



BRAEBURN ESTATES B4B (GP) LIMITED

Registered number: 8756725

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

WEDNESDAY



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BRAEBURN ESTATES B4B (GP) LIMITED

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BRAEBURN ESTATES B4B (GP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

PRINCIPAL ACTIVITY

The company acts as the general partner to Braeburn Estates (B4B) Limited Partnership.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £48 (2018 - loss £15).

No dividends have been paid or proposed (2018 - £NIL).

DIRECTORS

The directors who served during the year were:

T K A A Al-Abdulla
A Al-Attiyah
R D S Archer
M Ashraf
Sir George Iacobescu CBE
A J S Jordan

Subsequent to the year end, on 29 January 2020 C T Bryant replaced R D S Archer as a director of the company and on 31 March 2020 B Vickers replaced A J S Jordan as a director of the company.

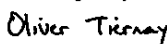
The company provides an indemnity to all directors (to the extent permitted by law) in respect of liabilities incurred as a result of their office. The company also has in place liability insurance covering the directors and officers of the company. Both the indemnity and insurance were in force during the year ended 31 December 2019 and at the time of the approval of this Directors' Report. Neither the indemnity nor the insurance provide cover in the event that the director is proven to have acted dishonestly or fraudulently.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 4 September 2020 and signed on its behalf.

DocuSigned by:

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O J Tiernay
Secretary

BRAEBURN ESTATES B4B (GP) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 B4B (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAEBURN ESTATES B4B (GP) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Braeburn Estates B4B (GP) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

BASIS FOR OPINION

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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

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

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

We have nothing to report in respect of these matters.

BRAEBURN ESTATES B4B (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAEBURN ESTATES B4B (GP) LIMITED

OTHER INFORMATION

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

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

We have nothing to report in respect of these matters.

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BRAEBURN ESTATES B4B (GP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAEBURN ESTATES B4B (GP) LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

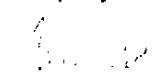
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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.


Simon Letts (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
4 September 2020

BRAEBURN ESTATES B4B (GP) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Share of loss in partnership	7	(58)	(19)
LOSS BEFORE TAX		<u>(58)</u>	<u>(19)</u>
Tax on loss	6	10	4
LOSS FOR THE FINANCIAL YEAR		<u>(48)</u>	<u>(15)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Unrealised surplus/(deficit) on revaluation of fixed asset investment		2,709	(754)
Tax on revaluation of fixed asset investments		(460)	128
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>2,249</u>	<u>(626)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,201</u>	<u>(641)</u>

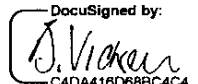
The notes on pages 9 to 16 form part of these financial statements.

BRAEBURN ESTATES B4B (GP) LIMITED
REGISTERED NUMBER:8756725

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investments	7	2,653	2
		<u>2,653</u>	<u>2</u>
CURRENT ASSETS			
Trade and other receivables	8	1	1
		<u>1</u>	<u>1</u>
Trade and other payables	9	(2)	(2)
		<u>(1)</u>	<u>(1)</u>
NET CURRENT LIABILITIES			
		<u>2,652</u>	<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Deferred tax	11	(450)	-
		<u>2,202</u>	<u>1</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Revaluation reserve		2,442	193
Retained earnings		(241)	(193)
		<u>2,202</u>	<u>1</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 September 2020.

DocuSigned by:

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B Vickers
 Director

DocuSigned by:

 42C9BE3003C74B7...
M Ashraf
 Director

The notes on pages 9 to 16 form part of these financial statements.

BRAEBURN ESTATES B4B (GP) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2019	1	193	(193)	1
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(48)	(48)
Surplus on revaluation of other fixed assets	-	2,249	-	2,249
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	2,249	-	2,249
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	2,249	(48)	2,201
AT 31 DECEMBER 2019	1	2,442	(241)	2,202

The notes on pages 9 to 16 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2018	1	819	(178)	642
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(15)	(15)
Deficit on revaluation of other fixed assets	-	(626)	-	(626)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	(626)	-	(626)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(626)	(15)	(641)
AT 31 DECEMBER 2018	1	193	(193)	1

The notes on pages 9 to 16 form part of these financial statements.

BRAEBURN ESTATES B4B (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Braeburn Estates B4B (GP) 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 Directors Report.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee interpretations as adopted by the EU and the Companies Act 2006 applicable to companies reporting under IFRS.

The following new and revised accounting standards and interpretations have been adopted by the company in 2019. 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:

IFRS 16 'Leases'

At the date of authorisation of these financial statements the following standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by EU):

Annual Improvements to IFRS, 2015-2017 cycle (various standards):

Amendment to IAS 28 'Investments in associates'

Amendment to IAS 19 'Employee benefits'

IFRS 17 'Insurance contracts'

IFRIC 23 'Uncertainty over income tax treatments'

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.

Replacement of LIBOR as an interest rate benchmark

It is anticipated that LIBOR will be replaced or discontinued after the end of 2021, as part of global financial regulators' project to reform interest rate benchmarks. The Company will therefore re-negotiate and/or otherwise amend to accommodate such change in benchmarks, where related instruments mature after 2021.

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 the Covid-19 virus is described in Note 14.

BRAEBURN ESTATES B4B (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Cash flow statement

The company had no cash flows during the year or prior period and accordingly, has not produced a cash flow statement.

2.4 Investments

Investments in subsidiaries are stated at cost less any provision for impairment.

Investments in partnerships are stated at fair value. The fair value is calculated by reference to the company's share of the net assets of the investment, as adjusted for assets and liabilities which are not carried at fair value. The movement that relates to income earned from partnership is taken to the income statement. The remaining fair value movement is recognised in other comprehensive income unless the carrying amount of the investment falls below its original cost, after which the deficit is recognised in the income statement.

Income from investments is recognised as the company becomes entitled to receive payment. Dividend income from investments in companies is recognised when received or irrevocably declared. Revenue profits and losses in partnerships are recognised on an accruals basis.

2.5 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.

Trade and other payables

Trade and other payables are stated at cost.

2.6 Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of temporary difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expenses or income.

BRAEBURN ESTATES B4B (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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.

Valuation of investments

Investments in partnerships are carried at fair value. The directors have valued the investment at the company's share of the partnership's net asset value, as adjusted for the fair value of the partnership's property interest.

Valuation of development properties

The company uses valuations performed by independent valuers as the fair value of properties. The valuations are based upon assumptions including future rental income, anticipated void costs, the appropriate discount rate or yield and the estimated costs to completion. The valuers also make reference to market evidence of transaction prices for similar properties.

For the year ended 31 December 2019, the financial statements of the company did not contain any significant items that required the application of judgements, apart from those involving estimation.

4. AUDITOR'S REMUNERATION

Auditor's remuneration of £560 (2018 - £540) for the audit of the company has been borne by Braeburn Estates Limited Partnership.

5. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

BRAEBURN ESTATES B4B (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****6. TAXATION**

	2019 £	2018 £
TOTAL CURRENT TAX	-	-
DEFERRED TAX		
Origination and reversal of timing differences	(10)	(4)
TOTAL DEFERRED TAX	(10)	(4)
TAXATION ON LOSS ON ORDINARY ACTIVITIES	(10)	(4)

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% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(58)	(19)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(11)	(4)
EFFECTS OF:		
Changes to the rates of tax	1	-
TOTAL TAX CREDIT FOR THE YEAR	(10)	(4)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

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

Following the year end, in the 2020 Budget, HM Treasury have set their intention not to cut corporation tax beyond 19% on 1 April 2020.

BRAEBURN ESTATES B4B (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****7. INVESTMENTS**

	Investments in subsidiary companies £	Investments in partnership £	Total £
COST OR VALUATION			
At 1 January 2019	2	-	2
Revaluations	-	2,709	2,709
Share of profit/(loss)	-	(58)	(58)
At 31 December 2019	<u>2</u>	<u>2,651</u>	<u>2,653</u>
NET BOOK VALUE			
At 31 December 2019	<u>2</u>	<u>2,651</u>	<u>2,653</u>

As a general partner, the company has contributed 1p of the capital of the Braeburn Estates (B4B) Limited Partnership, an English Limited Partnership, which equates to 0.01% of the Partnership capital. The Partnership was established to develop one of the buildings at Southbank Place in London.

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Braeburn Estates (B4B) T1 Limited	Trustee company	ordinary £1	100%
Braeburn Estates (B4B) T2 Limited	Trustee company	ordinary £1	100%

The subsidiaries are registered at One Canada Square, Canary Wharf, London, E14 5AB.

BRAEBURN ESTATES B4B (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****8. TRADE AND OTHER RECEIVABLES**

	2019 £	2018 £
Amounts owed by group undertakings	1	1
	<u>1</u>	<u>1</u>

Amounts owed by group undertakings are interest free and repayable on demand.

9. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Amounts owed to group undertakings	2	2
	<u>2</u>	<u>2</u>

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

10. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	<u>1</u>	<u>1</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(2)</u>	<u>(2)</u>

Financial assets measured at amortised cost comprise group receivables.

Financial liabilities measured at amortised cost comprise group payables.

BRAEBURN ESTATES B4B (GP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****11. DEFERRED TAXATION**

	2019 £
At beginning of year	-
Charged to the profit or loss	8
Charged to other comprehensive income	(458)
AT END OF YEAR	<u>(450)</u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Tax losses carried forward	50	-
Revaluation surplus	(500)	-
	<u>(450)</u>	<u>-</u>

At 31 December 2018 there was an unprovided tax asset of £41 relating to tax losses carrying forward of £243.

12. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
1 (2018 - 1) ordinary share of £1.00	<u>1</u>	<u>1</u>

13. OTHER FINANCIAL COMMITMENTS

As at 31 December 2019 and 31 December 2018 the company had given fixed and floating charges over substantially all of its assets to secure the commitments of certain other group undertakings.

14. POST BALANCE SHEET EVENTS

Since 31 December 2019 the UK economy has been significantly impacted by the Covid-19 virus which has caused widespread disruption and economic uncertainty. This is considered to be a non-adjusting post balance sheet event and as at the date of signing, the uncertainty is not expected to give rise to a material impact on the assets, liabilities or performance of the company.

BRAEBURN ESTATES B4B (GP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. CONTROLLING PARTY

The company's immediate parent undertaking is Braeburn Estates (GP) Limited for and on behalf of Braeburn Estates Limited Partnership.

As at 31 December 2019, the smallest and largest group of which the company is a member and for which group financial statements are drawn up is consolidated financial statements of Braeburn Estates Limited Partnership. Braeburn Estates Limited Partnership is a joint venture between Project Russet Property Unit Trust and Canary Wharf (PB) Unit Trust. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London, E14 5AB.



BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

Registered number: LP15867

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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COMPANIES HOUSE

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BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

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BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

GENERAL PARTNER'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The Braeburn Estates (B4B) Limited Partnership was registered as an English limited partnership on 7 January 2014 and comprises one General Partner and one Limited Partner. The Partners are incorporated in England and Wales.

The Limited Partnership Deed dated 3 January 2014 requires that the General Partner prepares financial statements for each financial period.

In preparing these financial statements, the General Partners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Partnership will continue in existence.

The General Partner is also responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Partnership.

The General Partner is responsible for ensuring that the Partnership has complied at all times with its obligations under the Agreement and has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Partnership and to prevent and detect fraud, errors and other irregularities.

These financial statements have been prepared under Regulation 7 of the Partnerships (Accounts) Regulations 2008.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

REPORT ON THE AUDIT OF THE NON-STATUTORY FINANCIAL STATEMENTS

OPINION

In our opinion the non-statutory financial statements of Braeburn Estates (B4B) Limited Partnership (the 'Partnership'):

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2019 and its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union; and
- have been prepared in accordance with the Limited Partnership Agreement.

We have audited the non-statutory financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the cash flow statement;
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is the relevant IFRS's as adopted by the European Union and the Limited Partnership Agreement.

BASIS FOR OPINION

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

We are independent of the group and of the parent limited partnership in accordance with the ethical requirements that are relevant to our audit of the 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

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

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

We have nothing to report in respect of these matters.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

OTHER INFORMATION

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

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

We have nothing to report in respect of these matters.

RESPONSIBILITIES OF GENERAL PARTNERS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE NON-STATUTORY FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the non-statutory financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

USE OF OUR REPORT

This report is made solely to the partners and solely for the purpose set out in our engagement letter. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without prior written express consent.

Our audit work has been undertaken so that we might state to the Partnership'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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Deloitte LLP
London, United Kingdom
4 September 2020

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Cost of sales		-	(45,782)
GROSS PROFIT/(LOSS)		-	(45,782)
Administrative expenses		(454,328)	(435,450)
Other operating income		5,000	-
OPERATING LOSS		(449,328)	(481,232)
Interest receivable and similar income	6	8,220	8,417
Interest payable and similar charges	7	(13)	(6)
LOSS BEFORE TAX		(441,121)	(472,821)
Tax on loss	8	-	-
LOSS FOR THE FINANCIAL YEAR		(441,121)	(472,821)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Fair value movement of effective hedging instrument		(29,429)	181,647
OTHER COMPREHENSIVE INCOME FOR THE YEAR		(29,429)	181,647
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(470,550)	(291,174)

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

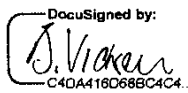
The notes on pages 9 to 19 form part of these financial statements.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP
REGISTERED NUMBER:LP15867

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investments	9	1	1
		<u>1</u>	<u>1</u>
CURRENT ASSETS			
Work in progress	10	189,577,278	139,065,617
Trade and other receivables	11	19,830,709	19,540,131
Cash and cash equivalents	12	771,669	3,534,448
		<u>210,179,656</u>	<u>162,140,196</u>
Trade and other payables	13	(213,092,017)	(131,480,496)
NET CURRENT (LIABILITIES)/ASSETS		<u>(2,912,361)</u>	<u>30,659,700</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,912,360)</u>	<u>30,659,701</u>
Non current liabilities	14	-	(33,101,511)
NET LIABILITIES		<u><u>(2,912,360)</u></u>	<u><u>(2,441,810)</u></u>
EQUITY			
Capital accounts	18	100	100
Hedging reserve	18	(32,595)	(3,166)
Current accounts	18	(2,879,865)	(2,438,744)
		<u>(2,912,360)</u>	<u>(2,441,810)</u>

The financial statements were approved and authorised for issue by the general partner and were signed on its behalf on 4 September 2020.

DocuSigned by:

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B Vickers
 Director

DocuSigned by:

 42C9BE3003C74B7...
M Ashraf
 Director

On behalf of Braeburn Estates B4B (GP) Limited

The notes on pages 9 to 19 form part of these financial statements.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Capital accounts £	Hedging reserve £	Current accounts £	Total equity £
At 1 January 2019	100	(3,166)	(2,438,744)	(2,441,810)
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(441,121)	(441,121)
Fair value movement of effective hedging instrument	-	(29,429)	-	(29,429)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(29,429)	(441,121)	(470,550)
AT 31 DECEMBER 2019	100	(32,595)	(2,879,865)	(2,912,360)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Capital accounts £	Hedging reserve £	Current accounts £	Total equity £
At 1 January 2018	100	(184,813)	(1,965,923)	(2,150,636)
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(472,821)	(472,821)
Fair value movement of effective hedging instrument	-	181,647	-	181,647
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	181,647	(472,821)	(291,174)
AT 31 DECEMBER 2018	100	(3,166)	(2,438,744)	(2,441,810)

The notes on pages 9 to 19 form part of these financial statements.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(441,121)	(472,821)
ADJUSTMENTS FOR:		
Increase in work in progress	(50,511,661)	(40,622,918)
Increase in debtors	(290,578)	(3,158,546)
Increase in creditors	8,034,772	16,366,718
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>(43,208,588)</u>	<u>(27,887,567)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank loan drawdowns	40,445,809	25,999,017
NET CASH USED IN FINANCING ACTIVITIES	<u>40,445,809</u>	<u>25,999,017</u>
(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(2,762,779)</u>	<u>(1,888,550)</u>
Cash and cash equivalents at beginning of year	3,534,448	5,422,998
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>771,669</u>	<u>3,534,448</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	771,669	3,534,448
	<u>771,669</u>	<u>3,534,448</u>

The notes on pages 9 to 19 form part of these financial statements.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Braeburn Estates (B4B) Limited Partnership is an English Limited Partnership registered at One Canada Square, Canary Wharf, London E14 5AB.

The Partnership is the developer for a residential development at Southbank Place, London.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee interpretations as adopted by the EU and the Companies Act 2006 applicable to companies reporting under IFRS.

The following new and revised accounting standards and interpretations have been adopted by the company in 2019. 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:

IFRS 16 'Leases'

At the date of authorisation of these financial statements the following standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by EU):

Annual Improvements to IFRS, 2015-2017 cycle (various standards):

Amendment to IAS 28 'Investments in associates'

Amendment to IAS 19 'Employee benefits'

IFRS 17 'Insurance contracts'

IFRIC 23 'Uncertainty over income tax treatments'

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.

Replacement of LIBOR as an interest rate benchmark

It is anticipated that LIBOR will be replaced or discontinued after the end of 2021, as part of global financial regulators' project to reform interest rate benchmarks. The Company will therefore re-negotiate and/or otherwise amend to accommodate such change in benchmarks, where related instruments mature after 2021.

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:

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

2.2 Going concern

The Partnership is in a net liability position at the year end.

Braeburn Estates Limited Partnership has expressed its intention to provide or procure adequate financial resources to allow the Partnership to continue its operations and to make available any funds that may be required for the Partnership to enable it to meet its obligations as they fall due for a period of not less than 12 months from the signing date of the financial statements.

Having made the requisite enquiries and assessed the resources at the disposal of the Partnership, the Partners have a reasonable expectation that the Partnership will have adequate resources to continue its operation for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

The impact of the Covid-19 virus is described in Note 20.

2.3 Revenue

Revenue from property sales is recognised, net of VAT, on completion, when the significant risks and returns pass to the acquirer.

2.4 Investments

Loans to investments which only entitle the Partnership to an interest in residual assets once the investment has completed its principal activity are treated as additional investments.

Investments are stated at cost less any provision for impairment.

Income from investments is recognised as the Partnership becomes entitled to receive payment.

2.5 Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost includes construction costs and development expenditure directly related to the development, including attributable employee and related costs.

Net realisable value is calculated as the amount estimated to be recovered from the development once development work has been completed and the development leased, less costs to complete.

2.6 Financial instruments

Trade and other receivables

Debtors are recognised initially at fair value. A provision for impairment is established where there is objective evidence that the Partnership 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 creditors are stated at cost.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

Borrowings

Loans payable are recognised initially at transaction price including transaction costs.

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

Derivative financial instruments

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

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

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

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

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****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.

Work in progress

The Partnership uses valuations performed by independent valuers in determining the net realisable value of the Partnership's work in progress. At the year end the net realisable value exceeded the historical cost.

Derivative financial instruments

The fair values of derivative financial instruments are provided by counter party financial institutions, which is level 2 of the fair value hierarchy.

For the year ended 31 December 2019, the financial statements of the company did not contain any significant items that required the application of judgements, apart from those involving estimation.

4. AUDITORS' REMUNERATION

The auditor's remuneration of £6,265 (2018: £4,943) for the audit of the Partnership has been borne by *Braeburn Estates Limited Partnership*.

5. EMPLOYEES

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

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	2018 £
Bank interest receivable	8,220	8,417
	<u>8,220</u>	<u>8,417</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £	2018 £
Bank interest payable	13	6
	<u>13</u>	<u>6</u>

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****8. TAXATION**

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

9. FIXED ASSET INVESTMENTS

	Investments £
COST	
At 1 January 2019	1
At 31 December 2019	<u>1</u>
NET BOOK VALUE	
At 31 December 2019	<u>1</u>
At 31 December 2018	<u>1</u>

On 12 September 2014, the Partnership subscribed for 1 A Share in Braeburn Estates Management Company Limited, a company registered in England and Wales. Braeburn Estates Management Company Limited is jointly owned by members of the Braeburn Estates Limited Partnership group.

10. WORK IN PROGRESS AT COST

	2019 £	2018 £
Work in progress at cost	189,577,278	139,065,617
	<u>189,577,278</u>	<u>139,065,617</u>

The Partnership and its partners are wholly owned subsidiaries of Braeburn Estates Limited Partnership. In July 2015, Braeburn Estates Limited Partnership acquired a 5.25 acre site at Southbank Place on a 999 year lease. The Partnership then acquired from Braeburn Estates Limited Partnership a 999 year lease over a residential development site for a consideration of £41,836,139. The building will comprise 166 apartments for private sale. Sales of apartments commenced in March 2016. The building reached practical completion in December 2019 and the first apartment sales completed in January 2020.

Subsequent to the year-end, notices to complete have been served on 132 out of the 166 apartments in the building and 99 sales have completed.

Included in the interest in the period is £4,432,033 (2018: £3,492,688) of capitalised finance costs.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****11. TRADE AND OTHER RECEIVABLES**

	2019 £	2018 £
Trade receivables	10,599,860	9,592,157
Amounts owed by associated entities	9,161,815	8,959,615
Other receivables	33,384	988,359
Prepayments and accrued income	35,650	-
	<u>19,830,709</u>	<u>19,540,131</u>

Amounts owed by associated entities consists of the following:

	2019 £	2018 £
Braeburn Estates (B6/7) Limited Partnership	304,500	102,300
Braeburn Estates (Hungerford) Limited	8,857,315	8,857,315
	<u>9,161,815</u>	<u>8,959,615</u>

All amounts owed by associated entities are interest free and repayable on demand.

12. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank	680,434	3,534,448
Deposits received	91,235	-
	<u>771,669</u>	<u>3,534,448</u>

Deposits received from purchasers are held in a separate charged account.

13. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Bank loans (Note 14)	74,599,947	-
Trade payables	2,992,132	1,468,688
Amounts owed to associated entities	94,158,862	90,211,578
Deposits for residential sales	36,722,794	35,305,235
Accruals and deferred income	4,585,687	4,494,995
Derivative financial instruments	32,595	-
	<u>213,092,017</u>	<u>131,480,496</u>

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Amounts owed to associated entities consists of the following:

	2019 £	2018 £
Braeburn Estates Limited Partnership	48,558,261	59,121,738
Braeburn Estates Development Management Limited	1,966,241	1,784,802
Braeburn Estates Developments (Infrastructure) Limited	29,236,667	25,555,875
Braeburn Estates Management Company Limited	1	1
Braeburn Estates (B3) Limited Partnership	10,409,474	-
Braeburn Estates (B4A) Limited Partnership	83,049	95,253
Braeburn Estates (B5) Limited Partnership	2,029,405	2,029,405
Canary Wharf Limited	955,382	955,300
Canary Wharf Contractors Limited	920,382	669,204
	<u>94,158,862</u>	<u>90,211,578</u>

All amounts owed to associated entities are interest free and repayable on demand.

Deposits for residential sales comprise reservation fees and deposits for the purchase of apartments, net of related agents' fees.

14. NON CURRENT LIABILITIES

	2019 £	2018 £
Bank loan (Note 14)	-	33,098,345
Derivative financial instruments (Note 15)	-	3,166
	<u>-</u>	<u>33,101,511</u>

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****15. BANK LOAN**

The Partnership's £121.0 million construction loan facility carried interest at LIBOR plus 3.25% and was repayable on 1 September 2020. The loan facility was secured on the Partnership's development (Note 10). The loan was repaid in full on 10 July 2020.

75% of loan was hedged by interest rate swaps, which based on a notional drawdown profile, served to fix the interest rate at 4.2325%. Details of the derivative financial instruments are set out in note 15.

The carrying amount of the loan comprises:

	2019 £	2018 £
Drawings	74,972,420	34,526,611
Deferred fees	(372,473)	(1,428,266)
Carried forward	74,599,947	33,098,345

Accrued interest of £724,786 (2018: £259,048) has been included in accruals and deferred income.

The fair value of the loan is its carrying value.

16. DERIVATIVE FINANCIAL INSTRUMENTS

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

The Partnership holds interest rate swaps which serve to fix the interest on 75% of its loan to rate of 4.2325%. These swaps are classified as highly effective and qualify for hedge accounting. The fair value of the swaps at 31 December 2019 was £32,595 (2018 - £3,166) (liability).

During the year the interest cap was novated to a joint venture partner.

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

	2019 £	2018 £
Within one year	52,939	20,229
In one to two years	-	(16,489)
In two to five years	-	-
	52,939	3,740

Changes in interest rates would affect the market value of derivative financial instruments. These changes would impact the reserves for the swaps, which are highly effective. A 0.5% parallel shift in the interest rate curve used to value the derivatives, with all other variables held constant would have the following impact:

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
0.5% increase in interest rates		
Impact on hedging reserve	138,587	405,968
Impact on net assets	<u>138,587</u>	<u>405,968</u>

A -0.5% parallel shift in the interest rate curve used to value the derivatives, with all other variables held constant would have the following impact:

	2019 £	2018 £
0.5% decrease in interest rates		
Impact on hedging reserve	(138,671)	(410,605)
Impact on net assets	<u>(138,671)</u>	<u>(410,605)</u>

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	19,761,673	18,551,772
Bank current accounts	680,434	3,534,448
Bank deposit accounts	91,235	-
	<u>20,533,342</u>	<u>22,086,220</u>
FINANCIAL LIABILITIES		
Derivative financial instruments	(32,595)	(3,166)
Financial liabilities measured at amortised cost	(175,174,716)	(129,273,606)
	<u>(175,207,311)</u>	<u>(129,276,772)</u>

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****FINANCIAL RISKS****Interest rate risk**

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

Liquidity risk

The Partnership's construction loan is drawn to fund the construction program. The remaining term of the loan at 31 December 2019 was 0.7 years, which is expected to mature following practical completion of the building.

Loan covenants

The loan is subject to a maximum 55% Loan to Value financial covenant and a 65% Loan to Cost financial covenant. These covenants were satisfied throughout the year.

Credit risk

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

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

Externally imposed capital requirements

The Partnership is not subject to externally imposed capital requirements.

18. EQUITY

	%	Capital accounts £	Hedging reserve £	Current account £	Total £
Braeburn Estates B4B (LP) Limited	99.990	100	(32,592)	(2,879,577)	(2,912,069)
Braeburn Estates B4B (GP) Limited	0.010	-	(3)	(288)	(291)
		<u>100</u>	<u>(32,595)</u>	<u>(2,879,865)</u>	<u>(2,912,360)</u>

Braeburn Estates B4B (LP) Limited holds its investment in the Partnership on trust for Braeburn Estates Limited Partnership.

BRAEBURN ESTATES (B4B) LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****19. RELATED PARTY TRANSACTIONS**

During the year the Partnership incurred following costs from entities under common ownership:

	2019 £	2018 £
Costs		
Braeburn Estates Developments (Infrastructure) Limited	-	7,884,838
Braeburn Estates Development Management Limited	151,199	410,593
	<u>151,199</u>	<u>8,295,431</u>

The Partnership incurred costs of £69 (2018: £380,471) from Canary Wharf Limited and £209,314 (2018: £418,628) from Canary Wharf Contractors Limited which are wholly owned subsidiaries of Canary Wharf Group plc.

The Partnership also incurred charges of £28,065 (2018: £28,065) from Canary Wharf Limited in respect of administration services.

20. POST BALANCE SHEET EVENTS

Since 31 December 2019 the UK economy has been significantly impacted by the Covid-19 virus which has caused widespread disruption and economic uncertainty. This is considered to be a non-adjusting post balance sheet event and accordingly the valuation of assets and liabilities at the balance sheet date have not been adjusted for the subsequent uncertainty caused by these events.

The Partnership's residential development reached practical completion in December 2019. Subsequent to the year-end, notices to complete have been served on 132 out of the 166 apartments in the building and 99 sales have completed. The proceeds from these sales enabled the construction loan secured against the property to be repaid in full on 10 July 2020.

21. CONTROLLING PARTY

The Partnership is controlled by its general partner, Braeburn Estates B4B (GP) Limited. The ultimate controlling party is Braeburn Estates Limited Partnership.

As at 31 December 2019, the smallest and largest group of which the Partnership is a member and for which group financial statements are drawn up is the consolidated financial statements of Braeburn Estates Limited Partnership. Braeburn Estates Limited Partnership is a joint venture between Project Russet Property Unit Trust and Canary Wharf (PB) Unit Trust. Copies of the financial statements may be obtained from the Company Secretary, One Canada Square, Canary Wharf, London E14 5AB.