TASLEEM (UK) LIMITED

Annual Directors' report and financial statements

Registered number 09095679

For the year ended 31 December 2017

Contents

Strategic Report

The directors, in preparing this Strategic Report, have complied with section s414C of the Companies Act 2006.

Principal activities and review of the business

The Company was incorporated on 20 June 2014 and is a fully owned subsidiary of Qatari Diar Real Estate Investment Company (QDREIC). Its principal activity is to be a development management company. Since its start, the Company has been focusing on the construction of the Chelsea Barracks project located in Chelsea, London.

In 2017, the Board of QDREIC approved a corporate restructuring plan which ultimately has resulted in the wind up of Tasleem (UK) Ltd's (the "Company") operations. Going forward, development management activities for Chelsea Barracks will be undertaken by each of the new Chelsea Barracks property owning entities and other QDREIC related party entities.

Results and Dividends

The profit for the year dealt within the financial statements is £1,074,612 (2016 profit: £1,988,710).

The directors are satisfied with the financial performance and the position of the Company for the year ended 31 December 2017.

Dividends of £3,365,763 were declared and paid to QDREIC in 2017 (2016: £nil). A further dividend of £1,000,000 was declared and paid post year-end.

Principle Risks and Uncertainties

The Company provided development management services focusing on the construction of the Chelsea Barracks projects in Chelsea, London, until August 2017. Following the restructure the Company's activities are being wound down.

The following describes pertinent risks and the applied risk management. These risks are managed through a process of ongoing identification, measurement and monitoring.

The directors are responsible of the Company's risk strategy and policy, including the identification and evaluation on a continuous basis of all significant risks to the business plan, and analysis of the monthly management accounts by the directors and senior management.

The Company ceased to trade as at 31st August 2017.

Financial Key Performance Indicators

The Company's turnover for year ending 2017 was £157.2m (2016: £124.6m), and the profit before tax was £0.7m (2016: £2.5m).

Capital Management

The capital structure of the Company consists of cash and cash equivalents, and equity, comprising of issued capital and retained earnings. The Company is not subject to any externally imposed capital requirements. Qatari Diar Real Estate Investment Company has confirmed to the directors that it will continue to support the Company for a period of at least twelve months from the date the financial statements are signed, during the period of the operations winding down and thereafter.

During 2017 a return of share capital of £634,237 was paid back to the shareholder (2016: £nil).

Liquidity Risk

QDREIC has confirmed that it will continue to support the Company to enable it to discharge its liabilities as they fall due for at least twelve months from the date the financial statements are signed.

Post Balance Sheet Events

At the date of this report, the Company is not aware of any events that would affect the financial statements for the period ending 31 December 2017.

Fahad Mohammed Al-Ansari

Director

Date: 16/12/2018

Directors' report

The directors of Tasleem (UK) Limited (the Company), present their directors' report and financial statements for the year ended 31 December 2017. The report and financial statements are prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The Company provided development management services focusing on the construction of the Chelsea Barracks projects in Chelsea, London, until 31st August 2017. Following the restructure the Company's activities are being wound down.

The following describes pertinent risks and the applied risk management. These risks are managed through a process of ongoing identification, measurement and monitoring.

The directors are responsible of the Company's risk strategy and policy, including the identification and evaluation on a continuous basis of all significant risks to the business plan and analysis of the monthly management accounts by the directors and senior management.

The Company ceased to trade as at 31st August 2017. The Company will exist for a period of time, post 31st August until wound down.

Directors

The following directors have held office during the financial year and subsequently:
Fahad Al-Ansari (appointed since 22/09/14)
Fahad Al Asmakh (appointed since 04/03/15)
Naaman Atallah (appointed on 20/06/14, resigned 04/03/15)
Fabien Laurent Toscano (appointed on 19/11/14, resigned on 02/02/16)
Ann Hodgetts (appointed since 01/02/16, resigned 01/07/2018)
Andrew Walsh (appointed since 01/08/18)

Political contribution

The Company incurred no political expenditure during the year (2016: £nil).

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; 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

Pursuant to Section 487 of the Companies Act 2006, the auditor will not be deemed to be reappointed and Deloitte LLP will therefore not continue in office, due to the group being restructured.

By order of the board

Fahad Mohammed Al-Ansari
Director
Date: 16/12/19

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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- 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
- Make an assessment of the Company's ability to continue as a going concern.

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.

Report of the independent auditor to the shareholder of Tasleem (UK) Limited

Opinion

In our opinion the financial statements of Tasleem (UK) Limited ("the Company")

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as as adopted by the European Union.
- Have been properly prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement of Cashflows; and
- The related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as issued 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 (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 – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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 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 statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they present true and fair view, in all material respects, 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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Siobhan Durcan, BA, ACA, FCCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
St Helier, Jersey
Statutory Auditor
Date: 17th December 2018

Statement of Comprehensive Income
For the year ended 31 December 2017

	Note	2017 £	2016 £
Revenue	2	157,197,714	124,570,676
Cost of Sales	3	(155,039,610)	(119,467,235)
Gross profit		2,158,104	5,103,441
Administrative expenses		(1,459,106)	(2,615,741)
Operating profit	4	698,998	2,487,700
Finance expense		-	(1,149)
Profit before tax		698,998	2,486,551
Taxation credit/(charge)	6	375,614	(497,841)
Profit for the year		1,074,612	1,988,710
Other comprehensive income		-	-
Total comprehensive income for the year		1,074,612	1,988,710

The results of the Company are derived entirely from non-continuing activities. There was no income and expense for the current financial year other than that reported in the statement of comprehensive income.

The notes on pages 11 to 19 form part of the Financial Statements.

Statement of Financial Position

As at 31 December 2017

	Note	2017	2016
		£	£
Non-current assets			
Property, plant and equipment	7	-	107,373
		-	107,373
Current assets			
Trade and other receivables	9	470,103	11,947,966
Amount due from group companies	13	-	5,741,701
Cash and cash equivalents	8	1,383,915	3,418,413
		1,854,018	21,108,080
Total assets		1,854,018	21,215,453
Current liabilities			
Trade and other payables	10	(213,106)	(16,367,293)
Corporate Tax	6	(155,269)	(512,629)
Amount due to group companies	13	(158,084)	(64,330)
Deferred tax liability	6	-	(18,254)
Total liabilities		(526,459)	(16,962,506)
Net assets		1,327,559	4,252,947
Equity			
Share capital	11	865,764	1,500,001
Retained earnings		461,795	2,752,946
Total equity		1,327,559	4,252,947

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

Fahad Mohammed Al-Ansari
Director

Company registration number 06569590

The notes on pages 11 to 19 form part of the Financial Statements.

Statement of Changes in Equity
For the year ended 31 December 2017

	Share capital £	Retained earnings £	Total equity £
Balance at 31 December 2015	1,500,001	764,236	2,264,237
Total Comprehensive income	-	1,988,710	1,988,710
Balance at 31 December 2016	1,500,001	2,752,946	4,252,947
Total Comprehensive income	-	1,074,612	1,074,612
Dividend declared	-	(3,365,763)	(3,365,763)
Reduction in share capital	(634,237)	-	(634,237)
Balance at 31 December 2017	**865,764**	**461,795**	**1,327,559**

The notes on pages 11 to 19 form part of the Financial Statements.

Statement of Cash Flow

For the year ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit before tax		698,998	2,486,551
Adjustments for:			
Depreciation and amortisation	7	39,806	61,856
Impairment of assets		-	17,488
Financial expense		-	1,149
		738,804	2,567,044
Increase/(Decrease) in trade and other receivables		11,477,863	(1,459,245)
(Decrease)/Increase in trade and other payables		(16,154,187)	5,144,403
Cash flow (used in)/from operations		(3,937,520)	6,252,202
Net cash flow (used in)/from operating activities		(3,937,520)	6,252,202
Cash flows from investing activities			
Purchase of property, plant and equipment	7	-	(2,753)
Sale of property, plant and equipment		67,569	-
Financial expense		-	(1,149)
Net cash flow from/(used in) investing activities		67,569	(3,902)
Cash flows from financing activities			
Increase/ (Decrease) in intercompany funding		5,835,453	(4,604,116)
Dividend Paid		(3,365,763)	-
Reduction of Share Capital		(634,237)	-
Net cash flow from/(used in) financing activities		1,835,453	(4,604,116)
Net (decrease)/increase in cash and cash equivalents		(2,034,498)	1,644,184
Cash and cash equivalents at beginning of the year		3,418,413	1,774,229
Cash and cash equivalents at the end of the year		1,383,915	3,418,413

The notes on pages 11 to 19 form part of the Financial Statements.

Notes

General Information

Tasleem (UK) Limited (the "Company") is a company incorporated and domiciled in the UK. The nature of the Company's operations and its principal activities are set out in the business review on pages 1. The address of the registered office is 16 Grosvenor Street, London, W1K 4QF.

1 Accounting policies

Basis of preparation

The Company's business activities are set out in the Strategic Report on pages 1 to 2.

The Company has assessed the effect of issued IFRSs not currently effective, but their adoption is not expected to have a material effect on future financial statements.

The newly adopted IFRSs which are effective for the first time in the year have not had a material effect on the financial statements.

The Company is assessing the effect of issued IFRSs not currently effective, but their adoption is not expected to have a material effect on future financial statements

Going concern

The financial statements have been prepared on a basis other than going concern, which the directors believe to be appropriate. QDREIC undertook a corporate restructuring which the principal activities of Tasleem will be performed by other QDREIC entities and Tasleem will be wound up. The timing of the completion of the restructuring has been finalised and was done so during the third quarter of 2017. The final wind up on Tasleem has not yet occurred.

Foreign currency

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit and loss except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to Sterling at foreign exchange rates ruling at the dates the fair value was determined.

Non-derivative financial instruments

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

Trade and other receivables

Trade and other receivables 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 receivables, however 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.

Notes (continued)

1 Accounting policies *(continued)*

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. Given the nature of the trade and other payables, however and their short length of time between the origination and settlement, their amortised cost is the same as the fair value on the 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.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- plant and equipment - 3 years
- fixtures and fittings - 5 years
- IT equipment - 3 years (grouped within equipment).

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Impairments

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment; a financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. As IFRS 7 states - Impairment losses are recognised in profit and loss.

Notes (continued)

Revenue and cost of sales

A transfer pricing margin is applied to the operating cost charged to profit and loss in respect of the service the Company provides to its group companies.

The Company's business activity is that described in the Directors' Report, and accordingly all revenue is generated within the group of Qatari Diar Real Estate Investment Company.

Cost of sales arises from the services that the Company provides to its group companies which the Company's main source of revenue. Revenue is recognised in accordance with IAS 18 Revenue once the services have been fully provided.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss. Financing income comprise interest receivable on funds invested, dividend income and net foreign exchange gains.

Foreign currency gains and losses are reported on a net basis.

Critical Accounting Judgement

The preparation of the financial statements in conformity with IFRS that 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.

- *Transfer Pricing* - The Company's sole customer is a related party and the arrangements are therefore subject to applicable UK transfer pricing legislation (contained within Part 4, Taxation (International & Other Provisions) Act 2010). The Company's transactions with its sole customer and resultant profitability have been benchmarked against market comparable to ensure that they are consistent with arm's length pricing for the services provided.

- *Recoverability of Intercompany* - All amounts are interest free and repayable on demand.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the 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.

Notes (continued)

2 Revenue

	2017 £	2016 £
Rendering of services		
- to group companies	157,197,714	124,570,676
	157,197,714	124,570,676

3. Cost of Sales

	2017 £	2016 £
- to group companies	155,039,610	119,467,235
	155,039,610	119,467,235

4 Operating profit

Operating profit has been arrived at, after charging:	2017 £	2016 £
Audit of financial statements	10,300	10,300
Depreciation (see note 7)	39,806	61,856
	50,106	72,156

5 Staff numbers and costs

The number of employees (excluding directors) at the end of the year was Nil (2016: 6).

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	698,886	784,764
Social security costs	114,907	102,661
	813,793	887,425

Notes (continued)

6 Taxation

Recognised in profit and loss	2017 £	2016 £
Current tax expense		
Current year charge	155,269	512,629
Prior year adjustment	(512,629)	-
Current tax charge	(357,360)	512,629
Deferred tax expense		
Current year charge	(20,799)	(15,318)
Prior year adjustment	-	72
Adjustment due to change in tax rate on opening deferred tax asset	2,545	458
Deferred tax charge	(18,254)	(14,788)
Total tax (credit)/charge	(375,614)	497,841

Reconciliation of total tax charge/(credit)	2017 £	2016 £
Profit for the year	698,998	2,486,551
Tax at the UK standard corporation tax rate of 19.37% (2016: 20%)	135,396	497,310
Prior year adjustment	(512,629)	72
Expenses not taxable/expenses not deductible	-	-
Expenses deductible for tax purposes	-	-
Reduction in tax rate	2,545	459
Non qualifying fixed asset disposals	(926)	-
Total tax charge	(375,614)	497,841

Recognised in the balance sheet

Deferred tax (asset)/liability

	Tax losses £	Accelerated capital allowances £	Total £
Balance at 31 December 2015	-	33,043	33,043
Adjustment in respect of prior years	-	72	72
Charge for the period		(14,861)	(14,861)
Balance at 31 December 2016	-	18,254	18,254
Adjustment in respect of prior years	-	-	-
Charge for the year	-	(18,254)	(18,254)
Balance at 31 December 2017	-	-	-

Notes (continued)

7 Property, Plant and Equipment

	Plant and equipment £	Fixtures & fittings £	PPE Total £
Cost			
Balance at 1 January 2017	174,423	28,297	202,720
Additions during the year	-	-	-
Disposals in the year	(174,423)	(28,297)	(202,720)
Balance at 31 December 2017	-	-	-
Depreciation			
Balance at 1 January 2017	(72,860)	(22,486)	(95,346)
Depreciation charge for the year	(38,776)	(1,030)	(39,806)
Disposals	111,636	23,516	135,152
Balance at 31 December 2017	-	-	-
Net book value			
At 31 December 2016	101,563	5,810	107,373
At 31 December 2017	-	-	-

8 Cash and cash equivalents

	2017 £	2016 £
Cash and cash equivalents	1,383,915	3,418,413

9 Trade and other receivables

	2017 £	2016 £
VAT receivable	80,103	-
Other receivables	390,000	2,813
Accrued revenues	-	11,922,739
Prepayments	-	22,414
	470,103	11,947,966

Notes (continued)

10 Trade and other payables

	2017	2016
	£	£
Current		
Trade payables	200,956	11,230,663
VAT and salary taxes payable	-	58,158
Accrued expenses	12,150	425,349
Other payables	-	4,653,123
	213,106	16,367,293

11 Share capital

Allotted, issued and fully paid

	2017	2016
	£	£
1,500,001 ordinary share of £1	1,500,001	1,500,001
Reduction of Share Capital	(634,237)	-
	865,764	1,500,001

The Company has only one class of shares, which carry no rights to fixed income.

12 Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

There is no material difference between the carrying value and fair value of any of the Company's financial instruments.

Notes (continued)

13 Related party transactions

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 £	Balance at 31 December £	Details of transaction
2017			
Project Blue Limited	172,401,119	-	Recharge of main contractor and other costs relating to Chelsea Barracks Phase 1-3
Qatari Diar Europe LLP	(63,337)	(144,419)	Sale of fixed assets
Qatari Diar UK Ltd	(64,279)	-	Recharge of employee related costs
Qatari Diar UK Ltd	(100,916)	(13,665)	Provision of administrative services to sister company
2016			
Qatari Diar UK Limited	(365)	(64,330)	Provision of administrative services to sister company
Project Blue Limited	4,604,481	5,741,701	Retention held on contractors, which yet to be invoiced to PBL and a Phase 4 invoice.

14 Ultimate parent company and parent company of larger group

The Company is a wholly owned subsidiary undertaking of Qatari Diar Real Estate Investment Company which is the ultimate parent company incorporated in Qatar.

The only group in which the results of the Company are consolidated is Qatari Diar Real Estate Investment Company incorporated in Qatar. The consolidated financial statements of this group are not available to the public.

15 Risk Management

Risks are managed through a process of ongoing identification, measurement and monitoring.

The directors are responsible of the Company's risk strategy and policy, including the identification and evaluation on a continuous basis of all significant risks to the business plan, and analysis of the monthly management accounts by the directors and senior management.

Notes (continued)

Capital Management

The capital structure of the Company consists of working capital, cash and cash equivalents (note 8) and equity, comprising of issued capital, reserves and retained earnings (page 9). The board continues to monitor the balance of the overall structure considering the payment of dividends, new shares, share buybacks as well as the issue of new debt or the redemption of existing debt. The Company is not subject to any externally imposed capital requirements. Qatari Diar Real Estate Investment Company has confirmed to the directors that it will continue the Company for a period of time from the date the financial statements are signed, during the period of the operations winding down and thereafter.

Liquidity & credit risk

QDREIC has confirmed to the directors, that it will continue the Company to enable it to carry out its operational activities in respect of the entity wind up and to discharge its liabilities as they fall due. QDREIC has confirmed to the directors that it will continue the Company for a period of at least twelve months from the date the financial statements are signed, during the period of the operations winding down and thereafter.

Counterparty risk

The board has not identified any counterparty risk due to the current state of the entity wind-up.

Market risk

Market risk has been subsided given the entity's status. It is not currently trading and is in the process of winding up any outstanding activity.

16 Subsequent Event

At the date of this report, the Company declared a further £1m dividend to the Parent Company in 2018.