QATARI DIAR UK LIMITED

Annual Directors' Report and Financial Statements

Registered number 06569590

For the year ended 31 December 2016

Contents

Strategic Report

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

Principal activities

Qatari Diar UK Limited's ('The Company') principal activity is to act as a market research advisor focusing on existing and potential investment opportunities for Qatari Diar Real Estate Investment Company (QDREIC). In addition the Company provides supervisory and administrative services to group companies and QDREIC investments in joint ventures.

Business review

The Statement of Comprehensive Income is set out on page 7 and shows the result for the period. The Company made a loss of £455,204 for the period ended 31 December 2016 (31 December 2015: loss of £268,251).

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. Turnover and profit indicate the volume of sales and its profitability.

	2016	**2015**
	£	**£**
Revenue	10,971,483	8,898,447
Loss for the year	(455,204)	(268,251)

Revenues are generated from services provided to related companies under the terms of specific agreements for the provision of services. These agreements are based on market standard terms and conditions.

The loss is year is related to the deferred tax asset being written off as it is insufficiently certain that the asset would be recovered in future based on the projected profitability.

Future Developments

In 2017, QDREIC approved a corporate restructuring which will result in substantial changes to the Company's principal activity. Whilst the majority of the physical assets, employees, and current assets and liabilities of the company will be transferred to the new entity the intangible assets will remain with the Company.

The intangible assets originate from leases for the 5th floor, lower ground and ground floor at 77 Grosvenor Street. The Company will continue to receive rental income and associated service charges where the space is sublet to other tenants.

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 2016 other than the restructuring referred to above.

For and on behalf of the Board

Jassim bin Hamad NJ Al Thani
Director
23 August 2017

Directors' report

The directors of the company present their directors' report and audited financial statements for the year ended 31 December 2016. 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 which will result in substantial changes to the company's principle activity. The employees of the company will be transferred to a new UK successor entity via a TUPE transfer. Whilst the majority of the physical assets and current assets and liabilities of the company will be transferred to the new entity, specific assets/liabilities will remain in the company for the foreseeable future.

Although the principle activities of the company will change, the entity will remain active for the forseeable future. QDREIC will provide a letter of support for a period of one year from the signing of the 2016 financial statements. Whilst the nature of the business of the company will change, the Directors believe it is appropriate for the company to prepare its accounts on a going concern basis

Dividends

There were no interim dividends paid in the current period or prior period. The directors do not recommend to propose the payment of a dividend for the period ended 31 December 2016. (2015: Nil)

Directors

The following directors have held office during the financial year and subsequently:
Khaled Mohamed Ebrahim Al-Sayed (appointed since 27/02/13, resigned on 08/04/17)
Sheikh Jassim Hamad Al Thani (appointed since 19/08/13, Chairman since 03/09/14)
Abdulaziz Al Theyab (appointed since 24/09/14, resigned on 22/09/16)
Fahad Al Asmakh (appointed since 25/08/15)
Jean Lamothe (appointed since 22/09/16)
Nabeel Al Buenain (appointed since 02/05/17)

Political contribution

The company incurred no political expenditure (2015: £nil) during the year.

Disclosure of information to auditor

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

Directors' report (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

By order of the board

Jassim bin Hamad NJ Al Thani
Director

23 August 2017

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 year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with 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.

Report of the independent auditor to the shareholder of Qatari Diar UK Limited

We have audited the financial statements of Qatari Diar UK Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Report of the independent auditor to the shareholder of Qatari Diar UK Limited (continued)

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

Siobhan Durcan (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Saint Helier, Jersey
23 August 2017

Statement of Comprehensive Income
For the year ended 31 December 2016

	Note	2016	2015
		£	£
Revenue	2	10,971,483	8,898,447
Cost of sales	3	(10,881,121)	(9,104,112)
Gross profit/(loss)		90,362	(205,665)
Administrative expenses		-	-
Net finance income		2,647	1,252
Profit/(loss) before tax		93,009	(204,413)
Taxation charge	7	(548,213)	(63,838)
Loss for the year		(455,204)	(268,251)

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

The notes on pages 11 to 21 form part of the Financial Statements.

Statement of Financial Position

As at 31 December 2016

	Note	2016	2015
		£	£
Non-current assets			
Property, plant and equipment	8	1,266,742	776,029
Intangible asset	8	374,982	451,495
Deferred tax asset	7	-	510,179
		1,641,724	1,737,703
Current assets			
Trade and other receivables	10	4,699,256	3,772,172
Amount due from group companies	14	199,935	751,252
Cash and bank balances		1,243,675	5,338,792
		6,142,866	9,862,216
Total assets		7,784,590	11,599,919
Current liabilities			
Trade and other payables	11	(4,141,939)	(3,836,624)
Corporation tax payable	7	(529)	-
Amount due to parent company	14	(471,812)	(2,604,806)
Amount due to group companies	14	(3,834,267)	(5,367,242)
Total liabilities		(8,448,548)	(11,808,672)
Net liabilities		(663,957)	(208,753)
Equity			
Share capital	12	1	1
Retained earnings		(663,958)	(208,754)
Total equity		(663,957)	(208,753)

These financial statements were approved by the board of directors on 23 August 2017 and were signed on its behalf by:

Jassim bin Hamad NJ Al Thani
Director

Company registration number 06569590

The notes on pages 11 to 21 form part of the Financial Statements.

Statement of Changes in Equity
For the year ended 31 December 2016

	Share capital £	Retained earnings £	Total equity £
Balance at 31 December 2014	1	59,497	59,498
Loss for the year	-	(268,251)	(268,251)
Balance at 31 December 2015	1	(208,754)	(208,753)
Loss for the year	-	(455,204)	(455,204)
Balance at 31 December 2016	**1**	**(663,958)**	**(663,957)**

The notes on pages 11 to 21 form part of the Financial Statements.

Cash Flow Statement
For the year ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit before tax		93,008	(204,413)
Adjustments for:			
Depreciation, amortisation and impairment	8	335,766	359,634
Finance income		(2,647)	(1,252)
Tax adjustment in respect of prior years		(37,505)	8,837
		388,622	162,806
Increase in trade and other receivables		(927,084)	(207,287)
Increase in trade and other payables		305,315	634,496
Cash flow (used in)/from operations		(233,147)	590,015
Corporation tax received		-	-
Net cash flow (used in)/from operating activities		(233,147)	590,015
Cash flows used in investing activities			
Purchase of property, plant and equipment	8	749,966	(415,679)
Sale of property, plant and equipment		-	5,266
Interest received		2,647	1,252
Net cash flow used in investing activities		(747,319)	(409,161)
Cash flows from financing activities			
(Decrease)/Increase in intercompany funding		(3,114,652)	3,890,282
Net cash (used)/generated from financing activities		(3,114,652)	3,890,282
Net increase/(decrease) in cash and cash equivalents		(4,095,118)	4,071,136
Cash and cash equivalents at beginning of the year		5,338,792	1,267,656
Cash and cash equivalents at the end of the year		1,243,675	5,338,792

The notes on pages 11 to 21 form part of the Financial Statements.

Notes (forming part of the financial statements)

1 General Information

Qatari Diar UK 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 years presented in these financial statements.

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

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

Going concern

In 2017, the Board of Qatari Diar Real Estate Investment Company approved a corporate restructuring which will result in substantial changes to the company's principle activity. The employees of the company will be transferred to a new UK successor entity via a TUPE transfer. Whilst the majority of the physical assets and current assets and liabilities of the company will be transferred to the new entity, specific assets/liabilities will remain in the company for the foreseeable future.

Although the principle activities of the company will change, the entity will remain active for the foreseeable future. QDREIC will provide a letter of support for a period of one year from the signing of the 2016 financial statements. Whilst the nature of the business of the company will change, the Directors believe it is appropriate for the company to prepare its accounts on a going concern basis

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 (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

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

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 (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.

Revenue and cost of sales

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

The company's business activity is that described in the Strategic Report, and accordingly all revenue is generated within the group of QDREIC.

Cost of sales arise from the services that the company provides to its group companies which the company's main source of revenue and accounted for on an accrual basis. Revenue is recognised in accordance with IAS 18 Revenue once the services have been fully provided.

Financing income and expenses

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

Taxation

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

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

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

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

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.

Notes (continued)

2 **Revenue**	**2016** **£**	**2015** **£**
Rendering of services		
- to parent company	2,188,079	2,271,196
- to group companies	7,028,518	6,432,168
- to third parties	1,754,886	195,083
	10,971,483	8,898,447

3 Cost of sales

This is made up of the costs incurred by the company which are recharged to group companies.

4 Operating profit

Included in the operating profit are the following amounts	**2016** **£**	**2015** **£**
Audit of financial statements		
Staff costs	10,900	10,300
Depreciation	5,482,920	4,344,699
Amortisation	259,252	283,120
	76,513	76,514

5 Staff numbers and costs

The average number of employees (excluding directors) during the year was 47 (2015: 38).

The aggregate payroll costs of these persons were as follows:	**2016** **£**	**2015** **£**
Wages and salaries	4,235,539	3,581,510
Social security costs	1,029,330	566,388
Employer contribution towards pension	218,051	196,801
	5,482,920	4,344,699

6 **Directors' remuneration**	**2016** **£**	**2015** **£**
Directors' emoluments	674,243	994,185
	674,243	994,185

Notes (continued)

7 Taxation

Recognised in profit and loss	2016 £	2015 £
Current tax expense		
Current year charge	529	
Prior year adjustment	37,505	(8,837)
Current tax charge/(credit)	38,034	(8,837)
Deferred tax expense		
Current year charge	548,148	9,573
Prior year adjustment	(60,134)	7,296
Adjustment due to change in tax rate on opening deferred tax asset	22,165	55,806
Deferred tax charge	510,179	72,675
Total tax charge	548,213	63,838

Reconciliation of total tax charge/(credit)	2016 £	2015 £
Profit/(loss) for the year	93,009	(204,413)
Tax at the UK standard corporation tax rate of 20% (2015:20.25%)	18,602	(41,387)
Prior year adjustment	(22,629)	(1,541)
Expenses not taxable/expenses not deductible	12,579	37,462
Expenses deductible for tax purposes	5,428	(9,779)
Reduction in tax rate	22,165	55,806
Group relief claimed	-	4,878
Non qualifying asset	27,384	18,399
Deferred tax asset not recognised	484,684	-
Total tax charge	548,213	63,838

Recognised in the balance sheet

Deferred tax (asset)/liability

	Tax losses £	Accelerated capital allowances £	Pensions movement £	Total £
Balance at 1 January 2015	(632,049)	49,195	-	(582,854)
Charge for the year	123,632	(45,733)	(5,224)	(72,675)
Balance at 31 December 2015	(508,417)	3,462	(5,224)	(510,179)
Prior year adjustment	(20,410)	(39,724)	-	(60,134)
Charge for the year	528,827	36,262	5,224	570,313
Balance at 31 December 2016	0	0	0	0

Notes (continued)

7 Taxation (continued)

Deferred tax assets totalling £484,684 have not been recognised as it is insufficiently certain that such assets would be recovered in future based on the projected profitability.

8 Property, plant and equipment and intangible assets

	Intangible asset (Lease premium)	Intangible Total	Plant and equipment	Fixtures and fittings	Motor Vehicle	PPE Total
	£	£	£	£		£
Cost						
Balance at 1 January 2016	1,001,054	**1,001,054**	671,745	1,059,336	-	**1,731,081**
Additions during the year	-	-	247,277	239,557	263,133	**749,966**
Balance at 31 December 2016	1,001,054	**1,001,054**	919,022	1,298,893	263,133	**2,481,047**
Amortisation/Depreciation						
Balance at 1 January 2016	(549,559)	**(549,559)**	(576,329)	(378,723)	-	**(955,052)**
Amortisation/Depreciation charge for the year	(76,513)	**(76,513)**	(69,848)	(189,405)	-	**(259,252)**
Balance at 31 December 2016	(626,072)	**(626,072)**	(646,177)	(568,128)	-	**(1,214,304)**
Net book value						
At 31 December 2016	**374,982**	**374,982**	**272,845**	**730,765**	**263,133**	**1,266,742**
At 31 December 2015	**451,495**	**451,495**	**95,416**	**680,613**	**-**	**776,029**

Notes (continued)

Property, plant and equipment and intangible assets (continued)

	Intangible asset (Lease premium)	Intangible Total	Plant and equipment	Fixtures and fittings	PPE Total
	£	£	£	£	£
Cost					
Balance at 1 January 2015	1,001,054	**1,001,054**	586,135	735,990	**1,322,125**
Additions during the year	-	-	92,333	323,346	**415,679**
Disposals in the year	-	-	(6,723)		**(6,723)**
Balance at 31 December 2015	1,001,054	**1,001,054**	671,745	1,059,336	**1,731,081**
Amortisation/Depreciation					
Balance at 1 January 2015	(473,045)	**(473,045)**	(415,692)	(257,697)	**(673,389)**
Amortisation/Depreciation charge for the year	(76,514)	**(76,514)**	(162,094)	(121,026)	**(283,120)**
Disposals	-	-	1,457		**1,457**
Balance at 31 December 2015	(549,559)	**(549,559)**	(576,329)	(378,723)	**(955,052)**
Net book value					
At 31 December 2015	**451,495**	**451,495**	**95,416**	**680,613**	**776,029**
At 31 December 2014	**528,009**	**528,009**	**170,443**	**478,293**	**648,736**

The lease premium relates to the acquisition of a short term leasehold interest which ends on 4 February 2022 at 77 Grosvenor Street, London. This premium is being amortised over the term of the lease.

9 Obligations under leasing agreements

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods is set out below:

	2016	2015
	£	£
Obligations over leasing agreements:		
Not later than one year	1,478,260	1,478,260
Later than one year and not later than five years	5,913,040	5,913,040
Later than five years	120,293	1,538,407
	7,511,593	8,929,707

Notes (continued)

	2016	2015
	£	£
Rental expense in the year:		
Fifth, ground & lower ground floors	939,380	841,131
	939,380	841,131

10 Trade and other receivables

	2016	2015
	£	£
Refundable deposit	3,320,140	3,320,140
Other receivables	309,673	44,416
Prepayments	654,603	407,616
Accrued income	414,840	-
	4,699,256	3,772,172

The accrued income relates to costs incurred by the company but not recharged as at 31 December 2016

11 Trade and other payables

	2016	2015
	£	£
Current		
Trade payables	78,166	431,920
VAT and salary taxes payable	859,165	665,990
Accrued expenses	3,204,609	2,738,714
	4,141,939	3,836,624

Majority of the accrued expenses relate to bonus accruals for 2016

Notes (continued)

12 Share capital

Allotted, called up and fully paid

	2016 £	2015 £
1 ordinary share of £1	1	1

The company has only one class of ordinary shares which carry no right to fixed income.

13 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.

14 Related party transactions

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

Related party	Amount of transaction £	Balance at 31 December £	Details of transaction
2016			
Qatari Diar Real Estate Investment Company	2,132,994	(471,812)	Provision of market research advisory services
Qatari Diar Development (UK) Company	1,532,975	(3,834,267)	Provision of office sharing and administrative services to sister company
Qatari Diar US Real Estate Company	(551,282)	65,915	Provision of services to sister company
Tasleem (UK) Limited	365	64,329	Provision of services to sister company

Notes (continued)

Related party (continued)

Qatari Diar Europe Sarl	(2,656)	1,124	Money lent to sister company
GPS Holdings	(42,860)	25	Money lent to sister company
Qatari Diar Jersey Limited	47,180	59,946	Money lent to sister company
QD Triangle (Holding Company) Limited	8,596	8,596	Money lent to sister company

Related party 2015	Amount of transaction £	Balance at 31 December £	Details of transaction
Qatari Diar Real Estate Investment Company	2,264,381	(2,604,806)	Provision of market research advisory services
Qatari Diar Development (UK) Company	2,914,752	(5,367,242)	Provision of office sharing and administrative services to sister company
Qatari Diar US Real Estate Company	309,776	617,197	Provision of services to sister company
Tasleem (UK) Limited	260,952	63,964	Provision of services to sister company
Project Blue Limited	-	567	Money lent to sister company
Qatari Diar Europe Sarl	-	3,780	Money lent to sister company
Project Russet (Holdings Company)	-	9,188	Money lent to sister company
QDHPIM	-	905	Money lent to sister Company
GPS Holdings	-	42,885	Money lent to sister Company
Qatari Diar Jersey Ltd	-	12,766	Money lent to sister Company

All amounts are interest free and repayable on demand.

Amounts paid to directors are disclosed in Note 5.

Notes (continued)

15 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.