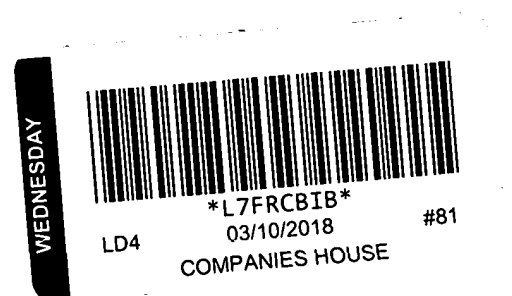


QDD EV N09 Limited

## Annual report and financial statements

For the year ended 31 March 2018

Company Registration No. 08613951



## **QDD EV N09 Limited**

*Annual report and financial statements for the year ended  
31 March 2018*

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**QDD EV N09 Limited**

*Annual report and financial statements for the year ended  
31 March 2018*

**Company Information****Directors**

Jeremy Martin Holmes

James William Jeremy Ritblat

Abdulla Al-Ajail

Gawain Sydney Edward Smart

**Registered office**

6th Floor Lansdowne House

Berkeley Square

London

W1J 6ER

**Auditors**

Ernst & Young LLP

1 More London Place

London

SE1 2AF

## **QDD EV N09 Limited**

*Annual report and financial statements for the year ended  
31 March 2018*

### **Directors' Report**

The Directors present the annual report and the audited financial statements for the year ended 31 March 2018.

#### **Directors**

The Directors who served during the year were:

- Jeremy Martin Holmes
- DV4 Administration Limited (resigned 30 August 2018)
- Sheikh Jassim Hamad Al-Thani (resigned 27 February 2018)
- Colin Barry Wagman (resigned 29 March 2018)
- James William Jeremy Ritblat (appointed 9 August 2018)
- Abdulla Al-Ajail (appointed 9 August 2018)
- Gawain Sydney Edward Smart (appointed 30 August 2018)

#### **Principal activities**

The principal activity of the Company continues to be the collection of ground rent from the fellow group company that has a sub-lease on the Company's plot at East Village, London E20.

#### **Results and dividends**

The profit for the year amounted to £50k (2017: £48k) before tax and £50k (2017: £38k) after tax.

The Directors do not recommend payment of an ordinary dividend for the year (2017: £nil).

#### **Principal risks and uncertainties**

In the opinion of the Directors, the major risk faced by the Company is if the lessee experiences financial difficulties and fails to honour the terms of the lease, then the Company's income stream from collection of ground rents would be hindered. This risk is mitigated as the Company can recover the asset as stated in the lease contract.

The Company is also exposed to the following specific risks:

##### ***Credit risk***

The Company receives ground rents from the sub-lessee company of residential properties. It has credit risk to the extent that the sub-lessee company is exposed to the property market overall however its exposure is limited due the seniority of the ground rent payments in the overall leasing arrangements.

##### ***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 adequate reserves.

##### ***Market risk***

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's income or the value of its holdings of financial instruments.

##### ***Currency risk***

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

## **QDD EV N09 Limited**

*Annual report and financial statements for the year ended  
31 March 2018*

### **Directors' Report (continued)**

#### *Interest rate risk*

The Company does not have any interest bearing financial liabilities. The finance lease income is fixed with future fixed increases.

#### **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 12 months from the date of approval of the financial statements in order to understand the requirements of the Company, and have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. The Directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

#### **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.

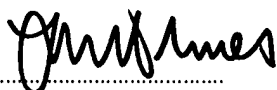
#### **Small companies' exemption**

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 (Strategic Report and Directors' Report) Regulations 2013 for the requirement to produce a Strategic Report for the year.

#### **Subsequent events**

On 30 August 2018, DV4 Limited completed contracts with Oxford Properties, a Canadian global real estate investor, to form a co-investment vehicle called Delancey Oxford Residential ("DOOR"). Following this transaction, the shareholders of East Village London LLP (the ultimate parent undertaking of the company) are DOOR (39% shareholding), Stichting Depositary APG Strategic Real Estate Pool (39% shareholding) and QD UK Holdings LP (replacing QD Triangle (East Village) Limited) (22% shareholding).

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



Jeremy Holmes

Director

Date: 26 September 2018

## **QDD EV N09 Limited**

*Annual report and financial statements for the year ended  
31 March 2018*

### **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 QDD EV N09 Limited**

## **Opinion**

We have audited the financial statements of QDD EV N09 Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2018 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.

## **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 below. 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

## **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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## **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.

# **Independent Auditor's Report to the Members of QDD EV N09 Limited (continued)**

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

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 material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 <https://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.



Daniel Saunders (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date: 27 September 2018



**QDD EV N09 Limited**

*Annual report and financial statements for the year ended  
31 March 2018*

**Statement of comprehensive income**

		<b>2018</b>	<b>2017</b>
	<b>Notes</b>	<b>£000</b>	<b>£000</b>
Finance lease income		<b>51</b>	<b>50</b>
Administrative expenses		<b>(1)</b>	<b>(2)</b>
<b>Profit on ordinary activities before taxation</b>	<b>4</b>	<b>50</b>	<b>48</b>
Taxation	<b>5</b>	<b>-</b>	<b>(10)</b>
<b>Profit for the year</b>		<b>50</b>	<b>38</b>
Other comprehensive income		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>50</b>	<b>38</b>

## QDD EV N09 Limited

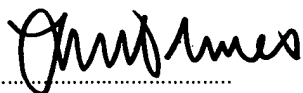
Annual report and financial statements for the year ended  
31 March 2018

### Statement of financial position

		2018	2017
	Notes	£000	£000
<b>Non-current assets</b>			
Ground rent assets	6	778	757
<b>Current assets</b>			
Debtors	7	125	95
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	(30)	(29)
<b>Net current assets</b>		95	66
<b>Net assets</b>		<b>873</b>	<b>823</b>
<b>Capital and reserves</b>			
Share capital	9	-	-
Capital contribution	10	703	703
Retained earnings		170	120
<b>Total equity</b>		<b>873</b>	<b>823</b>

The financial statements 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 **26** September 2018 and were signed on its behalf by:



.....  
Jeremy Holmes

Director  
Company Registration No. 08613951

**QDD EV N09 Limited**

*Annual report and financial statements for the year ended  
31 March 2018*

**Statement of changes in equity**

	Share capital	Capital contribution	Retained earnings	Total equity
	£000	£000	£000	£000
As at 1 April 2016	-	703	82	785
Total comprehensive income for the year	-	-	38	38
As at 31 March 2017	-	703	120	823
Total comprehensive income for the year	-	-	50	50
<b>As at 31 March 2018</b>	<b>-</b>	<b>703</b>	<b>170</b>	<b>873</b>

## **QDD EV N09 Limited**

*Annual report and financial statements for the year ended  
31 March 2018*

### **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, in accordance with the Companies Act 2006.

#### **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 2018. 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;
- 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;
  - 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; and
- 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 12 months from the date of approval of the financial statements in order to understand the requirements of the Company, and have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. The Directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

## **Notes to the financial statements (continued)**

### **3. Summary of significant accounting policies**

#### **a) Ground rent assets**

Ground rent assets are treated as finance lease receivables, consequently they are recognised at an amount equal to the net investment in the lease. The lease payments received from the lessee are subsequently treated as repayments of principal and finance income. Lease payments are applied against the lease receivable to reduce both the principal and the unearned finance income.

#### **b) Revenue recognition**

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the lessor's outstanding finance lease receivable.

#### **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.

## QDD EV N09 Limited

Annual report and financial statements for the year ended  
31 March 2018

### Notes to the financial statements (continued)

#### 4. Operating profit

Operating profit is stated after charging:

	2018	2017
	£000	£000
Auditor's remuneration	2	2

#### 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. Taxation

	2018	2017
	£000	£000
Taxation charge	10	10
Group relief utilised	(10)	(10)
Group relief charge	-	10
Current tax charge	-	10
Deferred tax charge	-	-
Tax charge	-	10
	2018	2017
	£000	£000
<b>Factors affecting the tax charge for the year</b>		
Profit before taxation	50	48
Profit before taxation multiplied by standard rate of UK corporation tax of 19% (2017: 20%)	10	10
Effect of:		
Group relief utilised	(10)	-
Tax charge	-	10

Deferred tax is recognised at a rate of 17% (2017: 17%). 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. The Finance Act 2016 was enacted on 15 September 2016, and introduced a further reduction of the headline rate of corporation tax to 17% from 1 April 2020.

The Company received group relief from other entities within the group. For the year ended 31 March 2018 the Company will not make payments for the group relief received. During the year ended 31 March 2017 the Company made payments for the group relief received.

**QDD EV N09 Limited**

Annual report and financial statements for the year ended  
31 March 2018

**Notes to the financial statements (continued)****6. Ground rent assets - Finance lease receivables**

	2018		2017	
	Gross investment	Present value	Gross investment	Present value
	£000	£000	£000	£000
Amounts due within one year	30	-	30	-
Amounts due between one to two years	30	-	30	-
Amounts due between two and five years	92	-	91	-
Amounts due after five years	32,271	778	32,302	757
	32,423	778	32,453	757
Unearned finance lease income	(31,645)	-	(31,696)	-
	778	778	757	757

The Company has granted a 125 year sub-lease, without breaks, to a fellow group undertaking, over its plot at the East Village. The rental is fixed, with a minimum escalation of 33% every 10 years.

**7. Debtors**

	2018	2017
	£000	£000
Amounts due from group undertakings	125	95
	125	95

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

**8. Creditors: amounts falling due within one year**

	2018	2017
	£000	£000
Other creditors	2	3
Amounts due to group undertakings	28	26
	30	29

Amounts due to group undertakings include £nil (2017: £10k) of payables to group companies in respect of amounts surrendered for group relief.

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

## Notes to the financial statements (continued)

### 9. Share capital

2018	2017
£	£
1	1
1	1

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

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

### 10. Capital contribution

The capital contribution of £0.7m (2017: £0.7m) relates to funding received from the parent company, QDD Athletes Village UK Limited, for the initial acquisition of East Village from the Olympic Development Authority (ODA) in 2014. This is treated as capital contribution as there was no issue of shares, no interest payments and no repayment obligation on the funding received from the parent company.

### 11. Related party disclosures

The Company's immediate and ultimate parent undertakings were QDD EV Holdco Limited and East Village London LLP respectively.

At 31 March 2018, East Village London LLP 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; and
- (iii) By Stichting Depository APG Strategic Real Estate Pool, a pension fund asset manager based in the Netherlands.

QDD Athletes Village UK Limited is the smallest and East Village London LLP (a limited liability partnership registered in England & Wales) is the largest group to consolidate these financial statements.

Transactions between the Company and fellow group entities are summarised in note 6, 7 and 8.

### 12. Commitments

There were no commitments as at 31 March 2018 (2017: £nil).

### 13. Contingent liabilities

There were no contingent liabilities as at 31 March 2018 (2017: £nil).

### 14. Subsequent events

On 30 August 2018, DV4 Limited completed contracts with Oxford Properties, a Canadian global real estate investor, to form a co-investment vehicle called Delancey Oxford Residential ("DOOR"). Following this transaction, the shareholders of East Village London LLP (the ultimate parent undertaking of the company) are DOOR (39% shareholding), Stichting Depository APG Strategic Real Estate Pool (39% shareholding) and QD UK Holdings LP (replacing QD Triangle (East Village) Limited) (22% shareholding).