Get Living London EV No4 Limited

Annual report and financial statements

For the year ended 31 March 2016

Company Registration No. 08613928

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COMPANY INFORMATION

Directors

DV4 Administration Limited

Colin Barry Wagman

Sheikh Jassim Hamad Al-Thani

Jeremy Martin Holmes

Registered office

6th Floor Lansdowne House
Berkeley Square
London
W1J 6ER

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Directors' Report

The Directors present the annual report and the audited financial statements for the year ended 31 March 2016.

Directors

The Directors who served during the year were:

- DV4 Administration Limited
- Colin Barry Wagman
- Sheikh Jassim Hamad Al-Thani
- Stephen James Pettit (resigned 21 July 2016)
- Jeremy Martin Holmes (appointed 21 July 2016)

Principal activities

The principal activity of the Company is the letting of residential property to private tenants at East Village, London E20.

Results and dividends

The profit for the year amounted to £2.6m (2015: £7.3m) before tax and £2.4m (2015: £5.7m) after tax.

No distribution (2015: £40,310,504) was paid during the year.

Principal risks and uncertainties

In the opinion of the Directors, the major risks faced by the Company relate to fluctuations in the residential rental market and the property market generally. The Directors believe the excellent location and infrastructure in place at Stratford mitigate some of these concerns.

The Directors note the uncertainty - and consequential volatility in the property and capital markets - since the UK voted to leave the European Union in the 23 June 2016 referendum. This uncertainty may have an impact on UK property valuations in future periods. The Directors are unable at the current time to quantify what, if any, impact there may be on the property valuations. These uncertainties are not reflected in the balance sheet at 31 March 2016.

The Company is also exposed to the following specific risks:

Credit risk
The Company services the private rental property sector as it rents its investment properties to third party private residents. The private property industry is economically sensitive and highly competitive. If a tenant experiences financial difficulties this may result in arrears which, ultimately, are chased through a legal process which can end in repossession of the property. The Directors mitigate this risk by conducting comprehensive credit checks prior to tenancy commencement and will insist on guarantors as required.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims to mitigate liquidity risk by maintaining banking facilities.

Directors' Report (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company has no significant assets or liabilities denominated in currencies other than Pounds Sterling and was therefore not exposed to currency risk at the balance sheet date.

Interest rate risk

The Company's interest bearing financial assets and liabilities expose it to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Company makes use of derivative financial instruments where possible to mitigate the Company's overall exposure to such movements.

Going concern

The financial statements of the Company have been prepared on a going concern basis. The Directors have referred to cash flow forecasts for the coming year in order to understand the cashflow requirements of the Company.

The Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future, and consider it appropriate to prepare the financial statements on a going concern basis.

In considering whether this is appropriate, the Directors have taken into account the following:

- that although the loan from the parent company is repayable on demand, the parent company has agreed not to request repayment for at least 12 months from the date of approval of these financial statements;
- the Company has received a letter of support from its intermediate parent company regarding their current intention to provide financial support to assist in meeting liabilities as they fall due for a period of at least one year from the date of approval of the financial statements.

Directors' statement as to disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' Report are shown above. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Directors' Report (continued)

Small companies' exemption

In preparing the report and financial statements, the Directors have taken advantage of the small companies' exemption provided under the Companies Act 2006. The Directors have also taken advantage of the exemption provided under Section 414B of the Companies Act 2006 for the requirement to produce a Strategic Report for the year.

Subsequent events

On 3 April 2016, the existing two ultimate shareholders exchanged contracts with the Netherlands based pension fund asset manager, Stichting Depositary APG Strategic Real Estate Pool, and each party now has an equal shareholding. Completion of the transaction occurred on 11 May 2016.

Approved by the Board of Directors and signed on behalf of the Board.

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Colin Wagman

Director

Date: 10 October 2016

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK 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 Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Get Living London EV N04 Limited

We have audited the financial statements of Get Living London EV N04 Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6 the Company's directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent Auditor's Report to the Members of Get Living London EV No4 Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take the advantage of the small companies' exemptions in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.

Ernst & Young LLP

Matthew Williams (Senior statutory auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
London
Date: 11 OCT 2016

Statement of comprehensive income

	Notes	2016 £000	2015 £000
Rental income		**1,506**	-
Other income		**18**	3
Total revenue		**1,524**	3
Direct costs		**(870)**	(568)
Net rental profit/(loss)		**654**	(565)
Administrative expenses		**(650)**	(480)
Valuation gain on investment property	7	**5,289**	11,099
Operating profit	4	**5,293**	10,054
Interest payable and similar costs	5	**(2,720)**	(2,803)
Profit on ordinary activities before taxation		**2,573**	7,251
Taxation	6	**(156)**	(1,510)
Profit for the year		**2,417**	5,741
Other comprehensive income		**-**	-
Total comprehensive income for the year		**2,417**	5,741

Statement of financial position

	Notes	2016 £000	2015 £000
Fixed assets			
Investment property	7	**74,755**	69,254
Tangible fixed assets	8	**1,079**	517
		75,834	69,771
Current assets			
Debtors	9	**225**	881
		225	881
Creditors: amounts falling due within one year	10	**(19,276)**	(16,201)
Net current liabilities		**(19,051)**	(15,320)
Total assets less current liabilities		**56,783**	54,451
Creditors: amounts falling due after more than one year	11	**(33,026)**	(33,292)
Provisions for liabilities	6	**(1,691)**	(1,510)
Net assets		**22,066**	19,649
Capital and reserves			
Share capital	13	-	-
Capital contribution		**13,908**	13,908
Retained earnings		**8,158**	5,741
Total equity		**22,066**	19,649

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors for issue on 10 October 2016 and were signed on its behalf by:

....
Colin Wagman
Director
Company Registration No. 08613928

Statement of changes in equity as at 31 March 2016

	Share capital	Capital contribution	Retained earnings	Total equity
	£000	**£000**	**£000**	**£000**
As at 1 April 2014	-	-	-	-
Capital contribution	-	54,219	-	54,219
Distribution	-	(40,311)	-	(40,311)
Comprehensive income for the year	-	-	5,741	5,741
As at 31 March 2015	-	13,908	5,741	19,649
Comprehensive income for the year	-	-	2,417	2,417
As at 31 March 2016	**-**	**13,908**	**8,158**	**22,066**

Notes to the financial statements

1. Statement of compliance with FRS 101

These Company financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and under the historical cost convention as modified by the revaluation of investment properties and derivative financial liabilities measured at fair value through the profit or loss, and in accordance with the Companies Act 2006.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2016.

2. Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2016. The financial statements are prepared in Sterling and are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures; and
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern

The financial statements of the Company have been prepared on a going concern basis. The Directors have referred to cash flow forecasts for the coming year in order to understand the cashflow requirements of the Company.

The Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future, and consider it appropriate to prepare the financial statements on a going concern basis.

In considering whether this is appropriate, the Directors have taken into account the following:

- that although the loan from the parent company is repayable on demand, the parent company has agreed not to request repayment for at least 12 months from the date of approval of these financial statements;
- the Company has received a letter of support from its intermediate parent company regarding their current intention to provide financial support to assist in meeting liabilities as they fall due for a period of at least one year from the date of approval of the financial statements.

Notes to the financial statements (continued)

3. Summary of significant accounting policies

a) Investment property

Investment property is initially recognised at cost then subsequently measured at fair value. Gains or losses arising from changes in fair value of investment property are included in the profit or loss in the period in which they arise. No depreciation or amortisation is provided in respect of investment property.

b) Revenue recognition

Rental income from investment properties is recognised in the income statement on a straight-line basis over the term of the lease.

c) Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that they can be utilised against taxable profits. However, deferred tax assets are not recognised where they relate to the deductible temporary difference arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

d) Tangible fixed assets

Fixtures and fittings are depreciated at 25% per annum on a straight line basis. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

e) Debtors

Debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment.

A provision for impairment in trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the asset's carrying amount and the estimated future cash flows. A 50% provision is made for receivables over one month old (but less than two months) and 100% provision for receivables over two months old. At that point, the Company will commence legal proceedings. The movement in the provision is recognised in the statement of comprehensive income.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

f) Interest-bearing and profit-bearing loans

Obligations for bank loans are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and profit-bearing loans are subsequently measured at amortised cost using the effective interest method. The discount between the redeemable amount and the net proceeds is accreted over the term of the bonds and charged to the statement of comprehensive income.

In the year ended 31 March 2015, the Company entered into a Murabaha loan to finance the purchase of the Investment Property. The quarterly profit element payable on this transaction is treated as interest payable within these accounts, in accordance with recommended accounting practice.

g) Derivative financial instruments

The Company uses a derivative financial instrument to hedge its exposure to movements in the profit-bearing loans. The derivative is initially recognised at fair value and subsequently re-measured to its prevailing fair value at each balance sheet date. Changes in the fair value of the derivative financial instrument are recognised as income or expense in the statement of comprehensive income as they arise.

The Company does not apply hedge accounting.

h) Leases - Company as lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the present value of the minimum lease payments.

Long leasehold properties are included in the balance sheet at fair value increased for the obligation for the present value of minimum future lease payments at inception. The finance charge is allocated each period during the lease term so as to produce a consistent periodic rate of interest on the remaining balance of the liability.

Notes to the financial statements (continued)

4. Operating profit

Operating profit is stated after charging:

	2016	2015
	£000	£000
Auditor's remuneration	6	1
Depreciation	225	50

Directors' remuneration

The Directors are remunerated for their services to their respective parent groups - or advisors thereto - as a whole. Their total remuneration is not allocated between the services they provide to this joint venture company and the various other joint ventures in their respective parent groups. Consequently, the Directors received no remuneration or reimbursements from the Company.

5. Interest payable and similar costs

	2016	2015
	£000	£000
Profit payable on Murabaha loan	1,353	877
Change in fair value of derivatives	156	1,142
Interest payable on intercompany loan	976	637
Amortised arrangement fees	44	28
Finance lease charges	181	119
Other finance cost	10	-
	2,720	2,803

6. Taxation

	2016	2015
	£000	£000
Current tax charge	-	-
Adjustment for prior periods	(25)	-
	(25)	-
Deferred tax charge	181	1,510
Tax charge	156	1,510

Notes to the financial statements (continued)

6. Taxation (continued)

	2016	2015
	£000	£000
Factors affecting the tax charge for the year:		
Profit before taxation	**2,573**	7,251
Profit before taxation multiplied by standard rate of UK corporation tax of 20% (2015: 21%)	**515**	1,523
Effect of:		
Adjustment for prior periods	**(25)**	-
Depreciation in excess of capital allowances	**45**	-
Non-deductible expenses	**10**	66
Difference between accounting and tax base cost of investment properties	**(133)**	(3)
Other differences	**(48)**	-
Effects of change in tax rate	**(208)**	(76)
Tax charge	**156**	1,510

Deferred tax is recognised at a rate of 18% (2015: 20%). The Finance (No.2) Act 2015 was enacted on 18 November 2015, which introduced a reduction in the headline rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020.

On 16 March 2016, the UK Chancellor proposed a further reduction in UK corporation tax rates from 1 April 2020 to 17%. The legislation introducing this additional rate was not enacted by the balance sheet date but would have the effect of reducing the deferred tax liability to £1.6m by 2020.

	2016	2015
	£000	£000
Deferred tax liabilities		
At 1 April	**1,510**	-
Charged to the statement of comprehensive income	**181**	1,510
At 31 March	**1,691**	1,510

	2016	2015
	£000	£000
Deferred tax liability comprises		
Revaluation of investment property	**2,896**	2,216
Unutilised tax losses and other temporary differences	**(1,205)**	(706)
	1,691	1,510

Notes to the financial statements (continued)

7. Investment property

	2016	2015
	£000	£000
At 1 April	**69,254**	-
Acquisition	-	54,331
Finance lease obligation	-	3,273
Capital expenditure	**166**	-
Provision for additional acquisition cost	**46**	551
Fair value adjustments	**5,289**	11,099
At 31 March	**74,755**	69,254

	2016	2015
	£000	£000
Fair value	**71,342**	65,926
Finance lease separately recognised	**3,413**	3,328
At 31 March	**74,755**	69,254

The fair value of investment property of £71.3m (2015: £66.0m) principally includes leasehold residential property.

The fair values of these leasehold residential properties are Directors valuations, after consideration of a third party valuation of the freehold site containing the property held by this Company at 31 March 2016 in accordance with RICS Valuation Standards, Sixth Edition in the United Kingdom. That amount is allocated to this property based on the size of the building, less an amount - estimated by the Directors - representing the value of the head lease payments due to the head lease holder. All investment properties are held under lease agreements of 125 years.

Notes to the financial statements (continued)

8. Tangible fixed assets

	Fixtures and fittings
	£000
Cost	
At 1 April 2014	-
Additions	567
At 31 March 2015	567
Additions	787
At 31 March 2016	**1,354**
Depreciation	
At 1 April 2014	-
Depreciation charge for the year	(50)
At 31 March 2015	(50)
Depreciation charge for the year	(225)
At 31 March 2016	**(275)**
Net book value	
Balance at 31 March 2016	**1,079**
Balance at 31 March 2015	517

Notes to the financial statements (continued)

9. Debtors

	2016	2015
	£000	£000
Trade debtors	1	18
Allowance for doubtful debts	-	-
	1	18
Prepayments	12	1
Other debtors	42	-
Accrued income	13	-
Other taxes	138	1
Amounts due from group undertakings	19	861
	225	881

Trade debtors are non-interest bearing.

Trade debtors are provided for as follows:

- 50% of debt over 1 month old (but less than 2 months)
- 100% provision for debts over 2 months old. At this point, legal proceedings will commence.

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	116	62
Deferred income	365	-
Other creditors	618	175
Other creditors - overage	597	-
Loan from parent	13,815	12,839
Amounts due to group undertakings	3,765	3,125
	19,276	16,201

Trade creditors are non-interest bearing and are normally settled in accordance with the Company's terms of business.

Other creditors – overage represents the estimate of additional amounts due to the vendor of the investment property under the purchase contract. In 2015 this was due after more than one year.

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The parent loan includes £8.1m (2015: £8.1m) which is interest bearing at 12% (2015: 12%), £4.1m (2015: £4.1m) which is interest free and accrued interest of £1.6m (2015: £0.6m). The loan from the parent is repayable on demand.

Notes to the financial statements (continued)

11. Creditors: amounts falling due after more than one year

	2016	2015
	£000	£000
Finance lease liability – non current (note 12)	**3,413**	3,328
Other creditors - overage	**-**	552
Murabaha loan	**28,472**	28,471
Deferred Murabaha loan arrangement fees	**(157)**	(201)
Derivative financial instruments	**1,298**	1,142
	33,026	33,292

Other creditors – overage represents the estimate of additional amounts due to the vendor of the investment property under the purchase contract. In 2016 this amount is due within one year.

In the year ended 31 March 2015, the Company entered into a Murabaha loan to part-finance the purchase of the Investment Property. The quarterly profit element payable on this transaction is treated as interest payable within these financial statements.

The Murabaha loan is are non-amortising and due for repayment in September 2019. Profit payable on the Murabaha loan is calculated based on LIBOR+ 2.60%. The floating rate is hedged by a derivative.

The Murabaha loan is served by fixed and floating charges over certain investment properties.

In the year ended 31 March 2015 the Company entered into a swap arrangement to swap floating rate profit payable on its Murabaha loan to a fixed rate. The swap has a non-amortising notional principal of £28.4m from inception in August 2014 through to maturity in September 2019 and fixes the profit payable on the Murabaha loan at an effective rate of 4.67%.

The fair value of the derivative is calculated using the present value of the estimated future cash flows and the credit quality of counterparties.

Notes to the financial statements (continued)

12. Finance lease liabilities

The Company holds leasehold property that it classifies as investment property. The leases are accounted for as finance leases. These leases have lease terms of 125 years and rent increases by 33% every ten years. Future minimum lease payments under finance leases are as follows:

	2016	2015
	£000	£000
Future minimum lease payments due:		
Within one year	96	98
After one year but not more than five years	385	392
More than five years	104,300	106,186
	104,781	106,676
Less: finance charges allocated to future periods	(101,368)	(103,348)
Present value of minimum lease payments	3,413	3,328

	2016	2015
	£000	£000
The present value of minimum lease payments is analysed as follows:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	3,413	3,328
	3,413	3,328

13. Share capital

	2016	2015
	£	£
Allotted, called up share capital		
1 Ordinary Shares of £1 each	1	1
	1	1

Holders of Ordinary Shares are entitled to one vote per share.

Notes to the financial statements (continued)

14. Related party disclosures

The Company's immediate and ultimate parent undertakings were Get Living London EV Holdco Limited and QDD Limited respectively.

At 31 March 2016, QDD Limited was ultimately jointly controlled as follows:

(i) By DV4 Limited, a company registered and incorporated in the British Virgin Islands; and

(ii) By Qatari Diar Real Estate Investment Company QSC, a company registered and incorporated in the State of Qatar and being a direct subsidiary of Qatar Investment Authority, a governmental authority established by the Emir of the State of Qatar.

On 3 April 2016, the existing two ultimate shareholders of QDD Limited exchanged contracts with the Netherlands based pension fund asset manager, Stichting Depositary APG Strategic Real Estate Pool, and each party now has an equal shareholding. Completion of the transaction occurred on 11 May 2016.

QDD Athletes Village UK Limited is the smallest group to consolidate these financial statements. QDD Limited (incorporated in the British Virgin Islands) is the largest group to consolidate these financial statements.

Transactions between the Company and its group entities are summarised in note 5, 9, 10 and 11. The Company's finance lease liabilities are with a company under common control (see note 12).

15. Commitments

There were no commitments as at 31 March 2016 (2015: £nil).

16. Contingent liabilities

There were no contingent liabilities as at 31 March 2016 (2015: £nil).

17. Subsequent events

On 3 April 2016, the existing two ultimate shareholders exchanged contracts with the Netherlands based pension fund asset manager, Stichting Depositary APG Strategic Real Estate Pool, and each party now has an equal shareholding. Completion of the transaction occurred on 11 May 2016.

The Directors note the uncertainty - and consequential volatility in the property and capital markets - since the UK voted to leave the European Union in the 23 June 2016 referendum. This uncertainty may have an impact on UK property valuations in future periods. The Directors are unable at the current time to quantify what, if any, impact there may be on the property valuations. These uncertainties are not reflected in the balance sheet at 31 March 2016.