



## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

**Registered number: 07698566**

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

**FOR THE YEAR ENDED 31 DECEMBER 2021**



## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

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## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors, in preparing this Strategic Report, have complied with section 414C of the Companies Act 2006.

#### **BUSINESS MODEL**

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 area around Shell Centre, a 5.25 acre site on the Southbank in London.

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

The company acts as the development contractor for an office development at Southbank Place, London.

The redevelopment to be known as Southbank Place will be a mixed use scheme comprising office, residential and retail space.

#### **BUSINESS REVIEW**

As shown in the company's income statement, the company's loss after tax for the year was £15,814 (2020: £70,733 profit).

The statement of financial position shows the company's financial position at the year end and indicates that net assets were £1,159,390 (2020: £1,175,204).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's activities are concentrated on Southbank Place and future activity relies on the continuing redevelopment of the site. In recent years, the London real estate market has had to cope with fluctuations in demand caused by key events such as the 2008/2009 financial crisis, uncertainty in the Eurozone and the implications of the UK's withdrawal from the EU. The full impact of the Russian invasion of Ukraine and sanctions imposed on Russia as a consequence and of the coronavirus is not yet possible to predict. Any long term continuation of the pandemic will however inevitably affect short and medium term economic performance and confidence, with adverse implications for the property market. The real estate market has to date, however, been assisted by the depreciation of sterling since the EU referendum and the continuing presence of overseas investors attracted by the relative transparency of the real estate market in London which is still viewed as both relatively stable and secure. Previous Government announcements, in particular the changes to stamp duty underpinned continuing demand in the residential market and the value of the Group's development sites. Sales in the residential buildings at Southbank Place have accordingly remained relatively strong despite continuing uncertainties which are unhelpful to confidence across the wider real estate sector.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

The company derives all its activity from the construction of an office building at Southbank Place. This building reached practical completion in August 2018.

## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **SECTION 172 (1) STATEMENT COMPANIES ACT 2006**

Section 172 (1) of the Companies Act 2006 requires that a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term

The Company is a Joint Venture entity which is comprised of equal numbers of joint venture Board directors. The Board meets regularly to discuss and make decisions on matters of strategic importance to the business, to promote the long term success of the Company and to consider the likely long term impact of any such decisions.

- (b) the interest of the Company's employees

The Company has no employees other than the directors, who did not receive remuneration from the Company during the year.

- (c) the need to foster the Company's business relationships with suppliers, customers and others

The Company has well established relationships and partnerships, with its suppliers and customers. This is evidenced by the continuation of links across the full value chain, over many years, with the full range of contractors, advisers and suppliers who interact with the Company without the intervention of sub-contractors.

- (d) the impact of the Company's operations on the community and the environment

The Group publishes an annual Corporate Responsibility report which is available on the Group website. However, in addition to the above, the Group is committed to fostering positive links within the local communities in which it works. The Group has an appointed Group Strategy Director who manages a team which works collaboratively with the London Boroughs of Tower Hamlets and of Lambeth. The Director is also engaged politically and is responsible for the Group's long-term strategy, planning, community and sports events, links with local educational establishments and promotional arts events.

The Group is an established member of the Tower Hamlets Partnership Executive Group which engages with a range of local business leaders. The Group's Personnel Department has well established links with local schools, colleges, universities and with the local job centre.

- (e) the desirability of the Company maintaining a reputation for high standards of business conduct

The Group expects the highest standards of conduct from its employees, business partners and suppliers with which it engages. The Group has an established internal risk control and audit process with a range of official policies. In addition, the Internal Audit process is provided independently by Ernst & Young LLP.

- (f) the need to act fairly between the members of the Company

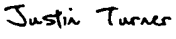
The Company's articles of association may be amended by special resolution of the Company's shareholder. The Company is jointly owned within the Braeburn group of companies.

Throughout 2022 the Board will continue to review and challenge how the Company can improve engagement with its employees and stakeholders.

**BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report was approved by the board on 27 July 2022 and signed on its behalf.

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**J J Turner**  
Secretary

## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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

#### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £15,814 (2020 - profit £70,733).

No dividends have been paid or proposed during the year (2020: £Nil).

#### **DIRECTORS**

The directors who served during the year were:

T K A A Al-Abdulla  
M Ashraf  
B E De'ath (appointed 16 November 2021)  
Sir George Iacobescu CBE (resigned 1 July 2021)  
S Z Khan (appointed 1 July 2021)  
R E Oakes  
A R J Vallintine  
B Vickers (resigned 16 November 2021)

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 2021 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.

#### **FINANCIAL INSTRUMENTS**

The financial risk management objectives and policies together with the principal risks and uncertainties of the company are contained within the Strategic Report.

#### **STATEMENT ON BUSINESS RELATIONSHIPS**

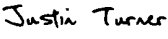
A full disclosure has been made under section 172 (1) part (c) in the Company's Strategic Report on page 2.

#### **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 27 July 2022 and signed on its behalf.

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**J J Turner**  
Secretary

## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors are responsible for preparing the Strategic Report, 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 are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. 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 IFRS 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 DEVELOPMENTS (1) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

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

##### **OPINION**

In our opinion the financial statements of Braeburn Estates Developments (1) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board ('IASB'); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

##### **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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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



## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

#### **OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **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 non-statutory financial statements is located on the FRC'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 DEVELOPMENTS (1) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

#### **EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD**

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAEBURN ESTATES DEVELOPMENTS (1) 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

We have nothing to report in respect of these matters.

#### **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.



Claire Faulkner FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
27 July 2022

**BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Revenue		(46,395)	10,257,536
Cost of sales		45,936	(10,155,977)
<b>GROSS (LOSS)/PROFIT</b>		(459)	101,559
Administrative expenses		(15,355)	(14,515)
<b>OPERATING (LOSS)/PROFIT</b>		(15,814)	87,044
Interest receivable and similar income	6	-	281
<b>(LOSS)/PROFIT BEFORE TAX</b>		(15,814)	87,325
Tax on (loss)/profit	7	-	(16,592)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(15,814)	70,733
Other comprehensive income for the year		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		(15,814)	70,733

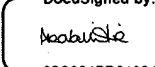
The notes on pages 14 to 20 form part of these financial statements.

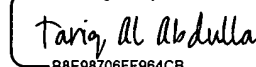
**BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**  
**REGISTERED NUMBER: 07698566**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	34,815,283	34,593,526
Cash at bank and in hand	9	121,897	57,152
		<u>34,937,180</u>	<u>34,650,678</u>
Trade and other payables	10	(33,777,790)	(33,475,474)
<b>NET CURRENT ASSETS</b>		<u>1,159,390</u>	<u>1,175,204</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,159,390</u>	<u>1,175,204</u>
<b>NET ASSETS</b>		<u><u>1,159,390</u></u>	<u><u>1,175,204</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2	2
Retained earnings		<u>1,159,388</u>	<u>1,175,202</u>
		<u><u>1,159,390</u></u>	<u><u>1,175,204</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2022.

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**A R J Vallintine**  
Director

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**T K A A Al-Abdulla**  
Director

The notes on pages 14 to 20 form part of these financial statements.

**BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2021	2	1,175,202	1,175,204
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Loss for the year	-	(15,814)	(15,814)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(15,814)	(15,814)
<b>AT 31 DECEMBER 2021</b>	2	1,159,388	1,159,390

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2020	2	1,104,469	1,104,471
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	70,733	70,733
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	70,733	70,733
<b>AT 31 DECEMBER 2020</b>	2	1,175,202	1,175,204

The notes on pages 14 to 20 form part of these financial statements.

**BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit for the financial year	(15,814)	70,733
<b>ADJUSTMENTS FOR:</b>		
Taxation charge	-	16,592
Increase in receivables	(221,389)	(1,568,717)
Increase in payables	314,984	1,433,737
Corporation tax paid	(13,036)	(8,935)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<u>64,745</u>	<u>(56,590)</u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>64,745</u>	<u>(56,590)</u>
Cash and cash equivalents at beginning of year	57,152	113,742
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<u>121,897</u>	<u>57,152</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	121,897	57,152
	<u>121,897</u>	<u>57,152</u>

The notes on pages 14 to 20 form part of these financial statements.

## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. GENERAL INFORMATION**

Braeburn Estates Developments (1) Limited is a private company limited by shares incorporated in the UK under the Companies Act 2006 and registered in England and Wales 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 Strategic 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 as issued by the IASB in conformity with the requirements of the Companies Act 2006.

The following new and revised accounting standards and interpretations have been adopted by the company in 2021. 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:

- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

At 31 December 2021, a number of new standards, amendments to standards and interpretations have been issued by the IASB but are not effective for this year end.

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 judgment in applying the company'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.

##### **The impact of COVID-19**

Since early 2020, the UK economy has been significantly impacted by the COVID-19 virus which has caused widespread disruption and economic uncertainty. The return to lockdown in January 2021 and the extension to the end of lockdown restrictions in July 2021 continued this uncertainty but the positive news around rollout of vaccines and the recent removal of restrictions have improved the outlook. Although the crisis has had a significant impact on the business as a result of reduced availability of labour and supplies impacting on the ability to complete remaining projects on schedule, it has not affected the company's ability to continue its operations for the foreseeable future.

##### **2.3 Revenue**

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



## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2.4 Financial instruments**

##### **Trade and other receivables**

Trade and other receivables 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.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, deposits held with banks and other short term highly liquid investments with original maturities of 3 months or less, which are held for the purpose of meeting short term cash commitments.

##### **Trade and other payables**

Trade and other payables are stated at cost.

#### **2.5 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 when the control is 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 total costs incurred less costs released to the income statement plus total progress billings less income recognised to the income statement. Where the sum of these items is a shown as credit the balance 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.

#### **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.

### **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. The preparation of financial statements also requires use of judgements, apart from those involving estimation, that management makes in the process of applying the entity's accounting policies.

For the year ended 31 December 2021, there were no items which the directors believe are significant to the financial statements.

**BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****4. AUDITOR'S REMUNERATION**

	2021 £	2020 £
Fees payable for the audit of the company's annual accounts	6,000	5,700

**5. EMPLOYEES**

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2021 £	2020 £
Bank and other interest receivable	-	281
	-	281

**7. TAXATION**

	2021 £	2020 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	16,592
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	-	16,592

**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% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	(15,814)	87,325
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(3,005)	16,592
<b>EFFECTS OF:</b>		
Unrelieved tax losses carried forward	3,005	-
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	-	16,592

**BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****7. TAXATION (CONTINUED)****FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Enacted in the Finance Act 2021 is a provision for the main rate of corporation tax to increase to 25% from 1 April 2023.

**8. TRADE AND OTHER RECEIVABLES**

	2021 £	2020 £
Trade receivables	1,479,241	-
Amounts due from associated entities	33,316,897	34,582,301
Other receivables	19,145	1
Prepayments and accrued income	-	11,224
	<u>34,815,283</u>	<u>34,593,526</u>

Amounts due from associated entities comprise:

	2021 £	2020 £
Canary Wharf Limited	444	444
Canary Wharf Developments Limited	1	1
Braeburn Estates Limited Partnership	29,910,972	31,213,284
Braeburn Estates Developments (2) Limited	3,368,572	3,368,572
Braeburn Estates (GP) Limited	36,908	-
	<u>33,316,897</u>	<u>34,582,301</u>

The amounts due from associated entities are repayable on demand and interest free.

**9. CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Cash at bank and in hand	121,897	57,152
	<u>121,897</u>	<u>57,152</u>

**BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****10. TRADE AND OTHER PAYABLES**

	2021 £	2020 £
Trade payables	29,437	884,220
Amounts due to associated entities	33,112,388	32,565,379
Corporation tax	-	12,669
Other taxation and social security	-	7,506
Accruals and deferred income	635,965	5,700
	<u>33,777,790</u>	<u>33,475,474</u>

The amounts due to associated entities comprise:

	2021 £	2020 £
Braeburn Estates Development Management Limited	1,263,329	1,263,329
Braeburn Estates Developments (Infrastructure) Limited	28,501,158	27,954,149
Braeburn Estates (B5) Limited Partnership	1,482,174	1,482,174
Braeburn Estates (Hungerford) Limited	1,865,727	1,865,727
	<u>33,112,388</u>	<u>32,565,379</u>

The amounts due to associated entities are repayable on demand and are interest free.

**11. FINANCIAL INSTRUMENTS**

	2021 £	2020 £
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	121,897	57,152
Financial assets that are debt instruments measured at amortised cost	34,815,283	34,582,303
	<u>34,937,180</u>	<u>34,639,455</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(33,777,790)</u>	<u>(33,455,299)</u>

**BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****12. SHARE CAPITAL**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1 (2020 -1) A ordinary share of £1.00	1	1
1 (2020 -1) B ordinary share of £1.00	1	1
	<u>2</u>	<u>2</u>

The A and B shares rank pari passu in all respects.

**13. RELATED PARTY TRANSACTIONS**

The company has been contracted by Braeburn Estates Limited Partnership to develop an office building at Southbank Place, London. All of the company's turnover arises from this contract. Braeburn Estates Limited Partnership is under common ownership with the company.

During the year, the company had the following transactions with entities under common ownership:

	2021 £	2020 £
<b>Revenue</b>		
Braeburn Estates Limited Partnership	-	6,870,764
	<u>-</u>	<u>6,870,764</u>

	2021 £	2020 £
<b>Costs</b>		
Braeburn Estates (B3) Limited Partnership	-	1,311,703
Braeburn Estates Developments (Infrastructure) Limited	547,009	-
Braeburn Estates Limited Partnership	46,395	5,207,294
	<u>593,404</u>	<u>6,518,997</u>

The company also incurred charges of £9,355 (2020: £9,355) from Canary Wharf Limited in respect of administration services.

## **BRAEBURN ESTATES DEVELOPMENTS (1) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **14. CONTROLLING PARTY**

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

The company is 50% owned by Canary Wharf Developments Limited, a wholly owned subsidiary of Canary Wharf Group plc, and 50% owned by Project Russet (Holdings Company) Limited, a wholly owned subsidiary of Qatari Diar. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London, E14 5AB.