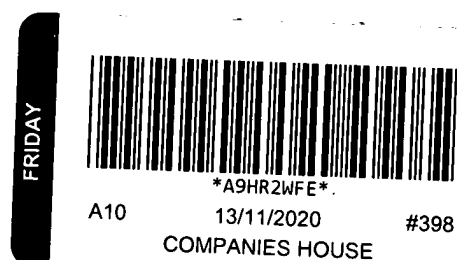


QDD EV N06 Limited

Annual report and financial statements

For the year ended 31 March 2020

Company Registration No. 09504858



QDD EV N06 Limited

*Non-statutory financial statements for the year ended
31 March 2020*

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QDD EV N06 Limited

*Non-statutory financial statements for the year ended
31 March 2020*

Company Information

Directors

Rick De Blaby

Gregory John Hyatt

Registered office

6th Floor Lansdowne House

Berkeley Square

London

W1J 6ER

United Kingdom

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

United Kingdom

QDD EV N06 Limited

*Non-statutory financial statements for the year ended
31 March 2020*

Directors' Report

The Directors present the annual report and the audited financial statements for the year ended 31 March 2020.

Directors

The Directors who served during the year, and at the date of this report were:

- Rick De Blaby (appointed 21 August 2020)
- Gregory John Hyatt (appointed 21 August 2020)
- DV4 Administration Limited (resigned 21 August 2020)
- Ann Hodgetts (resigned 21 August 2020)
- Mabel Tan (resigned 21 August 2020)
- Mashood Ashraf (appointed 18 July 2019, resigned 21 August 2020)
- Jeremy Martin Holmes (resigned 18 July 2019)
- Abdulla Al-Ajail (resigned 18 July 2019)
- Stafford Murray Lancaster (resigned 18 July 2019)
- James William Jeremy Ritblat (resigned 18 July 2019)
- Gawain Sydney Edward Smart (resigned 18 July 2019)

Principal activities

The principal activity of the Company is the development of plot N06 into a residential building at East Village, London, E20. Construction on the N06 plot commenced during the prior year and the project is expected to reach practical completion in October 2021.

The Company has a Senior loan facility with Homes England for £90.0m. No amounts have been drawn down on the facility as at 31 March 2020 (2019: £nil). The development costs incurred to date have been funded by the immediate parent company utilising funds from the ultimate investors.

Results and dividends

The loss for the year amounted to £11.0m (2019: £2.7m profit) before and after tax.

The Directors do not recommend payment of an ordinary dividend for the year (2019: £nil).

Principal risks and uncertainties

In the opinion of the Directors, the major risk faced by the Company is if the Company experiences financial difficulties due to lack of funding to proceed with the development of the plot of land. Therefore the completion of the project would be hindered and may fall behind schedule. This risk is mitigated as the Company can access funds from the unutilised Senior debt facility to support its development spend for the remaining project.

Management continues to monitor the impact of the Coronavirus outbreak (COVID-19) on the Company, noting that the main impact will be with respect to development progress as this entity is not yet revenue generating. Measures have been taken to mitigate against the impact of potential future lockdowns on development progress.

QDD EV N06 Limited

*Non-statutory financial statements for the year ended
31 March 2020*

Directors' Report (continued)

Principal risks and uncertainties (continued)

The Company finances its activities with funding with an external funding facility as described above and a loan from its immediate parent and therefore is exposed to the following financial and market risks:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims to mitigate liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Market risk

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

Currency risk

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

Interest rate risk

The Company's interest bearing financial liabilities expose it to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position. The Senior loan is not drawn down at 31 March 2020, however the Company makes use of derivative financial instruments where possible to mitigate its overall exposure to such movements.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Get Living PLC. The Directors have received confirmation that Get Living PLC will support the Company for at least one year after these financial statements are approved and signed. The Company's ability to meet its future liabilities is therefore dependent on the financial performance and position of the Group as a whole. The directors have carried out a review, including consideration of appropriate forecasts, which indicate that the Company will have adequate resources to continue to trade for the foreseeable future based on the ongoing liquidity of the Group.

At a Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities and shareholder facilities, as well as forecast covenant compliance. Further stress testing involving downside scenarios has been carried out to ensure the Group has sufficient cash resources to continue in operation for at least the next 12 months from the date of signing these financial statements. Based on this, together with available market information and the Directors' knowledge and experience of the Company, the Directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020.

QDD EV N06 Limited

*Non-statutory financial statements for the year ended
31 March 2020*

Directors' Report (continued)

Directors' statement as to disclosure of information to auditors

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

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

Auditors

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

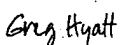
Director indemnity insurance

The Company has in place appropriate Directors' and Officers' liability insurance cover in respect of potential legal action against its Directors. These indemnities are qualifying third-party indemnity provisions as defined by Section 234 of the Companies Act 2006. The indemnities were valid throughout the period and are currently valid.

Small companies' exemption

In preparing the report and financial statements, the Directors have taken advantage of the small companies' exemption provided under the Companies Act 2006. The Directors have also taken advantage of the exemption provided under Section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 for the requirement to produce a Strategic Report for the year.

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

DocuSigned by:

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Gregory John Hyatt

Director

Date: 21 September 2020

QDD EV N06 Limited

*Non-statutory financial statements for the year ended
31 March 2020*

Statement of Directors' Responsibilities

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QDD EV N06 LIMITED

Opinion

We have audited the financial statements of QDD EV N06 Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Effects of COVID-19 and Material valuation uncertainty

We draw attention to note 2 of the financial statements which describes the uncertainties over the economic environment as a result of Covid-19 as highlighted by the material uncertainty paragraph included by CBRE Limited in their investment property valuation report. Additionally, we draw attention to note 2 of the financial statements which describes the appropriateness of preparing the financial statements on the going concern basis due to the continued financial support of the ultimate parent company.

Our opinion is not modified in respect of these matters.

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.

Independent Auditor's Report to the Members of QDD EV N06 Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

Independent Auditor's Report to the Members of QDD EV N06 Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ernst & Young LLP

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

22 September 2020.

QDD EV N06 Limited

*Annual report and Financial statements for the year ended
31 March 2020*

Statement of comprehensive income

		<u>2020</u>	<u>2019</u>
	Notes	£000	£000
Turnover		-	-
Administrative expenses		(459)	(112)
Valuation (loss)/gain on investment property	8	<u>(8,026)</u>	<u>4,298</u>
Operating (loss)/profit	5	(8,485)	4,186
Interest payable and similar costs	6	<u>(2,547)</u>	<u>(1,494)</u>
(Loss)/profit on ordinary activities before taxation		(11,032)	2,692
Taxation	7	<u>-</u>	<u>-</u>
(Loss)/profit for the year		(11,032)	2,692
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/profit for the year		<u>(11,032)</u>	<u>2,692</u>

QDD EV N06 Limited

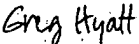
Annual report and financial statements for the year ended
31 March 2020

Statement of financial position

	Notes	2020 £000	2019 £000
Non-current assets			
Investment property under construction	8	126,700	67,570
		126,700	67,570
Current assets			
Cash at bank	9	323	234
Debtors	10	892	495
		1,215	729
Creditors: amounts falling due within one year	11	(52,376)	(47,325)
Net current liabilities		(51,161)	(46,596)
Total assets less current liabilities		75,539	20,974
Creditors: amounts falling due after more than one year	12	(67,759)	(11,112)
Provisions	13	-	(1,064)
Net assets		7,780	8,798
Capital and reserves			
Share capital	14	-	-
Retained earnings		(8,342)	2,690
Other equity reserve	15	16,122	6,108
Total equity		7,780	8,798

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors for issue on 18 September 2020 and were signed on its behalf by:

DocuSigned by:

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Gregory John Hyatt
Director

21 September 2020
Company Registration No. 09504858

QDD EV N06 Limited

*Annual report and financial statements for the year ended
31 March 2020*

Statement of changes in equity

	Share capital	Retained earnings	Other equity reserve	Total equity
	£000	£000	£000	£000
At 1 April 2018	-	(2)	-	(2)
Total comprehensive income for the year	-	2,692	-	2,692
Other equity contributions	-	-	6,108	6,108
As at 31 March 2019	-	2,690	6,108	8,798
Total comprehensive loss for the year	-	(11,032)	-	(11,032)
Other equity contributions	-	-	10,014	10,014
As at 31 March 2020	-	(8,342)	16,122	7,780

QDD EV N06 Limited

*Annual report and financial statements for the year ended
31 March 2020*

Notes to the financial statements

1. Statement of compliance with FRS 101

These Company financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and under the historical cost convention as modified by the revaluation of investment properties measured at fair value through the statement of comprehensive income. The financial statements are prepared in accordance with the Companies Act 2006.

2. Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2020. The financial statements are prepared in Sterling and are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

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

- the requirements of IFRS 7 Financial Instruments: Disclosures - the management of financial risk disclosures including management of credit, liquidity, and market risk and interest rate sensitivity analysis;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement— disclosures around fair values of assets and liabilities;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 16, 111 and 134-136 of IAS 1 Presentation of Financial Statements – presentation of statement of cash flows, explicit and unreserved statement of compliance with IFRS as adopted by the EU and disclosures of the Company's objectives, policies and processes for managing capital;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — disclosure of new accounting standards and interpretations that have been issued but are not yet effective;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures – disclosure relating to compensation of key management personnel;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between the parent and wholly-owned subsidiaries;
- the requirements of paragraph 52 of IFRS 16 Leases.

QDD EV N06 Limited

*Annual report and financial statements for the year ended
31 March 2020*

Notes to the financial statements (continued)

2. Basis of preparation (continued)

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Get Living PLC. The Directors have received confirmation that Get Living PLC will support the Company for at least one year after these financial statements are approved and signed. The Company's ability to meet its future liabilities is therefore dependent on the financial performance and position of the Group as a whole. The directors have carried out a review, including consideration of appropriate forecasts, which indicate that the Company will have adequate resources to continue to trade for the foreseeable future based on the ongoing liquidity of the Group.

At a Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities and shareholder facilities, as well as forecast covenant compliance. Further stress testing involving downside scenarios has been carried out to ensure the Group has sufficient cash resources to continue in operation for at least the next 12 months from the date of signing these financial statements. Based on this, together with available market information and the Directors' knowledge and experience of the Company, the Directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020.

Key judgements

Fair value of investment property

The fair value of the Company's investment property is a key source of estimation uncertainty, however, in accordance with the accounting policy of the Company, investment property is revalued at each reporting date by the Directors after consideration of a third party assessment of the market value.

Market value is defined as the estimated amount for which a property should exchange on the date of valuation between willing buyer and seller in an arm's length transaction without compulsion. The Company considers the use of professional external valuers, in accordance with the RICS Valuation Standards, Sixth Edition in the United Kingdom sufficient to reduce but not eliminate the uncertainty. This valuation uses assumptions including future open market rental values, together with a judgement of applicable capitalisation rates, which reflect current market transactions for similar properties and development costs to complete.

Due to the outbreak of Covid-19, the valuations of CBRE at 31 March 2020 are reported as being subject to "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally be the case. For valuations of institutional grade, build to rent residential property as at 11 June 2020 and subsequent dates, such references to "material valuation uncertainty" were removed from CBRE reports due to there being sufficient evidence of market activity in this asset class that the valuation uncertainty clause was no longer necessary.

QDD EV N06 Limited

*Annual report and financial statements for the year ended
31 March 2020*

Notes to the financial statements (continued)

3. Accounting standards

a) New and amended standards and interpretations effective in the current financial period

The Company applied *IFRS16 Leases* for the first time in the period ended 31 March 2020. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in the period ended 31 March 2020, but do not have an impact on the financial statements of the Company.

IFRS 16 Leases

The Company adopted IFRS 16 on 1 April 2019 using the modified retrospective method. The standard makes substantial changes to the recognition and measurement of leases by lessees, with the requirements for lessors substantially unchanged.

Where the Company enters a leasing arrangement as a lessee, it is required to recognise a right of use asset and corresponding lease liability under the new standard. The Company is a lessee following the grant of a lease of the land within the N06 plot from Stratford Village Development Partnership in the year ended 31 March 2019. The right of use asset is recognised as Investment Property (see note 8), in accordance with *IFRS 16 Leases*. The annual ground rent payable under the lease is £1 and therefore the lease liability is immaterial.

There was no adjustment to opening retained earnings as a result of the transition and no transitional provisions were used.

QDD EV N06 Limited

*Annual report and financial statements for the year ended
31 March 2020*

Notes to the financial statements (continued)

4. Summary of significant accounting policies

a) Investment property

Investment property is initially recognised at cost (including transaction costs) and subsequently measured at fair value. Gains or losses arising from changes in fair value of investment property are included in the statement of comprehensive income in the period in which they arise. Development costs to complete are deducted from the fair value of the investment property. No depreciation or amortisation is provided in respect of investment property. Refer to note 2 key estimates.

b) Borrowing costs

The Company recognises external borrowing costs that are directly attributable to the acquisition, construction or development of an investment property as part of the cost of that asset. The Company also capitalises interest on interest-bearing intercompany loans where the costs are directly attributable to the acquisition, construction or development of an investment property. Other borrowing costs, including imputed interest on interest free intercompany loans, are recognised as an expense.

c) Interest bearing loans

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

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

d) Interest free loans

Obligations for interest free intercompany loans are recognised when the Company becomes party to the related contracts and are measured initially at the fair value represented by the present value of future cash flows discounted at the market rate of interest at the date of the initial drawdown. An other equity reserve is recognised, being the difference between the fair value of the present value of future cash flows and the consideration advanced.

After initial recognition, interest free intercompany loans are subsequently measured at amortised cost using the effective interest method. The discount between the redeemable amount and the net proceeds is accreted over the term of the loan and charged to the statement of comprehensive income. Where there is an early repayment of an interest free intercompany loan, a fair value adjustment is made to the loan balance with the other side being to reduce the other equity reserve.

e) Taxes

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

Current tax is the expected tax payable on any non-REIT taxable income for the period, using tax rates applicable at the balance sheet date, and any adjustment to tax payable in respect of previous years.

QDD EV N06 Limited

*Annual report and financial statements for the year ended
31 March 2020*

Notes to the financial statements (continued)**4. Summary of significant accounting policies (continued)****f) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost, except on variable consideration on property acquisitions – see policy on ‘Investment Property’.

g) Financial Instruments: Classification and Measurement

Trade and other receivables are classified as financial assets at amortised cost in line with IFRS 9. They are initially measured at fair value and then subsequently measured at amortised cost. Classification is determined by the nature of the cash flows of the assets and the business model in which they are held. The impairment requirements are based on a forward-looking expected credit loss (ECL) model. IFRS 9 requires the Company to recognise an allowance for ECLs for all financial assets not held at fair value through profit or loss, including lease receivables and any contract assets. The Company does not apply hedge accounting nor does it hold any assets classified as fair value through profit and loss (FVTPL).

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings which are held at amortised costs.

h) Cash and short-term deposits

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

i) Leases***Company as a lessee***

The Company applies a single recognition and measurement approach for leases, as required by IFRS 16. The Company recognises right of use assets at cost, which includes the amount of lease liability recognised, initial direct costs incurred and lease payments prior to the date of transition. The only lease where the Company is a lessor relates to investment property and therefore right of use assets are recognised as Investment Property per IFRS 16 and not depreciated.

QDD EV N06 Limited

*Annual report and financial statements for the year ended
31 March 2020*

Notes to the financial statements (continued)**5. Operating result**

Operating result is stated after charging:

	2020	2019
	£000	£000
Auditor's remuneration	20	4

The company had no employees during the year (2019: nil)

Directors' remuneration

The Directors are remunerated for their services provided to the group through the controlling parties in which they represent. Their total remuneration is not allocated between the services they provide to the Group and its subsidiaries. Consequently, the Directors received no remuneration or reimbursements from Get Living PLC or any of its subsidiaries.

6. Interest payable and similar costs

	2020	2019
	£000	£000
Amortised arrangement fees	145	141
Interest payable on intercompany loan	-	1,150
Imputed interest charge on interest free intercompany loan	2,370	203
Other finance cost	32	-
	2,547	1,494

QDD EV N06 Limited

*Annual report and financial statements for the year ended
31 March 2020*

Notes to the financial statements (continued)**7. Taxation**

	2020	2019
	£000	£000
Current tax charge	-	-
Adjustment for prior periods	-	-
	-	-
Deferred tax charge/(credit)	-	-
Tax charge/(credit)	-	-
Factors affecting the tax charge for the year:		
(Loss)/profit before taxation	(11,032)	2,692
(Loss)/profit before taxation multiplied the main rate of UK corporation tax of 19% (2019: 19%)	(2,096)	511
Effect of:		
Exempt REIT income/expense	2,096	(511)
Corporate Interest Restriction disallowance	96	
Non taxable income	(96)	-
Tax charge/(credit)	-	-

Exempt income refers to property rental income that is exempt from UK corporation tax in accordance with Part 12 of CTA 2010. In addition, no provision is made for deferred tax in relation to the revaluation of property as gains will also be exempt from UK corporation tax under Part 12 of CTA 2010.

The Company, together with other members of Get Living PLC, is subject to taxation as a Real Estate Investment Trust (REIT) for the whole year. Under the REIT regime, income from its rental business (calculated by reference to tax rather than accounting rules) and chargeable gains from the sale of its investment properties are exempt from corporation tax. The Company continues to be subject to corporation tax on any other activities. The directors expect that future profits will be derived principally from the Company's rental business so that the tax charge in future years will be minimal.

QDD EV N06 Limited

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Notes to the financial statements (continued)**8. Investment property under construction**

	2020	2019
	£000	£000
Opening balance	67,570	-
Acquisition from Group undertakings	-	44,400
Overage (see note 12)	-	1,076
Capital expenditure	66,794	17,760
Capitalised borrowing costs	362	36
Fair value adjustments	(8,026)	4,298
	126,700	67,570

The valuation comprises investment property under construction valued at £126.7m (2019: £67.6m) by a third party external valuer in accordance with the RICS Valuation Standards and the UK national supplement as at the balance sheet date (refer to note 2 key estimates for details of valuation uncertainty). The third party external valuer has valued the freehold of the investment property and the Directors have used this as a basis to determine the fair value of the investment property on the leasehold interest which QDD EV N06 Limited holds.

The property under construction was valued on a Discounted Cash Flow (DCF) basis using a 10 year quarterly cash flow model.

The full investment property balance is a right of use asset under IFRS 16

9. Cash at bank

	2020	2019
	£000	£000
Cash at bank	323	234

10. Debtors

	2020	2019
	£000	£000
Amounts due from group undertakings	52	1
Prepayments	53	-
Other taxes	400	98
Deferred bank loan arrangement fees	387	396
	892	495

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

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Notes to the financial statements (continued)**11. Creditors: amounts falling due within one year**

	2020	2019
	£000	£000
Trade and other payables	2	11
Accruals	7,838	2,801
Amounts due to group undertakings	44,536	44,513
	52,376	47,325

Amounts due to group undertakings are unsecured, interest free and are repayable on demand.

Included in accruals as at 31 March 2020 is £7.9m (2019: £2.8m) of accrued development expenditure.

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

	2020	2019
	£000	£000
Loan from parent – interest bearing	38,195	2,153
Loan from parent – interest free	26,085	8,480
Other payables	2,408	479
ODA Liability	1,071	-
	67,759	11,112

The interest bearing loan due to immediate parent QDD EV N06/N08 Holdco 4 Limited was issued on 7 November 2018. It is a term loan repayable in November 2024 with an interest rate of 4.3%. The total amount drawdown as at 31 March 2020 is £36.7m (2019: £0.9m). Interest payable of £1.5m (2019: £1.2m) is rolled up within the outstanding balance.

The interest free loan due to immediate parent QDD EV N06/N08 Holdco 4 Limited is a term loan payable in November 2024. The loan drawdowns were fair valued at the net present value of future cashflows using the company's cost of equity. Drawdowns of £14.4m were recognised during the prior year, with £8.3m recognised as a loan payable and £6.1m as a capital contribution in other equity reserves (note 15). The prior year payable balance of £8.5m included £0.2m of rolled up finance expense (note 6). The total amount drawdown at 31 March 2020 is £39.6m (2019: £14.4m). Of the additional £25.2m drawdown during the year, £9.7m was recognised as a capital contribution in other equity reserves (note 15) and £15.5m as a loan payable. Interest payable of £2.4m was recognised as imputed loan interest during the year (note 6).

The ODA liability was reclassified from provisions during the year as the related settlement agreement was signed in January 2020, meaning the timing and amount of the payable are certain (see note 13).

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Notes to the financial statements (continued)**13. Provisions**

A settlement deed has been negotiated between the ultimate parent Get Living PLC and The Secretary of State for Digital Culture Media and sport ("DCMS", previously the Olympic Authority) in relation to the 2011 sale and purchase agreement for SVDP Limited. As a result a total agreed sum of £1.1m is deemed payable by the Company, of which £11k was paid during the year ended 31 March 2020. A non-current provision of £1.1m was recognised at 31 March 2019, which is the amount due to be settled on 31 March 2022 in line with the deed, discounted at the government risk free rate. The discount is based on the 3 year GBP government bond rates adjusted for risk. At 31 March 2020 an amount of £1.1m has been recognised. The settlement agreement was signed in January 2020. As the timing and amount of the payable are certain as at 31 March 2020, this amount has been reclassified to creditors falling due after more than one year (note 12).

14. Share capital

	2020	2019
	£	£
<i>Allotted, called up share capital</i>		
1 Ordinary Shares of £1 each	1	1

Holders of Ordinary shares are entitled to one vote per share. The shares are unpaid for the current financial period. The company is authorised to issue unlimited shares.

15. Other equity reserve

	2020	2019
	£000	£000
At 1 April	6,108	-
Other equity contributions	10,014	6,108
	16,122	6,108

The other equity reserve balance of £10.0m was recognised in the year as a result of the fair value adjustment made to the interest free intercompany loan drawdowns due to the immediate parent.

16. Related party disclosures

The Company's immediate and ultimate parent undertakings were QDD EV N06/N08 Holdco 4 Limited and Get Living PLC respectively.

At 31 March 2020, Get Living PLC was jointly controlled as follows:

- (i) By DOOR SLP, a limited partnership registered and incorporated in Scotland;
- (ii) By QD UK Holdings LP, a limited partnership registered and incorporated in Scotland; and
- (iii) By Stichting Depositary APG Strategic Real Estate Pool, a pension fund asset manager based in the Netherlands.

Get Living PLC is the smallest group to consolidate these financial statements.

Transactions between the Company and its group entities are summarised in notes 6, 10, 11, 12 and 15.

17. Commitments

The Company has £108.1m current commitments as at 31 March 2020 (2019: £177.8m).

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Notes to the financial statements (continued)

18. Contingent liabilities

There were no contingent liabilities as at 31 March 2020 (2019: £nil).

19. Subsequent Events

The COVID-19 pandemic has developed rapidly following the balance sheet date, with a significant number of infections across many countries. It has been concluded that there has been no events or conditions since the balance sheet date that indicate any adjustment would be required to the financial statements.