

QD UK MINORITY HOLDINGS  
LIMITED

Annual Directors' Report and Financial  
Statements

Registered number 10705773

For the period ended 31 December 2017



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## Strategic Report

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

### Principal activities

QD UK Minority Holdings Limited's ('The Company') principal activity is to act as an investment entity for projects within the UK group and ultimately for Qatari Diar Real Estate Investment Company (QDREIC).

### Business review

The Statement of Comprehensive Income is set out on page 4 and shows the result for the period. The Company made a loss of £657 for the period ended 31 December 2017.

### Key performance indicators

A range of performance indicators is used to monitor and manage the business. Those that are particularly important in monitoring the Company's progress in generating value for the shareholders are considered to be key performance indicators (KPIs). These KPIs measure past performance and also provide management with information to allow them to manage the business into the future. Profit is an indication of the investments performance to assist in continuing the Company's performance into the future.

	2017 £
Profit/(Loss) for the period	(657)

### 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 other than the restructuring referred to above.

### For and on behalf of the Board



Jeremy Holmes  
Director  
28 November 2018

## Directors' report

The directors of the Company present their directors' report and unaudited financial statements for the period ended 31 December 2017. The annual report comprises the strategic report and directors' report, which together provide the information required by the Companies Act 2006. The financial statements have been prepared under International Financial Reporting Standards.

### Going concern

In 2017, the Board of QDREIC approved a corporate restructuring. As a result of this QD UK Minority Holdings Limited was incorporated on the 3<sup>rd</sup> April 2017 and the restructure took place on the 1<sup>st</sup> September 2017. This which resulted in the minority interest being held in the various entities relating to the Chelsea Barracks project.

### Dividends

There were no interim dividends paid in the current period. The directors do not recommend to propose the payment of a dividend for the period ended 31 December 2017.

### Registered Address

The registered address of QD Minority Holdings Limited is 16 Grosvenor Street, London, W1K 4QF, United Kingdom.

### Directors

The following directors have held office during the financial period and subsequently:

Abdulla Al Ajail (appointed since 01/06/2018)

Jeremy Holmes (appointed since 01/06/2018)

Jean Lamothe (appointed since 01/06/2018)

Sheikh Jassim Hamad Al Thani (appointed since 03/04/2017, resigned 16/12/2017)

Fahad Al Ansari (appointed since 03/04/2017, resigned 01/06/2018)

### Company Secretary

Ann Hodgetts (appointed since 03/04/2017, resigned on 08/06/2018)

Andrew Walsh (appointed since 08/06/2018)

### Political contribution

The Company incurred no political expenditure during the period.

By order of the board



Jeremy Holmes  
Director

28 November 2018

## Directors' responsibilities statement

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

The directors confirm that they have complied with the above requirements in preparing the financial statements for each financial period. 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 specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's final 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.

**Statement of Comprehensive Income**  
*For the period ended 31 December 2017*

	Note	2017 £
Share of loss in partnerships		(657)
<b>Loss before tax</b>		<u>(657)</u>
Tax on loss		-
<b>Loss for the period</b>		<u><u>(657)</u></u>

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

The notes on pages 8 to 15 form part of the Financial Statements.

**Statement of Financial Position**  
*As at 31 December 2017*

	Note	2017
		£
<b>Non-current assets</b>		
Investments	2	(641)
		<u>(641)</u>
<b>Current assets</b>		
Debtors: amounts falling due within one year	3	20
		<u>20</u>
<b>Total assets</b>		<u>(621)</u>
<b>Current liabilities</b>		
Creditors: amounts falling due within one year	4	(16)
<b>Total liabilities</b>		<u>(16)</u>
<b>Net liabilities</b>		<u>(637)</u>
<b>Equity</b>		
Share capital	6	20
Retained earnings		<u>(657)</u>
<b>Total equity</b>		<u>(637)</u>

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements were approved by the board of directors on 28 November 2018 and were signed on its behalf by:

  
**Jeremy Holmes**  
Director

Company registration number 10705773

The notes on pages 8 to 15 form part of the Financial Statements.

**Statement of Changes in Equity**  
*For the period ended 31 December 2017*

	Share capital £	Retained earnings £	Total equity £
Balance at 3 April 2017	20	-	20
Total Comprehensive income for the period	-	(657)	(657)
<b>Balance at 31 December 2017</b>	<b>20</b>	<b>(657)</b>	<b>(637)</b>

The notes on pages 8 to 15 form part of the Financial Statements.



## Cash Flow Statement

*For the period ended 31 December 2017*

	Note	2017 £
<b>Cash flows from operating activities</b>		
Profit before tax		(657)
Adjustments for:		
Share of loss on Partnerships		<u>657</u>
		-
 Increase in trade and other receivables	3	20
Increase in trade and other payables	4	<u>(16)</u>
Cash flow (used in)/from operations		4
		<u>4</u>
<b>Net cash flow (used in)/from operating activities</b>		4
<b>Cash flows used in investing activities</b>		
		<u>-</u>
<b>Net cash flow used in investing activities</b>		-
<b>Cash flows from financing activities</b>		
(Decrease)/Increase in intercompany funding		<u>(4)</u>
<b>Net cash (used)/generated from financing activities</b>		(4)
 Net increase/(decrease) in cash and cash equivalents		-
Cash and cash equivalents at beginning of the period		-
		<u>-</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>-</u>

The notes on pages 8 to 15 form part of the Financial Statements.

## Notes (forming part of the financial statements)

### 1 General Information

QD UK Minority Holdings Limited (the "Company") is a private company incorporated and domiciled in England, UK.

#### *Accounting Policies*

The Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The financial statements are presented in Sterling because that is the currency of the primary economic environment in which the Company operate and are prepared on the historical cost basis. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The newly adopted IFRSs which are effective for the first time in the period 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 principle activity of the Company is to act as an investment entity on behalf of Qatari Diar Real Estate Investment Company (QDREIC). QDREIC has provided a letter of support for each of the entities that the Company has an interest in for a period of one year of signing of the 2017 financial statements.

#### *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, trade and other payables as well as amounts due/from related parties.

#### *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, 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 to the financial statements (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, less any impairment losses. Given the nature of trade and other payables, and their short length of time between the origination and settlement, their amortised cost is the same as the fair value on date of origination.

#### *Amounts due from related parties*

Amounts due/from related parties are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

#### *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*

The below policy is not currently relevant to this entity, however it is policy of the group and hence has been included for good practice.

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. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. 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 profit and loss 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.

#### *Operating lease payments*

The below policy is not currently relevant to this entity, however it is policy of the group and hence has been included for good practice.

Payments made under operating leases are recognised in the profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss as an integral part of the total lease expense.

#### *Intangible assets*

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

Amortisation is charged to the profit and loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- lease premium - over the term of the lease of 13 years.

#### *Provisions*

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

#### *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. Impairment losses are recognised in profit and loss.

#### *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.

#### *Taxation*

Tax on the profit or loss for the period 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 period, using tax rates enacted or substantively enacted at the balance sheet date.

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 to the financial statements (continued)

### 1 Accounting policies (continued)

#### *De-recognition criteria*

The Company will derecognise an asset or liability when one of the following occur:

- A financial asset (or part of a financial asset) is derecognised when:
  - The rights to the cash flows from the asset expire;
  - The rights to the cash flows from the asset and substantially all risks and rewards of ownership of the asset are transferred;
  - An obligation to transfer the cash flows from the asset is assumed and substantially all risks and rewards are transferred;
  - Substantially all the risks and rewards are neither transferred nor retained but control of the asset is transferred;
- If the Company retains control of the asset but does not retain or transfer substantially all the risks and rewards, the asset is recognised to the extent of the entity's continuing involvement;
- A financial liability is removed from the balance sheet only when it is extinguished – that is, when the obligation specified in the contract is discharged or cancelled – or expires; or
- A transaction is accounted for as a collateralised borrowing if the transfer does not satisfy the conditions for de-recognition.

#### *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. There are no key sources of estimation uncertainty.

#### *Application of new and revised international financial reporting standards*

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2017, have been adopted in these financial statements.

#### Amendments to IAS 7 Disclosure Initiative

The Company has applied these amendments for the first time in the current period. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. The application of these amendments has had no impact on the Company's financial statements.

#### Amendments to IAS 12 Income Taxes Recognition of Deferred Tax Assets for Unrealised Losses

The Company has applied these amendments for the first time in the current period. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilize a deductible temporary difference. The application of these amendments has had no impact on the Company's financial statements.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Annual Improvements to IFRS Standards 2014–2016 Cycle – Amendments to IFRS 12

The Group has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current period. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Company.

IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

The application of these amendments has had no effect on the Group's consolidated financial statements as none of the Company's interests in these entities are classified, or included in a disposal group that is classified, as held for sale.

#### *New and amended standards and interpretations - not yet effective*

New standards, amendments to standards and interpretations not yet effective for the period ended 31 December 2017 and which have not been applied in preparing these consolidated financial statements are as follows:

- IFRS 9 Financial Instruments introduces an impairment requirement based on an expected credit loss ("ECL") model which replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at fair value through profit or loss, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 and lease receivables under IAS 17 or IFRS 16. With the exception of purchased or originated credit impairment financial assets, expected credit losses are required to be measured through a loss allowance equal to either the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). The requirements are to recognise 12-month ECL on initial recognition and thereafter as long as there is no significant deterioration in credit risk. If there has been a significant increase in credit risk on an individual or collective basis, then there is a requirement to recognise lifetime ECL. There is also a rebuttable presumption that the credit risk has increased significantly when contractual payments are more than 30 days past due. The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows, and the impairment requirements will generally result in earlier recognition of credit losses. The effective date is for periods beginning on or after 1 January 2018.
- IFRS 15 Revenue from Contracts with Customers, provides a single, principles based five-step model to apply to all contracts with customers and will supersede IAS 18 Revenue and IAS 11 Construction Contracts. The effective date of IFRS 15 is for periods beginning on or after 1 January 2018 and will be applicable to the Company.

### 2 Investments

	Investments in subsidiary entities	Investment in partnership	Total
			£
<b>Cost or valuation</b>			
At 03 April 2018	16	-	16
Revaluations	-	-	-
Share of profit/(loss)	-	(657)	(657)
At 31 December 2017	16	(657)	(641)
<b>Net book value</b>			
At 31 December 2017	16	(657)	(641)

## Notes to the financial statements (continued)

### 2 Investments (continued)

#### *Subsidiary undertakings*

The following were subsidiary undertakings of the Partnership:

Name	Holding	Investment	Share of loss	Principal activity
Chelsea Barracks (1-3) GP LLP	0.10%	1	(2)	Minority Holding
Chelsea Barracks (4) GP LLP	0.10%	1	0	Minority Holding
Chelsea Barracks (5) GP LLP	0.10%	1	0	Minority Holding
Chelsea Barracks (6) GP LLP	0.10%	1	0	Minority Holding
Chelsea Barracks Estate GP LLP	0.10%	1	0	Minority Holding
Qatari Diar Europe LLP	0.10%	1	(652)	Minority Holding
QD UK Holdings GP LLP	0.10%	10	(3)	Minority Holding
		<u>16</u>	<u>(657)</u>	

The subsidiaries are registered at 16 Grosvenor Street, London, W1K 4QF.

### 3 Trade and other receivables

	2017 £
Amounts owed from Qatari Diar Real Estate Investment Company	20
	<u>20</u>

### 4 Trade and other payables

	2017 £
<b>Current</b>	
Amounts owed to group undertakings	16
	<u>16</u>

### 5 Financial instruments

	2017 £
<b>Financial assets</b>	
Financial assets that are debt instruments measured at amortised cost	-
	<u>-</u>
<b>Financial liabilities</b>	
Financial liabilities measured at amortised cost	16
	<u>16</u>

Financial assets measured at amortised cost comprise of group receivables.

Financial liabilities measured at amortised cost comprise group payables.

## Notes to the financial statements (continued)

### 6 Share capital

#### Allotted, called up and fully paid

	2017 £
20 ordinary shares of £1	<u>20</u>

### 7 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.

#### *Market risk – foreign currency risk*

The company's exposure to foreign currency risk arises from the intercompany transactions in Qatari Riyals. The total exposure at the balance sheet date is reflected as amounts due to parent company.

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

### 16 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.

### 17 Financial Risk Management

The Company invests in the real estate development sector in the United Kingdom. The following describes pertinent risks and the applied risk management. These risks are managed through a process of ongoing identification, measurement and monitoring.

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



## Notes to the financial statements (continued)

### 17 Financial Risk Management (continued)

#### *Capital management*

The capital structure of the Company consists of equity, which includes loans and cash and cash equivalents. The Company continues to monitor the balance of the capital structure considering the issue of debt. The Company is not subject to any externally imposed capital requirements. Qatari Diar Real Estate Investment Company, the ultimate parent, has confirmed to each of the investments of the Company that it will continue to support the entities for a period of at least twelve months from the date the 2017 financial statements are signed.

#### *Liquidity risk*

Liquidity risk is the risk that the Partnership may be unable to meet its short and long term financial demands. Qatari Diar Real Estate Investment Company, the ultimate parent, has confirmed to Company that it will continue to support the Partnership for a period of at least twelve months from the date the financial statements are signed.

#### *Interest rate risk*

The Company is not exposed to any interest rate risk.

#### *Credit risk*

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

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

#### *Foreign currency risk*

When the Company undertakes transactions denominated in foreign currencies; it is consequently exposed to exchange rate fluctuations. The Partnership currently has no exposure to foreign currency exchange rate movements as all assets and liabilities are denominated in sterling.

#### *Market risk*

The Company focuses on the development advisory services relating to real estate projects. There is limited market risk to the Company as the most of the work for the Company relates to projects which have the support of the ultimate parent company (QDREIC) who have confirmed that they will provide finance to enable the build out of the project.

#### *Concentration of risk*

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

### 17 Post Balance Sheet Events

At the date of this report, the Company is not aware of any events arising post period-end that would affect the balances and transactions as detailed in the financial statements for the period ending 31 December 2017.