CCDC PARCEL B RETAIL
CORPORATION (UK) LTD

Annual report and financial statements

Registered number 09010331

For the year ended 31 December 2018

Contents

Directors' report

The directors of CCDC Parcel B Retail Corporation (UK) Ltd (the 'Company') present their directors' report and financial statements for the year ended 31 December 2018. The report and financial statements are prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal activities and review of the business

CCDC Parcel B Retail Corporation (UK) Ltd was incorporated as a limited company in England and Wales on 24 April 2014. The registered office of the Company is located at 16 Grosvenor Street, London W1K 4QF.The Company's principal activity is that of a holding company. It has a wholly owned subsidiary whose principal activity is real estate investment.

CCDC Parcel B Retail Corporation (UK) Ltd, through its wholly owned subsidiary CCDC Parcel B Retail Corporation, currently holds 90% of the ownership interest in CCDC Retail-Parcel B LLC. CCDC Retail-Parcel B LLC is engaged in the development of 30,000 square feet of retail space within the CCDC Hotel development and adjacent to the CityCenterDC mixed use project which is already operational.

The shareholder and the shareholding interest in the Company is as follows:

Name of Shareholder	*Interests*
QD US Real Estate Company	100%

Results and Dividends

The profit for the year ended 31 December 2018 dealt within the separate financial statements is $655,945 (2017: $374,296).

The directors are satisfied with the financial performance and the position of the Company for the year ended 31 December 2018.

The directors are not recommending a dividend to be paid for the year-ended 31 December 2018 (2017: $Nil).

Directors

The following directors have held office during the financial year and to the date of this report:

Jean Lamothe (resigned 31 July 2020)
Abdulla Al Ajail (appointed 1 June 2018, resigned 31 October 2018)
Jeremy Holmes (appointed 1 June 2018, resigned 30 November 2018)
Tariq Al-Abdulla (appointed 31 October 2018)
Richard Oakes (appointed 26 February 2019)

Political contributions
The Company incurred no political expenditure (2017: $nil) during the year.

Post Balance Sheet Events
The Post Balance Sheet Events affecting the company are disclosed within Note 14 of the Financial Statements.

Going concern

Based on the positive Statement of Financial Position and profits made during the year the Directors believe it is appropriate for the Company to prepare its financial statements on a going concern basis.

In making this statement the Directors' note that QDREIC has confirmed they will assist the company in meeting its liabilities as they fall due for a period of at least one year from the signing of the 2018 financial statements.

Directors' report (Continued)

Going concern (continued)

The directors are of the view that there is no material impact on the company as a result of COVID-19. In forming this view the directors have considered that the main source of income is interest earned on the loan to the company's

subsidiary. This is seen as stable income sufficient to generate future profits and to enable the company to continue as a going concern. The company's subsidiary itself has real estate assets that are expected to generate returns over the holding period sufficient to repay the loan.

The Directors also intend to continue the operations of this company for the foreseeable future.

Financial Risk Management

The financial risk management objectives and policies of the Company, as well as the exposure of the Company to the price risk, credit risk, liquidity risk and cash flow risk are as disclosed in Note 13 of the financial statements.

Strategic Report

The company has taken advantage of the exemption under s414B of the Companies Act 2006 not to prepare a Strategic Report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware of; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Following the resignation of Deloitte LLP as auditor, Ernst & Young LLP were appointed as auditor to the company on 17 July 2020. In accordance with s485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditor will be proposed.

By order of the board

Tariq Al-Abdulla
Director

Date: 30 September 2020

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRSs) 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 and then apply them consistently;
- make judgments 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; and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; 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 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 CCDC PARCEL B RETAIL CORPORATION (UK) LTD

Opinion

We have audited the financial statements of CCDC Parcel B Retail Corporation (UK) Ltd (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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.

Emphasis of matter – Disclosures in relation to the impact of COVID-19

We draw attention to Note 14 of the financial statements, which describes the economic and social consequences or disruption the company is facing as a result of COVID-19 which is impacting supply chains and being able to access offices. Our opinion is not modified in respect of this matter.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCDC PARCEL B RETAIL CORPORATION (UK) LTD - CONTINUED

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.

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; or
- the directors were not entitled to 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 3 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCDC PARCEL B RETAIL CORPORATION (UK) LTD - CONTINUED

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.

Ernst & Young LLP

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

Date: 30 September 2020

Statement of Comprehensive Income
For the year ended 31 December 2018

	Note	2018	2017
		$	$
Management fees		(33,707)	(50,450)
Professional fees		(9,622)	(12,077)
Bank charges		(83)	(376)
Operating loss		**(43,412)**	**(62,903)**
Interest income	3	699,357	437,199
Profit before tax		**655,945**	**374,296**
Tax charge	6	-	-
Profit for the year		**655,945**	**374,296**
Other comprehensive income		-	-
Total comprehensive income for the year		**655,945**	**374,296**

The results of the Company are derived entirely from continuing operations.

There was no income and expense for the current financial year other than that reported in the statement of comprehensive income.

Statement of Financial Position
As at 31 December 2018

	Note	2018	2017
		$	**$**
Assets			
Non-current assets			
Investment in a subsidiary	2	10,220,000	8,650,000
Loan to a related party	11	-	9,236,240
Total non-current assets		**10,220,000**	**17,886,240**
Current assets			
Cash and cash equivalents	10	1,429	1,512
Loan to a related party	11	11,503,378	-
Total current assets		**11,504,807**	**1,512**
Total assets		**21,724,807**	**17,887,752**
Current liabilities			
Trade and other payables	7	13,362	16,302
Amount due to group companies	11	275,197	228,928
Total current liabilities		**288,559**	**245,230**
Total liabilities		**288,559**	**245,230**
Net assets		**21,436,248**	**17,642,522**
Equity			
Share capital	8	20,398,493	17,260,712
Retained earnings		1,037,755	381,810
Total equity		**21,436,248**	**17,642,522**

These financial statements were approved by the board of directors on 30 September 2020 and were signed on its behalf by:

Tariq Al-Abdulla
Director
Company registration number 09010331

Statement of Changes in Equity

For the year ended 31 December 2018

	Share capital	Retained earnings	Total equity
	$	$	$
Balance at 1 January 2017	8,632,745	7,514	8,640,259
Issuance of new share capital	8,627,967	-	8,627,967
Total Comprehensive Income for the year	-	374,296	374,296
Balance at 31 December 2017	**17,260,712**	**381,810**	**17,642,522**
Issuance of new share capital	3,137,781	-	3,137,781
Total Comprehensive profit for the year	-	655,945	655,945
Balance at 31 December 2018	**20,398,493**	**1,037,755**	**21,436,248**

Statement of Cash Flow

For the year ended 31 December 2018

	2018	2017
	$	$
Cash flows from operating activities		
Profit before tax	655,945	374,296
Adjustments for:		
Decrease/(increase) in trade and other receivables	(2,940)	6,064
(Decrease)/Increase in trade and other payables	46,269	56,463
Interest income	(699,357)	(437,199)
Net cash flow used in operating activities	**(83)**	**(376)**
Cash flows from investing activities		
Additions to investments in subsidiary	(1,570,000)	(4,320,000)
Loan to a related party	(1,567,781)	(4,307,967)
Net cash flow used in investing activities	**(3,137,781)**	**(8,627,967)**
Cash flows from financing activities		
Proceeds from issuance of share capital	3,137,781	8,627,967
Net cash flow from financing activities	**3,137,781**	**8,627,967**
Net (decrease)/increase in cash and cash equivalents	**(83)**	**(376)**
Cash and cash equivalents at beginning of the year	1,512	1,888
Cash and cash equivalents at the end of the year	**1,429**	**1,512**

Notes (forming part of the financial statements)

General Information

CCDC Parcel B Retail Corporation (UK) Ltd (the "Company") is a company limited by shares which is incorporated and domiciled in the UK. The address of the registered office is 16 Grosvenor Street, London, W1K 4QF.

The Company's principal activity is that of a holding company. It has a wholly owned subsidiary whose principal activity is real estate investment.

The shareholder and the shareholding interests in the Company is as follows:

Name of the shareholder	*% of holding*
QD US Real Estate Company	100%

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Qatari Diar Real Estate Investment Company, a company incorporated in Qatar of which it is a member for which consolidated financial statements are drawn up.

The financial statements contain information about CCDC Parcel B Retail Corporation (UK) Ltd as an individual company and does not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, QD US Real Estate Company, a company registered in the Cayman Islands. Consolidated accounts of the parent are publicly available and can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

1 Accounting policies

Basis of Preparation

The financial statements have been prepared and approved by the board in accordance with International Financial Reporting Standards as adopted by the European Union.

The financial statements are presented in US dollars which is also the company's functional currency because that is the currency of the primary economic environment in which the company operates and is prepared on the historical cost basis. No rounding has been applied. The accounting policies set out below have, unless otherwise stated, been applied consistently as presented in these financial statements.

New and amended standards and interpretations

IFRS 9 Financial Instruments

The company has adopted IFRS 9 with effect from the 1 January 2018. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting. There have been no adjustments required to the company's income statement or balance sheet as a result of adopting IFRS 9.

On the 1 January 2018 (the date of initial application of IFRS 9), the company assessed whether it intends to hold financial assets to collect the contractual cash flows, or whether it intends to sell them before maturity and has classified its financial instruments into the appropriate IFRS 9 categories. There is no net impact on the income statement or balance sheet as a result of these changes.

Financial Asset	**Classification – IAS39**	**Classification – IFRS 9**	**Measurement**
Cash and cash equivalent	Amortised Cost	Financial asset at amortised cost	Amortised cost
Trade and other receivables	Loans and receivables	Financial asset at amortised cost	Amortised cost
Intercompany loans	Loans and receivables	Financial asset at amortised cost	Amortised cost

Notes (continued)

1 Accounting policies (continued)

New and amended standards and interpretations (continued)

The company's financial assets are subject to the standard's new expected credit loss model for assessing impairment. The company applies the simplified approach to measuring expected credit losses by calculating a lifetime expected

IFRS 9 Financial Instruments (continued)

loss allowance for all trade receivables and intercompany loans. There has been no adjustment to the loss allowance on 1 January 2018 as the impact of adopting the revised accounting policy is not material.

IFRS 15 Revenue from contracts with customers

The company adopted IFRS 15 Revenue from Contracts with Customers on 1 January 2018.

IFRS 15 Revenue from Contracts with Customers supersedes IAS 11 Construction contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for goods or services.

IFRS 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

There have been no significant changes to the financial statements following the adoption of IFRS 15.

Standards issued but not yet effective

The new and amended standards and interpretation that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The company intends to adopt the new and amended standards and interpretations, if applicable, when they become effective.

Implementing the new standards is not expected to have a material impact on future financial statements.

New standards and amendments	**Effective date:**
IFRS 16 Leases	1 January 2019
IFRS 17 Insurance Contracts	1 January 2021
IFRIC Interpretation 23 Uncertainty over Income Tax Treatment	1 January 2019
Amendments to IFRS 9 Prepayments Features with Negative Compensation	1 January 2019
Amendments to IAS 28 Long-term Interest in Associate and Joint Ventures	1 January 2019
Amendments to IAS 19 Plan Amendment, Curtailment or Settlement	1 January 2019

Going concern

Based on the positive Statement of Financial Position and profits made during the year the Directors believe it is appropriate for the company to prepare its financial statements on a going concern basis.

In making this statement the Directors' note that QDREIC has confirmed they will assist the company in meeting its liabilities as they fall due for a period of at least one year from the signing of the 2018 financial statements.

The directors are of the view that there is no material impact on the company as a result of COVID-19. In forming this view the directors have considered that the main source of income is interest earned on the loan to the company's subsidiary. This is seen as stable income sufficient to generate future profits and to enable the company to continue as a

Notes (continued)

1 Accounting policies (continued)

***Going concern** (continued)*

going concern. The company's subsidiary itself has real estate assets that are expected to generate returns over the holding period sufficient to repay the loan.

The Directors also intend to continue the operations of this company for the foreseeable future.

Investments in a subsidiary

A subsidiary is an entity over which the Company has control. Control is achieved when;

(i) has power over the investee;
(ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
(iii) has the ability to use its power to affect its returns.

Investments in a subsidiary is stated at cost less, where appropriate, provisions for impairment of the subsidiary.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Trade, other receivables and loans
Trade and other receivables are recognised initially at fair value. Subsequently to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Given the nature of trade and other receivables, and their short length of time between the origination and settlement, their amortised cost is the same as the fair value on date of origination.

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the separate statement of comprehensive income.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Given the nature of trade and other payables, and their short length of time between the origination and settlement, their amortised cost is the same as the fair value on date of origination.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Impairments

The carrying amounts of the company's financial assets are reviewed at each balance sheet date for expected credit losses; a financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the credit risk.

If at the balance sheet date, there is a significant change to the credit risk of a financial asset the lifetime expected credit loss will be recognised. If the credit risk of a financial asset has not increased significantly at the balance sheet date, then the company will only recognise impairments equal to 12 months expected credit losses.

Notes (continued)

1 Accounting policies (continued)

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Interest income

The only source of revenue for the company is interest on the intercompany loan as detailed below.

Interest income comprises interest from loans to the subsidiary. Interest income is recognised as it accrues in the separate Statement of Comprehensive Income, using the effective interest method.

Taxation

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Critical Accounting Judgement

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and impairment, transfer pricing, recoverability of intercompany and including expectations of future events that are believed to be reasonable under the circumstances. The key estimate and judgments are:

Key Estimates

- Impairment assessment of the 'Investment in a Subsidiary' carrying value – the investment in a subsidiary carrying value is assessed annually at the year-end for impairment. In order to assess for an impairment, the carrying value of the subsidiary is compared against the higher of its fair value and value in use, where the value in use is measured at the expected returns from the subsidiary. At the year-end no impairment was recorded as the expected returns from the subsidiary (value in use) were greater than the carrying value of the subsidiary.

Key Judgements

- Recoverability of Receivables;
- Indications of impairment on Financial Assets;

Notes (continued)

2 Investments in a Subsidiary

The Company has the following investment in a subsidiary which is stated at cost in the company's Statement of financial position, less any provision for impairment.

Name of subsidiary	*Country of incorporation*	***Company's effective shareholding***		***Company's cost of investment***	
				2018	*2017*
		2018	*2017*	***$***	*$*
CCDC Parcel B Retail Corporation	United States	**100%**	100%	**10,220,000**	8,650,000

The subsidiary's principal place of business is 16 Grosvenor Street, London, W1K 4QF. All issued and outstanding shares are ordinary in nature. In the current year, the subsidiary issued 1,570,000 ordinary shares at a price of $ 1 per share (2017: 4,320,000 ordinary shares).

3 Interest Received

	2018	2017
	$	$
Interest charged		
- to group companies	699,357	437,199
	699,357	437,199

4 Operating profit

	2018	2017
	$	$
Included in the operating profit are the following amounts paid to the auditor		
Audit of financial statements	6,315	8,906

5 Staff costs

The Company does not have employees in the current or prior year. Directors received no remuneration or fees for their service to the Company in 2018 (2017: $nil).

6 Taxation

Reconciliation of total tax charge/(credit)	**2018** **$**	**2017** **$**
Profit for the year	655,945	374,296
Tax at the UK standard corporation tax rate of 19% (2017: 19.25%)	124,630	72,052
Expenses not taxable / expenses not deductible	71	-
Utilization of tax losses and group relief surrendered	(124,701)	(72,052)
Total tax charge/(credit)	-	-

Notes (continued)

6 Taxation (continued)

Corporation tax is calculated at 19% effective 1 April 2017 (2017: 19.25%) of the estimated taxable profit for the year.

Group relief is surrendered in accordance with the provisions of Part 5 of the Corporation Tax Act 2010. Where losses exceed amounts surrendered to other members of the QD US Real Estate Group, these losses will be carried forward.

7 Trade and other payables

	2018	2017
Current	**$**	**$**
Accruals and provision	13,362	16,302
	13,362	16,302

The carrying amounts of trade and other payables is considered approximate to their fair value.

8 Share capital

The authorised share capital of the Company is $100,000,000 (2017: $100,000,000) divided into 100,000,000 participating shares of $1.00 par value. Shares are issuable at $1 per share, with the excess above par values credited to a share premium reserve. The share premium reserve is available for use only in the circumstances prescribed in the Company's Articles of Association.

Quantitative information about the Company's capital is provided in the table below. These shares are entitled to dividends when declared and to payment of a proportionate share of the Company's net asset value upon winding up of the Company.

At 31 December, the issued share capital is as follows:

2018	***Number of shares***	***Par value***	***Share capital***
			$
Shares:			
Ordinary shares	**20,398,493**	$1.00	**20,398,493**

2017	*Number of shares*	*Par value*	*Share capital*
			$
Shares:			
Ordinary shares	17,260,712	$1.00	17,260,712

During the year, the company issued 3,137,781 ordinary shares at a price of $1 per share (2017: 8,627,967 ordinary shares)

Notes (continued)

9 Financial instruments

The Company's main financial instruments comprise the following assets and liabilities summarised in the table below:

Financial assets:
- Cash and cash equivalents
- Trade and other receivables that arise directly from the Company's operations
- Loans to subsidiary undertakings.

Financial liabilities:
- Trade and other payables, that arise directly from the Company's operations

	Notes	2018 $	2017 $
Financial assets carried at amortised cost			
Cash and cash equivalents		1,429	1,512
Loans to a related party	12	11,503,378	9,236,240
		11,504,807	9,237,752

		2018 $	2017 $
Financial liabilities carried at amortised cost			
Amounts due to group companies	11	275,197	228,928
Trade and other payables	7	13,362	16,302
		288,559	245,230

10 Cash and cash equivalent

	2018 $	2017 $
Cash and cash equivalent	1,429	1,512

Notes (continued)

11 Related parties

The Company has a related party relationship with its parent company, group undertakings and its directors. Particulars of transactions, arrangement and agreements involving related parties are as follows:

Related party	Amount of transaction during the year $	Balance At 31 December 2018 $	Details of transaction
CCDC Parcel B Retail Corp.	2,267,138	11,503,378	Intercompany Loan including advances in the year of $1,567,781 and interest charged of $699,357
QD US Real Estate Company	(46,270)	(275,197)	Intercompany Loan includes expenses paid by QD US Real Estate Company on behalf of the company and management fees.

Related party	Amount of transaction during the year $	Balance At 31 December 2017 $	Details of transaction
CCDC Parcel B Retail Corp.	4,745,166	9,236,240	Intercompany Loan including advances in the year of $4,307,967 and interest charged of $437,199
QD US Real Estate Company	(56,463)	(228,928)	Intercompany Loan includes expenses paid by QD US Real Estate Company on behalf of the company and management fees

The loan to CCDC Parcel Retail Corp is denominated in US$ which was granted on 5 May 2014. The loan carries an interest rate of 6.5% per annum and was repayable as a bullet payment after four years from the date of the loan. The full loan balance remains outstanding at the signing date of these financial statements. CCDC Parcel B Retail Corporation (UK) Ltd has not requested repayment of this loan and a new loan agreement is currently being drafted. However, as the existing loan agreement has expired the loan has been classified as a current asset.

Transactions with QD US Real Estate Company are made at terms approved by the Directors. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel

No amounts were paid to the Company's directors (2017: $nil).

Notes (continued)

12 Ultimate parent company and parent company of larger group

The ultimate parent company is Qatari Diar Real Estate Investment Company incorporated in Qatar. The ultimate parent company owns 100% of the share capital in QD US Real Estate Company incorporated in the Cayman Islands.

QD US Real Estate Company is the parent company of the company owning 100% of the share capital. The consolidated financial statements of the QD US Real Estate Company are available at Companies House, Crown Way, Cardiff CF14 3UZ.

The consolidated financial statements of Qatari Diar Real Estate Company are not available to the public.

13 Financial Risk Management

The company's principal activity is that of Real Estate Investment. The following describes pertinent risks and the applied risk management. These risks are managed through a process of ongoing identification, measurement and monitoring.

The Company is responsible for implementing the risk strategy and policy, including the identification and evaluation on a continuous basis of all significant risks to the business and the design and implementation of appropriate internal controls to minimise them. This is executed through various planning/strategy meetings, continuous reviews of the business plan, and analysis of the monthly management accounts by the senior management.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2018 and 2017.

Capital comprises share capital and retained earnings and is measured at 31 December 2018 $21,436,248 (2017: $17,642,522).

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's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. The Company limits its liquidity risk by ensuring financing facilities are available from its shareholders, through capital calls.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

31 December 2018	On Demand	Less than 1 year	1 to 5 years	Total
	$	$	$	$
Amounts due to group companies	275,197	-	-	275,197
Trade and other payables	13,362	-	-	13,362
	288,559	-	-	288,559

31 December 2017	On Demand	Less than 1 year	1 to 5 years	Total
	$	$	$	$
Amounts due to group companies	228,928	-	-	228,928
Trade and other payables	16,302	-	-	16,302
	245,230	-	-	245,230

Notes (continued)

13 Financial Risk Management (Continued)

Interest rate risk

Interest rate risk arises due to the changes in market interest rates, affecting the floating rate financial instruments of the Company. At the reporting date, interest rate risk arises from a loan to a related party. The interest rate charged on this loan is fixed at 6.5%, as such the company has no interest rate risk exposure.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's credit risk exposure and mitigation management requirements are minimal due to the vast majority of the receivables being with a sister company in the Qatari Diar Group. The company's policy on cash balances is to hold these with reputable financial institutions and at the balance sheet all the company's cash at bank was place with counterparties with an A-1 Standard & Poor's credit rating or higher.

The carrying value of the financial assets in the financial statements represents the company's maximum exposure to credit risk.

There has been no credit loss allowance during the year as all balances are deemed recoverable. The company continuously monitors the recoverability of receivable amounts.

Foreign currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not hedge its exposures to currency risk. There are no financial instruments exposed to foreign currency fluctuations at the reporting date (2017: $Nil).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest 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. The Company is in the process of setting acceptable parameters, based on value at risk, that may be accepted and monitored on a daily basis.

Concentration of risk

Concentration risks include those that threaten the supply chain or ability to deliver the completion of a project and its subsequent effect on the management of that project by the Company. If a key customer base or supplier experiences turmoil this can negatively impact on performance.

14 Post Balance Sheet Events

Since the year end, the global 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.

As detailed within the note 1 under 'Going Concern' the main source of income for the company, interest, will remain unchanged by the COVID-19 and while the impact of COVID-19 on the company's subsidiary is being monitored it is still believe that returns will be sufficient to meet the future loan and interest obligations.

Notes (continued)

14 Post Balance Sheet Events (Continued)

The following additional share capital has been allotted since the year-end:

Date	Number of Shares	Par Value	Consideration
October 2019	320,133	$1.00	$320,133
November 2019	678,116	$1.00	$678,116
July 2020	55,000	$1.00	$55,000