

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
Operating profit/(loss)	6,282,510	(269,940)
Increase in work in progress	(140,022,090)	(75,945,602)
Increase in receivables	(24,175,686)	(17,612,587)
Increase in payables	79,352,927	135,859,192
Tax charge	(46,645)	(14,729)
<b>Net cash flows from operating activities</b>	<b>(78,608,984)</b>	<b>42,016,334</b>
<b>Cash flows from investing activities</b>		
Interest received	35,356	86,882
Interest paid	(427)	(94)
<b>Net cash flows from investing activities</b>	<b>34,929</b>	<b>86,788</b>
<b>Cash flows from financing activities</b>		
Bank loans	48,147,507	19,014,973
<b>Net cash flows from financing activities</b>	<b>48,147,507</b>	<b>19,014,973</b>
<b>Net movements in cash and cash equivalents</b>	<b>(30,426,548)</b>	<b>61,118,095</b>
Cash and cash equivalents at the start of the year	87,459,457	26,341,362
<b>Cash and cash equivalents at the end of the year</b>	<b>57,032,909</b>	<b>87,459,457</b>

The Notes on pages 9 to 22 form an integral part of these financial statements.

# **BRAEBURN ESTATES LIMITED PARTNERSHIP**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **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 Casson Square comprises 213 units and Belvedere Gardens 97 apartments. A third building, 30 Casson Square, comprising 166 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.

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 15 Revenue from contracts with customers;  
IFRS 16 Leases;  
Improvements to the IFRS, 2012-2014 Cycle (various standards)

# **BRAEBURN ESTATES LIMITED PARTNERSHIP**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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With the potential exception of IFRS9, the directors anticipate that the adoption of these standards in future periods will not have a material impact on the financial statements of the Partnership.

The hedge accounting model in IFRS9 allows hedge accounting to be applied in circumstances where hedges may previously have been deemed as ineffective. The International Accounting Standards Board issued the final version of IFRS9 in July 2014 with mandatory adoption for the year commencing 1 January 2018. While the adoption of IFRS9 may result in the reclassification of certain derivatives as effective, no change to net assets is anticipated.

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 2017 and 31 December 2016 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 2017**

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### **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 2017**

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### **(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 2017

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### 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 2017 £	Year Ended 31 December 2016 £
Recharge revenue	32,129,801	-
Rental income	21,843	37,701
Construction revenue	157,909,963	31,933,159
	<u>190,061,607</u>	<u>31,970,860</u>

Recharge revenue relates to the recharge of costs to associated undertakings.



# BRAEBURN ESTATES LIMITED PARTNERSHIP

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 4. OPERATING PROFIT

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
Operating profit/(loss) is stated after charging:		
Remuneration of the auditor:		
Audit fees for the audit of the Partnership	5,023	3,265
Audit of subsidiaries	21,407	5,600
Fees to the auditor for other services	554	555
Total audit fees	<u>26,984</u>	<u>9,420</u>

During the year, an additional audit charge of £35,820 was made in respect of the 2016 audit and a charge of £15,000 in respect of the 2015 audit.

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

### 5. FINANCE AND SIMILAR INCOME

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
Bank interest receivable	35,356	86,882
	<u>35,356</u>	<u>86,882</u>

### 6. FINANCE AND SIMILAR CHARGES

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
Bank charges	427	94
	<u>427</u>	<u>94</u>

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 7. TAXATION

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	46,645	14,729
<b>Taxation on profits on ordinary activities</b>	<u>46,645</u>	<u>14,729</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 19.25% (2016: 20%). The differences are explained below:

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
Profit/(loss) on ordinary activities before tax	<u>6,317,439</u>	<u>(183,152)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	1,216,107	(36,630)
<b>Effects of:</b>		
Loss/(profit) taxed in the accounts of the Partners	(1,169,462)	51,359
<b>Taxation on profits on ordinary activities</b>	<u>46,645</u>	<u>14,729</u>

### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.25% (2016 - 20%).

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 2017

### 8. WORK IN PROGRESS

	31 December 2017 £	31 December 2016 £
At 1 January	424,053,177	348,107,575
Additions	268,189,961	124,095,430
Transferred to cost of sales	(148,847,910)	(29,186,346)
Transferred to payments on account	20,680,039	(18,963,482)
	<u>564,075,267</u>	<u>424,053,177</u>
At 31 December		

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.

### 9. TRADE AND OTHER RECEIVABLES

	31 December 2017 £	31 December 2016 £
Trade receivables	25,082,081	15,631,475
Derivative financial instruments	23,333	21,258
Amounts owed by Braeburn Estates Developments (1) Limited	-	18,524
Amounts owed by Braeburn Estates Developments (Infrastructure) Limited	14,158,516	-
Amounts owed by Braeburn Estates Developments Management Limited	2,303,343	2,733,171
Other debtors	493,745	1,026,574
Deferred loan fees	-	8,531,949
Prepayments and accrued income	14,292,255	4,214,636
	<u>56,353,273</u>	<u>32,177,587</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 2017

### 10. TRADE AND OTHER PAYABLES

	31 December 2017 £	31 December 2016 £
Trade payables	13,262,470	5,478,111
Amounts owed to Braeburn Estates Developments (1) Limited	21,220,403	-
Amounts owed to Braeburn Estates Developments (2) Limited	36,236,256	16,682,828
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	52,449	132,786
Corporation tax	50,949	14,728
Other tax payables	-	-
Other payables	593,962	2,011
Accruals and deferred income	24,938,252	6,029,486
	<u>96,354,831</u>	<u>28,744,330</u>

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

### 11. RESIDENTIAL DEPOSITS

	31 December 2017 £	31 December 2016 £
Deposits received	<u>85,835,000</u>	<u>56,833,199</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 2017

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### 12. PAYMENTS ON ACCOUNT

	31 December 2017 £	31 December 2016 £
Amounts received from construction contracts	325,912,273	221,950,474
Amounts transferred from work in progress	(38,686,159)	(59,366,198)
Amounts transferred to turnover	(189,843,122)	(31,933,159)
	<hr/>	<hr/>
Payments on account: Construction contracts	97,382,992	130,651,117
Payments on account: Agreements for sale	59,699,297	43,690,547
	<hr/>	<hr/>
	<u>157,082,289</u>	<u>174,341,664</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.

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 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).

The four facilities relate to the four residential buildings under development: Belvedere Gardens, One Casson Square, 30 Casson Square and Four Casson Square.

Two of the four facilities had been utilised at 31 December 2017:

As regards the loan in relation to Belvedere Gardens, 75% 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%.

As regards the loan in relation to 30 Casson Square, 75% of the loan is hedged by interest rate swaps which, based on a notional drawdown profile, serves to fix the interest rate at 4.2325%.

Details of the derivative financial instruments are set out in note 14.

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

	31 December 2017 £	31 December 2016 £
Construction drawings	68,082,409	22,804,740
Interest drawings	1,100,770	125,073
Commitment fees drawings	3,340,536	-
Loan fees incurred	(7,853,127)	(4,726,496)
Fee amortisation	2,491,892	811,657
Carried forward	<u>67,162,480</u>	<u>19,014,973</u>

The carrying amount is analysed as follows:

	31 December 2017 £	31 December 2016 £
Drawings	72,523,715	22,929,813
Fees	(5,361,235)	(3,914,839)
Carried forward	<u>67,162,480</u>	<u>19,014,973</u>

Accrued interest of £478,494 (2016: £148,168) has been included in accruals and deferred income.

The carrying value of the loans represents their fair value.

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### 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.

At 31 December 2017 the Partnership held two interest rate swaps which served to fix the interest on 75% of one of its loans to a rate of 3.583% and the interest on 75% on the other loan to a rate of 4.2325%. These swaps are classified as highly effective and qualify for hedge accounting. The cumulative fair value of the swaps at 31 December 2017 was £475,817 (liability).

The Partnership also holds an interest cap which serves to restrict the interest payable on the remaining 25% of the Belvedere Gardens loan to a maximum of 4.25%. The cap is classified as not highly effective. The fair value of the cap at 31 December 2017 was £23,333 (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 £	2017 £	2016 £
Within one year	328,804	—	328,804	177,353
In one to two years	356,769	—	356,769	305,690
In two to five years	25,640	—	25,640	68,041
	<u>711,213</u>	<u>—</u>	<u>711,213</u>	<u>551,084</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 2017 £	31 December 2016 £
<b>0.5% increase in interest rates</b>		
Impact on Income Statement	207,553	74,293
Impact on hedging reserve	1,075,340	789,426
<b>Impact on net assets</b>	<u>1,282,893</u>	<u>863,719</u>

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

### 15. FINANCIAL INSTRUMENTS

	31 December 2017 £	31 December 2016 £
<b>Financial assets</b>		
Trade and other receivables	56,353,273	32,177,587
Cash and cash equivalents	57,032,909	87,459,457
Financial assets measured at amortised cost	<u>113,386,182</u>	<u>119,637,044</u>
<b>Financial liabilities</b>		
Trade and other payables	96,354,831	28,744,330
Residential deposits	85,835,000	56,833,199
Payments on account	157,082,289	174,341,664
Bank loans	67,162,480	19,014,973
Financial liabilities measured at amortised cost	<u>406,434,600</u>	<u>278,934,166</u>
Derivative instruments measured at fair value through profit or loss	<u>475,817</u>	<u>547,096</u>
	<u>406,910,417</u>	<u>279,481,262</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 loans are fixed by interest rate swaps. For one of the loans, the remaining 25% is covered by an interest rate cap.

#### Liquidity risk

The Partnership's construction loans are drawn to fund the construction program. The remaining term of the loans at 31 December 2017 was 2.0 years, which is expected to expire after practical completion of the relevant buildings.

#### Loan covenants

The Belvedere Gardens loan is subject to a maximum 60% Loan to Value financial covenant. The 30 Casson Square loan is subject to a maximum 55% Loan to Value covenant. These covenants were satisfied throughout the year.

#### 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.



# BRAEBURN ESTATES LIMITED PARTNERSHIP

## PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

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

### 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	(477)	-	(3,432)	(3,899)
Class A: Canary Wharf (PB) Unit Trust	24.975	2,498	(118,835)	68,612,228	(857,158)	67,638,733
Class B: Canary Wharf (PB) Unit Trust	24.975	2,497	(118,835)	68,612,228	(857,158)	67,638,732
Class C: Project Russet Property Unit Trust	24.975	2,498	(118,835)	68,612,228	(857,158)	67,638,733
Class D: Project Russet Property Unit Trust	24.975	2,497	(118,835)	68,612,229	(857,158)	67,638,733
		<u>10,000</u>	<u>(475,817)</u>	<u>274,448,913</u>	<u>(3,432,064)</u>	<u>270,551,032</u>

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
<b>Revenue</b>	<b>(c)</b>	256,495,604	31,970,860
Cost of sales		(247,411,708)	(29,186,446)
<b>Gross profit</b>		<u>9,083,896</u>	<u>2,784,414</u>
Administrative expenses		(2,216,807)	(2,908,976)
Other operating income		9,982,817	-
Share of loss of partnerships	<b>(h)</b>	(8,421,256)	(29,441)
<b>Operating profit/(loss)</b>	<b>(d)</b>	<u>8,428,650</u>	<u>(154,003)</u>
Finance and similar income	<b>(e)</b>	16,453	61,910
Finance and similar charges	<b>(f)</b>	(421)	(94)
<b>Profit/(Loss) on ordinary activities before tax</b>		<u>8,444,682</u>	<u>(92,187)</u>
Taxation	<b>(g)</b>	-	-
<b>Profit/(Loss) for the year</b>		<u>8,444,682</u>	<u>(92,187)</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		<u>8,444,682</u>	<u>(92,187)</u>

All amounts relate to continuing activities in the United Kingdom.

The Notes on pages 27 to 35 form an integral part of these financial statements.

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## PARTNERSHIP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	31 December 2016 £
<b>Non current assets</b>			
Investments	(h)	27,149,505	33,485,841
<b>Total non current assets</b>		<u>27,149,505</u>	<u>33,485,841</u>
<b>Current assets</b>			
Trade and other receivables	(i)	408,473,765	399,981,977
Cash and cash equivalents		36,670,395	16,396,019
<b>Total current assets</b>		<u>445,144,160</u>	<u>416,377,996</u>
<b>Total assets</b>		<u>472,293,665</u>	<u>449,863,837</u>
<b>Current liabilities</b>			
Trade and other payables	(j)	(65,817,414)	(20,649,063)
<b>Total current liabilities</b>		<u>(65,817,414)</u>	<u>(20,649,063)</u>
<b>Non current liabilities</b>			
Payments on account	(k)	(97,382,992)	(130,651,117)
<b>Total non current liabilities</b>		<u>(97,382,992)</u>	<u>(130,651,117)</u>
<b>Total liabilities</b>		<u>(163,200,406)</u>	<u>(151,300,180)</u>
<b>Net assets</b>		<u>309,093,259</u>	<u>298,563,657</u>
<b>Equity</b>			
Capital accounts	(m)	10,000	10,000
Partner advances	(m)	274,448,913	274,448,913
Revaluation reserve	(m)	35,741,195	33,656,275
Partners' current accounts	(m)	(1,106,849)	(9,551,531)
		<u>309,093,259</u>	<u>298,563,657</u>

The Notes on pages 27 to 35 form an integral part of these financial statements.

Approved by the partners on 9 May 2018 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 2017

	Capital Accounts £	Partner advances £	Revaluation Reserve £	Current accounts £	Total equity £
<b>At 1 January 2016</b>	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	-	-	-	-	-
<b>At 31 December 2016</b>	10,000	274,448,913	33,656,275	(9,551,531)	298,563,657
Profit for the year	-	-	-	8,444,682	8,444,682
Revaluation of investments	-	-	2,084,920	-	2,084,920
Total comprehensive income	-	-	2,084,920	8,444,682	10,529,602
Capital contributions	-		-	-	
Other reserve movements	-		-	-	
<b>At 31 December 2017</b>	10,000	274,448,913	35,741,195	(1,106,849)	309,093,259

The Notes on pages 27 to 35 form an integral part of these financial statements.

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## PARTNERSHIP CASH FLOW STATEMENT

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
	£	£
<b>Operating profit/(loss)</b>	8,428,650	(154,003)
Share of loss of Partnerships	8,421,256	29,441
Increase in receivables	(8,491,788)	(58,467,668)
Increase in payables	11,900,226	71,391,271
<b>Net cash flows from operating activities</b>	<b>20,258,344</b>	<b>12,799,041</b>
<b>Cash flows from investing activities</b>		
Interest received	16,453	61,910
Interest paid	(421)	(94)
<b>Net cash flows from investing activities</b>	<b>16,032</b>	<b>61,816</b>
<b>Net movements in cash and cash equivalents</b>	<b>20,274,376</b>	<b>12,860,857</b>
Cash and cash equivalents at the start of the year	16,396,019	3,535,162
<b>Cash and cash equivalents at the end of the year</b>	<b>36,670,395</b>	<b>16,396,019</b>

The Notes on pages 27 to 35 form an integral part of these financial statements.

# **BRAEBURN ESTATES LIMITED PARTNERSHIP**

## **NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **(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.

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 15 Revenue from contracts with customers;  
IFRS 16 Leases;  
Improvements to the 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 Partnership.

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:

# **BRAEBURN ESTATES LIMITED PARTNERSHIP**

## **NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **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.

### **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

# **BRAEBURN ESTATES LIMITED PARTNERSHIP**

## **NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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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 2017

### (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 2017 £	Year Ended 31 December 2016 £
Recharge revenue	98,563,798	-
Rental income	21,843	37,701
Construction revenue	157,909,963	31,933,159
	<u>256,495,604</u>	<u>31,970,860</u>

Recharge revenue relates to the recharge of costs to associated and subsidiary undertakings.

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### (d) OPERATING PROFIT

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
Operating profit/(loss) is stated after charging:		
Remuneration of the auditor:		
Audit fees for the audit of the Partnership	5,023	3,265
Audit of subsidiaries	21,407	5,040
Fees to the auditor for other services	554	555
Total audit fees	<u>26,984</u>	<u>8,860</u>

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

### (e) FINANCE AND SIMILAR INCOME

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
Bank interest receivable	16,453	61,910
	<u>16,453</u>	<u>61,910</u>

### (f) FINANCE AND SIMILAR CHARGES

	Year Ended 31 December 2017 £	Year Ended 31 December 2016 £
Bank charges	421	94
	<u>421</u>	<u>94</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 2017

### (h) INVESTMENTS

	£
<b>COST OR VALUATION</b>	
At 1 January 2017	33,485,841
Revaluation	2,084,920
Share of loss	(8,421,256)
 At 31 December 2017	 <u>27,149,505</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 2017

### (i) TRADE AND OTHER RECEIVABLES

	31 December 2017 £	31 December 2016 £
Amounts owed by subsidiaries	279,270,205	333,039,234
Amounts owed by Braeburn Estates Developments (1) Limited	-	18,524
Amounts owed by Braeburn Estates Developments (Infrastructure) Limited	117,213,976	52,818,055
Amounts owed by Braeburn Estates Developments Management Limited	9,806,352	9,796,998
Other debtors	13,173	792,973
Prepayments and accrued income	2,170,059	3,516,193
	<u>408,473,765</u>	<u>399,981,977</u>

### (j) TRADE AND OTHER PAYABLES

	31 December 2017 £	31 December 2016 £
Trade payables	2,739,368	3,822,483
Amounts owed to Braeburn Estates Developments (1) Limited	21,220,403	-
Amounts owed to Braeburn Estates Developments (2) Limited	36,236,256	16,682,828
Amounts owed to Braeburn Estates (GP) Limited	90	90
Amounts owed to Canary Wharf Limited	54,036	132,786
Other payables	535,630	2,011
Accruals and deferred income	5,031,631	8,865
	<u>65,817,414</u>	<u>20,649,063</u>

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### (k) PAYMENTS ON ACCOUNT

	31 December 2017 £	31 December 2016 £
Amounts received from construction contracts	325,912,273	221,950,474
Amounts transferred from work in progress	(38,686,159)	(59,366,198)
Amounts transferred to turnover	(189,843,122)	(31,933,159)
	<u>97,382,992</u>	<u>130,651,117</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 2017 £	31 December 2016 £
<b>Financial assets</b>		
Trade and other receivables	408,473,765	399,981,977
Cash and cash equivalents	36,670,395	16,396,019
	<u>445,144,160</u>	<u>416,377,996</u>
<b>Financial liabilities</b>		
Trade and other payables	65,817,414	20,649,063
Payments on account	97,382,992	130,651,117
	<u>163,200,406</u>	<u>151,300,180</u>
Financial liabilities measured at amortised cost		

# BRAEBURN ESTATES LIMITED PARTNERSHIP

## NOTES TO THE PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

### (m) CAPITAL AND RESERVES

	%	Capital Account £	Partner Advances £	Revaluation Reserve £	Current Account £	Total £
Braeburn Estates (GP) Limited	0.100	10	-	35,741	(1,107)	34,644
Class A: Canary Wharf (PB) Unit Trust	24.975	2,498	68,612,228	8,926,363	(276,435)	77,264,654
Class B: Canary Wharf (PB) Unit Trust	24.975	2,497	68,612,228	8,926,364	(276,436)	77,264,653
Class C: Project Russet Property Unit Trust	24.975	2,498	68,612,228	8,926,363	(276,435)	77,264,654
Class D: Project Russet Property Unit Trust	24.975	2,497	68,612,229	8,926,364	(276,436)	77,264,654
		10,000	274,448,913	35,741,195	(1,106,849)	309,093,259