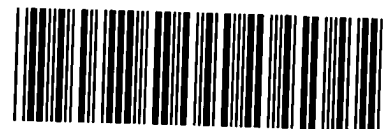


QATAR AIRWAYS INVESTMENTS (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

FRIDAY



L7KRITNU

LD2

14/12/2018

#22

COMPANIES HOUSE

QATAR AIRWAYS INVESTMENTS (UK) LTD

COMPANY INFORMATION

Directors	T J Weymouth	
	D H M Ho	
	M C Lawrence	(Appointed 1 August 2018)
	S A Sibtain	(Resigned 1 October 2017)
	M Kurmanbayev	(Appointed 1 October 2017 and resigned 1 August 2018)
Secretary	Amicorp (UK) Secretaries Limited	
Company number	10398671	
Registered office	Third Floor 5 Lloyds Avenue London United Kingdom EC3N 3AE	
Banker	HSBC Bank 8 Canada Square London United Kingdom E14 5HQ	

QATAR AIRWAYS INVESTMENTS (UK) LTD

CONTENTS

	Page
Strategic report	1
Directors' report	2-3
Independent Auditor's report	4-6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 19

QATAR AIRWAYS INVESTMENTS (UK) LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their strategic report for the Company for the year ended 31 March 2018.

Review of the business

The company was incorporated on 28 September 2016.

The principal activity of Qatar Airways Investments (UK) Limited (the "Company") during the year under review was to make and manage strategic investments in companies in the UK and abroad. The Company may acquire stock, shares and other participating securities in such investments. In addition it may enter into forms of borrowing, other than by way of public offering, to fund such activities. The directors do not anticipate any change to the Company's principal activities in the foreseeable future.

The financial statements of the Company are prepared in accordance with FRS 101 'Reduced Disclosure Framework', and the requirements of the Companies Act 2006 as applicable to companies subject to small companies regime.

Results and dividends

The profit after tax for the year amounted to \$1,220,830 (2017: Loss of \$2,604,208).

	Year ended 31 March 2018
	\$
Profit before tax	1,950,002
Profit after tax	1,220,830
Total comprehensive income for the year	166,698,699
Shareholder's funds	939,794,729

The directors do not recommend a payment of a dividend for the year ended 31 March 2018 (2017: \$nil).

Principal risks and uncertainties

The Company is exposed to economic and competitive risks common in line with investment activities. Such risks include:

- exposure to price, liquidity and cash flow risk,
- exposure to movements in the foreign currency markets,
- the commercial activities undertaken by the entities in which it invests.

Currently, however, there is no indication that the Company is significantly adversely affected by any of the above factors. Management continues to look at risks and uncertainties during its monthly forecast and strategic meetings.

Also, the principal risks and uncertainties facing the Company relate to the carrying value of its investments and in particular any actual or projected adverse financial performance and/or the impact of any economic, political and social risks that may affect the ability of investee companies to remit dividends and repay debt in the future. These risks are monitored by management in conjunction with the directors as part of the wider group risk management activities.

On behalf of the board

T J Weymouth

Director

Date: 13-12-2018

QATAR AIRWAYS INVESTMENTS (UK) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activity

The principal activity of Qatar Airways Investments (UK) Limited ("the Company") during the year under review was to make and manage strategic investments in companies in the UK and abroad. The Company may acquire stock, shares and other participating securities in such investments. In addition, it may enter into any form of borrowing, other than by way of public offering, to fund such activities. The directors do not anticipate any change to the Company's principal activity in the foreseeable future.

Future developments

The Company is expected to continue its principal activity for the foreseeable future.

Going concern

The Company has net current liabilities of \$12,521,361 but it has a positive total net assets of \$939,794,729. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and the Company will be able to meet its liabilities as and when they fall due and accordingly the financial statements are prepared on a going concern basis.

Dividends

The directors did not propose any dividends in the year ended 31 March 2018 (2017: \$nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T J Weymouth	
D H M Ho	
M C Lawrence	(Appointed 1 August 2018)
S A Sibtain	(Resigned 1 October 2017)
M Kurmanbayev	(Appointed 1 October 2017 and resigned 1 August 2018)

None of the directors or the Company secretary had any interest in the shares or debentures of the Company, or any other group companies at 31 March 2018 above the threshold as set out in Companies Act 2006.

Financial instruments

The Company finances its activities with a combination of reinvestment of profits, preference shares, cash and short term deposit and, where necessary, loans provided by fellow group undertakings. Overdrafts are used to satisfy short term cash flow requirements. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities.

Financial instruments give rise to foreign currency, interest rate, credit, price and liquidity risk information on how these risks arise is set out above, in the Strategic Report as are the objectives, policies and processes for their management and the methods used to measure each risk. Any risks associated with financial instruments are managed and reviewed at group level.

Events since the balance sheet date

Refer to note 14 in the notes to the financial statements for events since the balance sheet date.

QATAR AIRWAYS INVESTMENTS (UK) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'). 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

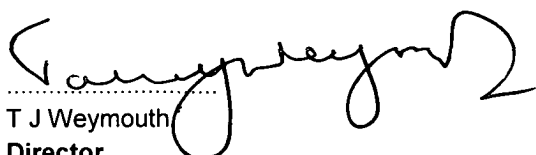
Statement as to disclosure of information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board



T J Weymouth

Director

Date: 13-12-2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF QATAR AIRWAYS INVESTMENTS (UK) LTD

Opinion

We have audited the financial statements of Qatar Airways Investments (UK) Limited for the year ended 31 March 2018 which comprise the Profit and Loss Account including the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework".

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF QATAR AIRWAYS INVESTMENTS (UK) LTD

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 Strategic Report and 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 where 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF QATAR AIRWAYS INVESTMENTS (UK) LTD

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.



Rebecca Turner (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
1 More London Place
London
SE1 2AF

Date: 13 December 2018

QATAR AIRWAYS INVESTMENTS (UK) LTD

PROFIT AND LOSS ACCOUNT INCLUDING THE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

		Year ended 31 March 2018 \$	Period ended 31 March 2017 \$
Administrative expenses	Notes 5	(133,912)	(2,604,208)
Gain on exchange differences		567	-
Operating loss		(133,345)	(2,604,208)
Interest receivable and similar income	6	2,083,347	-
Profit/(Loss) on ordinary activities before taxation		1,950,002	(2,604,208)
Tax on profit on ordinary activities	7	(729,172)	-
Profit/(Loss) for the financial year		1,220,830	(2,604,208)
Other comprehensive income			
Gain on available for sale financial assets	8	165,477,869	162,435,997
Total comprehensive income for the year		166,698,699	159,831,789

All amounts relate to continuing activities.

Total comprehensive income for the financial year ended 31 March 2018 is a profit of \$166,698,699 (2017: \$159,831,789).

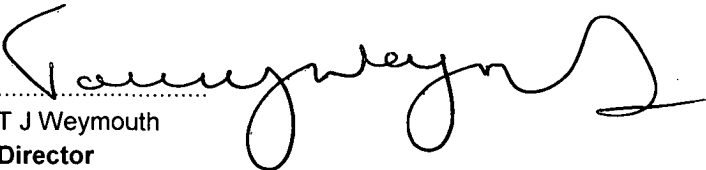
QATAR AIRWAYS INVESTMENTS (UK) LTD

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 \$	\$	2017 \$	\$
Fixed assets					
Investments	8	952,316,090		770,810,517	
Current assets					
Debtors	9	25,943		63,264	
Cash at bank and in hand		3,557,613		4,828,456	
		<u>3,583,556</u>		<u>4,891,720</u>	
Creditors: amounts falling due within one year	10	<u>(16,104,917)</u>		<u>(2,606,207)</u>	
Net current (liabilities)/assets		(12,521,361)		2,285,513	
Total assets less current liabilities		<u>939,794,729</u>		<u>773,096,030</u>	
Capital and reserves					
Called up share capital	11	2		2	
Share premium		613,264,239		613,264,239	
Retained losses		(1,383,378)		(2,604,208)	
AFS reserve		<u>327,913,866</u>		<u>162,435,997</u>	
Total equity		<u>939,794,729</u>		<u>773,096,030</u>	

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:


 T J Weymouth
 Director

Company Registration No. 10398671

QATAR AIRWAYS INVESTMENTS (UK) LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Called up share capital \$	Share premium \$	AFS Reserve \$	Retained earnings \$	Total \$
Balance at 28 September 2016		-	-	-	-	-
Changes in equity						
Share issue	2	613,264,239	-	-	-	613,264,241
Loss for the period	-	-	-	-	(2,604,208)	(2,604,208)
Other comprehensive income for the period	-	-	-	162,435,997	-	162,435,997
Balance at 31 March 2017		2 613,264,239	162,435,997	(2,604,208)	773,096,030	
Balance at 1 April 2017		2 613,264,239	162,435,997	(2,604,208)	773,096,030	
Changes in equity						
Profit for the year	-	-	-	-	1,220,830	1,220,830
Other comprehensive income for the year	-	-	-	165,477,869	-	165,477,869
Balance at 31 March 2018		2 613,264,239	327,913,866	(1,383,378)	939,794,729	

QATAR AIRWAYS INVESTMENTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Authorization of Financial Statements and Accounting policies

Company information and authorization

Qatar Airways Investments (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Third Floor, 5 Lloyds Avenue, London, United Kingdom, EC3N 3AE. The Company is 100% owned by its Parent Company 'Qatar Airways Group Q.C.S.C' which is located in Qatar Airways Tower, Airport Road, P.O. Box 22550, Doha, Qatar, Qatar.

The financial statements of Qatar Airways Investments (UK) Limited for the year ended 31 March 2018 were authorized for issue on 13 December 2018 and the balance sheet was signed on the Board's behalf by Thomas J Weymouth.

The results of Qatar Airways Investments (UK) Limited are included in the consolidated financial statements of Qatar Airways Group Q.C.S.C, which are available from Qatar Airways Tower, Airport Road, P.O. Box 22550, Doha, Qatar.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 101 "Reduced Disclosure Framework" ("FRS 101") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 101 have been applied other than where additional disclosure is required to show a true and fair view. These financial statements present information about the company as an individual undertaking.

The financial statements are prepared in United States dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below:

1.2 Reporting period

The comparatives in the financial statements are presented from the date of incorporation being the 28th of September 2016 for a period of 6 months and 3 days.

1.3 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2018.

The company has taken advantage of the following disclosure exemptions under FRS 101.

- i. The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share Based Payments
- ii. The requirements of IFRS 7 Financial Instruments: Disclosures;
- iii. The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- iv. 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;
 - Paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - Paragraph 118(e) of IAS 38 Intangible Assets;
- v. The requirements of paragraphs 10(d), 10(f), 39(c), and 134-136 of IAS 1 Presentation of Financial Statements
- vi. The requirements of IAS 7 Statement of Cash Flows;
- vii. The requirements of paragraph 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- viii. The requirements of paragraph 17 of IAS 24 Related Party Disclosures;

QATAR AIRWAYS INVESTMENTS (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

1 Authorization of Financial Statements and Accounting policies (continued)

- ix. The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- x. The requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- xi. The requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;

1.4 Going concern

The Company is supported by its immediate parent company and the directors are actively seeking new opportunities which will allow the Company to continue in operational existence for the foreseeable future. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

QATAR AIRWAYS INVESTMENTS (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

1 Authorization of Financial Statements and Accounting policies (continued)

1.6 Financial instruments (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Company has not designated any financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the 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 finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Available For Sale ('AFS') financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time, the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

QATAR AIRWAYS INVESTMENTS (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

1 Authorization of Financial Statements and Accounting policies (continued)

1.6 Financial instruments (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, no transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Available For Sale ('AFS') financial assets

For AFS financial assets, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from OCI and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Company evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Classification of financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

QATAR AIRWAYS INVESTMENTS (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

1 Authorization of Financial Statements and Accounting policies (continued)

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Dividend income

Income from dividends is recognised when the Company's right to receive payment is established.

1.9 Taxation

Current taxes and liabilities are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax is recognised in respect of all timing differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes that have originated but not reversed at the balance sheet date.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.10 Foreign exchange

Transactions in currencies other than United States dollars are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the year.

1.11 Fair value measurement

The Company measures financial instruments and non-financial assets such as investment properties, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

QATAR AIRWAYS INVESTMENTS (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

1 Authorization of Financial Statements and Accounting policies (continued)

1.11 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means the actual outcomes could differ from those estimates.

The following judgments (apart from those involving estimates) have had the most significant impact on amounts recognised in the financial statements:

(a) Fair value of unquoted equity instruments

The Company has unquoted equity investments in the form of available for sale financial assets. The Company must determine on an annual basis the fair value of its investments, which is subject to uncertainty due to the lack of observable market prices for these instruments. The fair value of the unquoted equity instruments at 31 March 2018 was \$16,027,703 (2017: \$nil).

3 Staff Costs and Directors' Remuneration

The company has no employees and hence there were no staff costs for the year ended 31 March 2018 (2017: \$nil). The Directors did not receive any remuneration during the year for their services as Directors of the Company (2017: \$nil).

During the year, the Company paid a service organisation for making available the services of any person as a director of the entity \$43,189 (2017: \$38,529).

4 Auditor's Remuneration

Fees of \$25,663 (2017: \$18,125) for audit services are included as a cost within these financial statements. Non-audit related services fees were \$700 (2017: \$625) during the year.

QATAR AIRWAYS INVESTMENTS (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

5 Administrative Expenses

	Year ended 31 March 2018 \$	Period ended 31 March 2017 \$
Travelling expenses	15,649	-
Legal and professional fees	92,359	2,585,947
Audit fees	25,663	18,125
Bank charges	241	136
	<u>133,912</u>	<u>2,604,208</u>

6 Interest receivable and similar income

	Year ended 31 March 2018 \$	Period ended 31 March 2017 \$
Dividend income	2,083,347	-
	<u>2,083,347</u>	<u>-</u>

7 Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018 \$	2017 \$
Current tax:		
UK Corporation Tax	-	-
Withholding tax suffered on overseas earnings	729,172	-
	<u>729,172</u>	<u>-</u>
Tax on profit on ordinary activities	<u>729,172</u>	<u>-</u>

Factors affecting the total tax charge:

	2018 \$	2017 \$
Profit before tax	166,698,699	159,831,789
Profit multiplied by the standard rate of corporation tax in the UK 19% (2017: 20%)	31,672,753	31,966,358
Effects of:		
Gain on available-for-sale financial assets	(31,440,795)	(32,487,199)
Amounts not recognized	(231,958)	520,841
Withholding tax suffered on overseas earnings	729,172	-
Effect of difference in tax rates	-	-
Total tax charge	<u>729,172</u>	<u>-</u>

QATAR AIRWAYS INVESTMENTS (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

7 Taxation (continued)

Deferred tax assets have not been recognised in respect of losses on the basis that it is not sufficiently certain that suitable taxable profits will arise against which to offset them

8 Investments

The Company has an investment in a company listed on the New York Stock Exchange and has accounted for this investment as an AFS financial asset, the fair values of this investment is determined by reference to published price quotations in an active market. During the year, the Company also acquired a 15.81% interest in the shares of Jetsuite Inc. which is a private company registered in United States.

	Available for sale Investment \$
Cost or Valuation	
As at 28 September 2016	-
Additions	608,374,520
Fair Value Adjustments	162,435,997
	<hr/>
At 31 March 2017	770,810,517
	<hr/>
Carrying Amount	
At 31 March 2017	770,810,517
	<hr/>
Cost or Valuation	
As at 1 April 2017	770,810,517
Additions	16,027,704
Fair Value Adjustments	165,477,869
	<hr/>
At 31 March 2018	952,316,090
	<hr/>
Carrying Amount	
At 31 March 2018	952,316,090
	<hr/>

At 31 March 2018, the Company had interests in the following significant shareholdings:

Significant shareholdings	Types of shares held	Proportion held	Country of incorporation	Nature of business
Latam Airlines Group S.A.	Ordinary	10%	Chile	Airline
Jetsuite, Inc.	Ordinary	15.81%	USA (Delaware)	Airline

QATAR AIRWAYS INVESTMENTS (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

8 Investments (continued)

The following table provides the fair value measurement hierarchy of the Company's investment:

	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	\$	\$	\$	\$
Assets measured at fair value:				
31 March 2018				
AFS financial assets	952,316,090	936,288,386	16,027,704	-
Assets measured at fair value:				
31 March 2017				
AFS financial assets	770,810,517	770,810,517	-	-

9 Debtors

	2018	2017
	\$	\$
Amounts falling due within one year:		
Other debtors	25,943	63,264

10 Creditors: amounts falling due within one year

	2018	2017
	\$	\$
Amounts due to group undertakings	16,027,703	2,542,464
Other creditors	77,214	63,743
	<u>16,104,917</u>	<u>2,606,207</u>

All amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

11 Called up share capital

	2018	2017
	\$	\$
Ordinary share capital		
Issued and fully paid		
2 Ordinary £1 shares of \$1 each (£1 = \$1.24)	2	2
	<u>2</u>	<u>2</u>

QATAR AIRWAYS INVESTMENTS (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

12 Related party transactions

The Company has taken advantage of the exemption in FRS 101 from the requirement to disclose transactions with group undertakings on the grounds that it is a wholly owned subsidiary of Qatar Airways Group Q.C.S.C., whose consolidated financial statements are publicly available.

During the year, the Company entered into transactions, in the ordinary course of business, with other related parties. The Company purchased \$46,459 (2017: \$28,183) of professional services from a related party with common Directors. At 31 March 2018, the amount outstanding in respect of those services is \$56,913 (2017: \$45,547).

Purchases between related parties are made on an arm's length basis. Outstanding balances with entities other than subsidiaries are unsecured, interest free and cash settlement is expected within 30 days of invoice.

13 Ultimate controlling party

The directors regard Qatar Airways Group Q.C.S.C, a company incorporated in Doha, Qatar as the immediate parent undertaking and controlling party, and the Government of Qatar as the ultimate parent undertaking and controlling party.

The consolidated financial statements of Qatar Airways Group Q.C.S.C are publicly available at Qatar Airways Tower, Airport Road, P.O. Box 22550, Doha, Qatar.

14 Events since the balance sheet date

At 31 March 2018, the Company had an investment in the shares of Latam Airlines Group S.A, which are quoted in the New York Stock Exchange. At the year-end, the investment was valued at the market price of the shares at 31 March 2018. Subsequent to the year-end, the share price of Latam Airlines Group S.A. declined.

Between 6 and 8 June 2018, the Company disposed of 196,684 shares in Latam Airlines Group S.A following a capital reduction in the investee in order to maintain its 10% shareholding in Latam Airlines Group S.A. It is expected that the Company will realise a loss of \$760,500 on the disposal due to the share price decline discussed above.

Lastly, on 30 May 2018, the Company acquired a further interest in Jetsuite, Inc. for \$15,000,000, increasing its total interest to 26.55%.