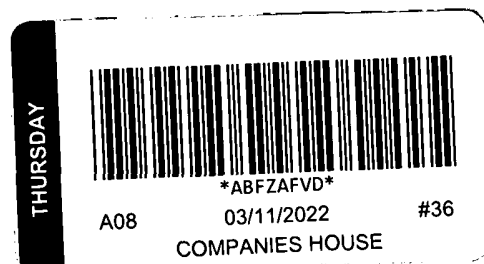


**BARKING RIVERSIDE LIMITED**  
**Annual report and financial statements**  
**31 March 2022**



# **BARKING RIVERSIDE LIMITED**

## **Annual report and financial statements for the year ended 31 March 2022**

---

### **Contents**

Directors and advisors .....	3
Directors' report .....	4
Strategic report .....	6
Independent auditor's report to the members of Barking Riverside Limited .....	8
Statement of Comprehensive Income .....	12
Statement of Financial Position .....	13
Statement of Changes in Equity .....	14
Statement of Cash Flows .....	15
Notes to the financial statements .....	16

---

## **BARKING RIVERSIDE LIMITED**

### **Annual report and financial statements for the year ended 31 March 2022**

---

#### **Directors and advisors**

##### **Directors**

Rachael Hickman

Edward Farnsworth

Victoria Savage

Neil Hook (resigned 11 August 2021)

Tom Copley

Diane Hart (resigned 30 June 2022)

Rickardo Hyatt (appointed 20 September 2021)

##### **Secretary and registered office**

Emuoborohwo Siakpere (resigned 6 September 2021)

Henry Potter (appointed 21 September 2021)

29-35 West Ham Lane

Stratford

London, E15 4PH

##### **Company registration number**

05055132

##### **Auditor**

KPMG LLP

15 Canada Square

London, E14 5GL

##### **Banker**

Barclays Bank plc

1 Churchill Place

Canary Wharf

London, E14 5HP

## **BARKING RIVERSIDE LIMITED**

### **Annual report and financial statements for the year ended 31 March 2022**

---

#### **Directors' report**

The directors are pleased to present their report together with the audited financial statements for the year ended 31 March 2022.

#### **Principal activity**

The principal activity of the Company is to purchase and remediate land for sale to house builders. The company is a joint venture between 'L&Q New Homes Ltd' and 'GLA Land and Property Ltd'.

#### **Results**

Financial results for the year ended 31 March 2022 delivered a loss before tax of £5,217,332 (2021: profit before tax of £356,910).

#### **Proposed dividend**

The directors of the company do not propose making a dividend payment for the year (2021: £nil).

#### **Political Donations**

There were no political donations during the financial year.

#### **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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **BARKING RIVERSIDE LIMITED**

### **Annual report and financial statements for the year ended 31 March 2022**

---

#### **Directors' report (continued)**

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Disclosure of information to auditor**

The directors who held office at the date of approval of this Director's 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.

#### **Auditor**

KPMG LLP has expressed their willingness to continue in office as the Company's auditor. Accordingly, a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting.

By order of the Board



**Edward Farnsworth**  
Director

**Date:** 3<sup>rd</sup> October 2022

## **BARKING RIVERSIDE LIMITED**

### **Annual report and financial statements for the year ended 31 March 2022**

---

#### **Strategic report**

##### **Business Review**

In the financial year, Barking Riverside Ltd sold the final two plots on stage 1 whilst continuing to invest in infrastructure works to pave the way for land sales in the District Centre around the new railway station. Significant investment was made on the railway station via S106 payments and the Thames Clipper, with both transport facilities set to open in the next financial year. The two plots of land sale delivered 274 units to the development.

The sale of homes to end purchasers by plot developers has remained strong despite the underlying uncertainty of COVID-19 and the current cost of living crisis, which in turn has led to strong demand for further land parcels from plot developers.

##### **Strategic Management**

The business continues to deliver land remediation and infrastructure to bring serviced land parcels for sale. Significant investment is also being made in placemaking, providing a range of enhanced transport options, parks and open spaces as well as a significant investment in provision of amenity on the site. This investment will support sales of property and drive value, which will in turn drive demand for land parcels from plot developers.

As part of the Section 106 obligations, Barking Riverside had successfully opened The Waste and Ecology Centre (WEC), used as a place for the public to be informed of the existing environment and wildlife. The Ecology Centre will maximise the opportunity to develop and promote an engaged creative culture, active and healthy lifestyles and enhance physical, emotional and social well-being amongst residents, business and visitors. The facility is a multifunctional space, providing space for GROUNDED a community led café, a cooperative which BRL has supported as well as high quality spaces for hire by the community, offices and a co-working space.

Significant investment continues in placemaking and maximising the impact of the significant transport enhancements has been the focus over the past year, ensuring plans seamlessly integrate the TFL Overground station with the Thames Clipper service (both due to open in the next financial year). Alongside this, significant investment has been made in and around Stage 2 of the development to bring necessary amenity to support the early purchasers in the development.

Work on delivering positive social impact continues to be a core part of the development with the launch of the award winning "Thames Futures" Social Impact Assessment and continuing engagement with the community to define and secure a positive legacy for the development via a community led management company.

The Directors continue to consider that the business remains a going concern and the reasons for this are explained further in Note 2 to the financial statements on page 16 under the Basis of Preparation heading.

##### **Future developments**

Throughout the year we have continued to optimise the development and have begun work to review the total number of units that are able to be developed on the site. The current outline planning consent delivers 10,800 units across the whole site, however many of the planning parameters allow for significantly more units to be delivered. Work is ongoing to determine the optimum number of units and continue engagement with London Borough of Barking and Dagenham (LBD) to secure the necessary planning consents to deliver these.

Major projects being undertaken in 2022/23 include completing the infrastructure required to begin the Thames Clipper River Boat service (including the refurbishment of the jetty) and completing the infrastructure works to connect Stage 2 of the development to the District Centre and the new TFL overground station.

## **BARKING RIVERSIDE LIMITED**

### **Annual report and financial statements for the year ended 31 March 2022**

---

#### **Strategic report (continued)**

##### **Key risks**

There are a number of risks that could impact the performance of the company in the future.

The key external factors and challenges include:

- The current inflationary environment will impact both the cost of the infrastructure as well as the value of BRL's land.
- Changes in demand for new homes due to movement in interest rates and availability of mortgages, the impact of COVID, Brexit, inflation and the wider economic landscape;
- Impact of changing political and economic policy, relating to affordable housing and the phasing out of the Help to Buy scheme;
- The impact on land value and infrastructure costs relating to the changes to building regulations and government policy in relation to fire safety and energy efficiency standards; and
- Failure to recruit and retain appropriately qualified staff may impact on the business to deliver its objectives.

There are a number of opportunities that could both offset the above risks as well as deliver future returns:

- The property at Barking Riverside is at the lower end of the cost of property in London and therefore in a tough economic environment will become more appealing to price sensitive consumers;
- Due to COVID 19 there has been a shift of purchaser requirements to include a greater emphasis on local high-quality open space. Barking Riverside is very well positioned to deliver this open space with 2km of river front as well as a significant number of parks and open space; and
- The investment made over the previous two years in both the Overground Extension and the Thames Clipper river boat service will see transport infrastructure significantly improve over the next period leading to increased demand and prices.



**Edward Farnsworth**  
Director

**Date:** 3<sup>rd</sup> October 2022

## **BARKING RIVERSIDE LIMITED**

### **Independent auditor's report for the year ended 31 March 2022**

---

#### **Independent auditor's report to the members of Barking Riverside Limited**

##### **Opinion**

We have audited the financial statements of Barking Riverside Limited ("the company") for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

##### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

##### **Fraud and breaches of laws and regulations – ability to detect**

###### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks"), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:



## **BARKING RIVERSIDE LIMITED**

### **Independent auditor's report for the year ended 31 March 2022**

---

- Enquiring of directors and internal audit as to the entity's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the channels for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risks that current asset sales are recorded in the wrong period and that management may be in a position to make inappropriate accounts entries

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account combinations, those posted by individuals who do not frequently post journals and material post close journals.
- Sample testing of turnover relating to the period 1 March 2022 to May 2022 to determine whether income is recognised in the correct accounting period

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors, as required by auditing standards. Additionally, discussed with the directors the relevant policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The entity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation) and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the entity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

## **BARKING RIVERSIDE LIMITED**

### **Independent auditor's report for the year ended 31 March 2022**

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic Report and Directors' report**

The directors are responsible for the strategic report and directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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

## **BARKING RIVERSIDE LIMITED**

### **Independent auditor's report for the year ended 31 March 2022**

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Mark Dawson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snowhill, Snow Hill Queensway, Birmingham B4 6GH

4th October 2022

**BARKING RIVERSIDE LIMITED****Statement of Comprehensive Income for the year ended 31 March 2022**

---

**Statement of Comprehensive Income**

	Note	2022 £'000	2021 £'000
<b>Turnover</b>	3	<b>24,606</b>	8,483
Cost of sales		<u>(22,181)</u>	<u>(8,693)</u>
<b>Gross profit/(loss)</b>		<b>2,425</b>	(210)
Administrative expenses		<u>(2,013)</u>	<u>(2,591)</u>
<b>Operating profit/(loss)</b>		<b>412</b>	(2,801)
Interest receivable and similar income	6	<b>2,129</b>	9,233
Interest payable and similar charges	7	<u>(7,758)</u>	<u>(6,075)</u>
<b>(Loss)/profit on ordinary activities before tax costs</b>	8	<b>(5,217)</b>	357
Tax on loss/(profit) on ordinary activities	9	<u>-</u>	<u>-</u>
<b>(Loss)/profit for the year</b>		<u><b>(5,217)</b></u>	<u>357</u>

The results for the year all relate to continuing operations.

The Company has no recognised gains or losses other than those shown above and therefore no separate statement of Other Comprehensive Income has been presented.

The accompanying notes form part of these financial statements.

**BARKING RIVERSIDE LIMITED****Statement of Financial Position as at 31 March 2022****Statement of Financial Position**

	Note	2022 £'000	2021 £'000
<b>Fixed Assets</b>			
Tangible Assets	10	815	891
<b>Current Assets</b>			
Stock and work in progress	11	291,694	229,741
Debtors	12	5,504	4,113
Cash at bank and in hand		17,701	6,520
		314,899	240,374
<b>Creditors: amounts falling due within one year</b>	13	(21,895)	(4,927)
<b>Net current assets</b>		293,004	235,447
<b>Total assets less current liabilities</b>		293,819	236,338
<b>Creditors: amounts falling due after more than one year</b>	14	(299,068)	(236,370)
<b>Net liabilities</b>		(5,249)	(32)
<b>Capital and reserves</b>			
Called up share capital	15		
Revenue reserve		(5,249)	(32)
		(5,249)	(32)

The accompanying notes form part of these financial statements.

These financial statements were approved and authorised for issue by the directors and were signed on their behalf by:



**Edward Farnsworth**  
Director



**Rachael Hickman**  
Director

**Date:** 3<sup>rd</sup> October 2022

Company Registration Number: 05055132

**BARKING RIVERSIDE LIMITED****Statement of Change in Equity as at 31 March 2022**

---

**Statement of Changes in Equity**

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 31 March 2020	-	(389)	(389)
Profit for the year	-	357	357
<b>Balance at 31 March 2021</b>	-	<b>(32)</b>	<b>(32)</b>
Loss for the year	-	(5,217)	(5,217)
<b>Balance at 31 March 2022</b>	-	<b>(5,249)</b>	<b>(5,249)</b>

The accompanying notes form part of these financial statements.

**BARKING RIVERSIDE LIMITED****Statement of Cash Flows at 31 March 2022**

---

**Statement of Cash Flows**

	Note	2022 £'000	2021 £'000
<b>Net cash flow from operating activities</b>	17	<b>(51,014)</b>	(55,035)
<b>Cash flows from Investing activities</b>			
Interest received		1	9,233
(Acquisition)/disposal of tangible fixed assets	10	<u>(4)</u>	<u>25</u>
		(3)	9,258
<b>Cash flow from financing activities</b>			
Additional proceeds from loan		56,521	24,017
Interest paid		(1,054)	(6,075)
Forward sale/(purchase) of affordable units		<u>6,731</u>	<u>(9,898)</u>
		<u>62,198</u>	<u>8,044</u>
<b>Net increase in cash and cash equivalents</b>		<b>11,181</b>	(37,733)
Cash and cash equivalents at the beginning of the year		<u>6,520</u>	<u>44,253</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><b>17,701</b></u>	<u><b>6,520</b></u>

The accompanying notes form part of these financial statements.

## **BARKING RIVERSIDE LIMITED**

### **Notes to the financial statements for the year ended 31 March 2022**

---

#### **Notes to the financial statements**

##### **1. Company information**

Barking Riverside Ltd is a Limited Company as defined in the Companies Act 2006 for England and Wales. The company's registered office is 29-35 West Ham Lane, Stratford, London, E15 4PH.

##### **2. Principal accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

###### **Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in thousand Sterling (£'000), and amounts presented have been rounded to the nearest thousand.

Notwithstanding net liabilities of £5,429,000 as at 31 March 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company prepares a business plan for the full development of all land which currently spans 15 years. The latest business plan was reviewed and approved in March 2022 by the BRL board with the most recent plan incorporating flexibility to respond to an uncertain economic climate. The company has circa £82m in cash and undrawn loan facilities with gives significant headroom for all committed expenditure over the period of at least 12 months from the date of approval of the financial statements (the going concern assessment period).

After reviewing the forecasts and projections, the directors are confident that the company will have sufficient funds to meet its liabilities as they fall due over the going concern assessment period and therefore have prepared the financial statements on a going concern basis.

###### **Turnover**

Turnover represents sale and/or rental income from land parcels where practical completion has been achieved in the financial period, excluding value added tax. All turnover is derived from the UK.

The directors consider that rental income is not a separate class of business given that it is not a significant income stream and is only considered short term until the land can be brought to a state where it can be sold on the open market.

###### **Fixed assets and depreciation**

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	5-20 years
--------------------	------------



## **BARKING RIVERSIDE LIMITED**

### **Notes to the financial statements for the year ended 31 March 2022**

---

Vehicles, plant and equipment                      3-5 years

#### **Long-term land remediation project**

The amount of profit attributable to the stage of completion of the long-term land remediation project is recognised when the outcome of the project can be foreseen with reasonable certainty.

#### **Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

#### **Stock and work in progress**

Stock and work in progress represents land development and infrastructure and is valued at the lower of cost and net realisable value. Costs include, where appropriate, a proportion of overheads and capitalised interest.

Assessing net realisable value requires use of estimation techniques. In making this assessment, management considers publicly available information and internal forecasts on future sales activity. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **Financial Instruments**

Financial assets and liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Financial assets that are not carried at fair value through profit or loss are subject to an impairment test. If expected life cannot be determined reliably, then the contractual life is used.

#### **Significant judgements and estimates**

Management judgements and estimates are used in the accounts where necessary on a prudent basis. This includes reviewing the estimated economic useful lives of fixed assets held, including considering any impairment of these assets. This also applies to stock and work in progress where management uses publicly available information and forecast future sales activity to assess net realisable value. Management also makes judgements with regard the amount of profit attributable to the stage of completion of the long-term land remediation activity with recognition when the outcome of the project can be foreseen with reasonable certainty.

## BARKING RIVERSIDE LIMITED

### Notes to the financial statements for the year ended 31 March 2022

---

#### 3. Turnover

	2022 £'000	2021 £'000
Rental income	1,219	965
Development – Land sales	23,387	7,518
	<u>24,606</u>	<u>8,483</u>

#### 4. Directors' remuneration

None of the directors received any remuneration during the year (2021: £nil).

#### 5. Staff numbers and costs

The company had no employees during the year, all administrative duties being carried out and recharged by London & Quadrant Housing Trust (the parent company of L&Q New Homes Ltd) (2021: nil).

#### 6. Interest receivable

	2022 £'000	2021 £'000
Bank interest	1	3
Initial gain on financial instruments	2,128	9,230
	<u>2,129</u>	<u>9,233</u>

#### 7. Interest payable and similar charges

	2022 £'000	2021 £'000
Payable to associated undertakings	5,073	3,711
Unwinding of financial instruments	2,510	2,190
Other interest	175	174
	<u>7,758</u>	<u>6,075</u>

Of the above amount £2,883,240 (2021: £2,542,249) was payable to GLA Land and £2,189,350 (2021: £1,169,130) was payable to L&Q New Homes Limited.

Unwinding of financial instruments saw a £320k increase in the year due to changes in the forecasted dates for future land sales which is the trigger for the unwinding of financial instruments.

**BARKING RIVERSIDE LIMITED****Notes to the financial statements for the year ended 31 March 2022**

---

**8. Profit on ordinary activities before taxation**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
This is stated after charging:		
Depreciation	<b>80</b>	<b>91</b>
Auditor's remuneration (exc. VAT and expenses)		
- in their capacity as auditors	<b>10</b>	<b>11</b>
- in respect of other services	<b>-</b>	<b>-</b>

**9. Tax on profit on ordinary activities**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit on ordinary activities before tax	<b>(5,217)</b>	<b>357</b>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2021: 19%)	<b>(991)</b>	<b>68</b>
Fixed asset differences	<b>13</b>	<b>13</b>
Other tax adjustments, reliefs and transfers	<b>234</b>	<b>234</b>
Additional deduction for land remediation expenditure	<b>-</b>	<b>(37)</b>
Adjustments to tax charge in respect of previous periods	<b>-</b>	<b>-</b>
Deferred tax not recognised	<b>744</b>	<b>(278)</b>
Total tax expense included in profit or loss	<b>-</b>	<b>-</b>

# **BARKING RIVERSIDE LIMITED**

## **Notes to the financial statements for the year ended 31 March 2022**

### **10. Tangible Fixed Assets**

	<b>Freehold buildings £'000</b>	<b>Vehicles, plant and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 April 2021	1,324	100	1,424
Additions	<u>4</u>	<u>-</u>	<u>4</u>
At 31 March 2022	<u>1,328</u>	<u>100</u>	<u>1,428</u>
<b>Depreciation</b>			
At 1 April 2021	464	69	533
Charge for the period	<u>67</u>	<u>13</u>	<u>80</u>
At 31 March 2022	<u>531</u>	<u>82</u>	<u>613</u>
<b>Net Book Value</b>			
<b>At 31 March 2022</b>	<u><b>797</b></u>	<u><b>18</b></u>	<u><b>815</b></u>
At 31 March 2021	<u>860</u>	<u>31</u>	<u>891</u>

### **11. Stock and work in progress**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Land and work in progress	<u>291,694</u>	<u>229,741</u>
	<u><b>291,694</b></u>	<u><b>229,741</b></u>

### **12. Debtors**

	<b>2022 £'000</b>	<b>2021 £'000</b>
Other tax	-	306
Other debtors	4,932	3,715
Prepayments and accrued income	<u>572</u>	<u>92</u>
	<u><b>5,504</b></u>	<u><b>4,113</b></u>

**BARKING RIVERSIDE LIMITED****Notes to the financial statements for the year ended 31 March 2022****13. Creditors: amounts falling due within one year**

	2022 £'000	2021 £'000
Trade creditors	16,317	771
Amounts owed to associated undertakings	1,844	1,844
Other tax	1,707	-
Accruals and deferred income	2,000	2,288
Deposits held	24	24
Other creditors	3	-
	<u>21,895</u>	<u>4,927</u>

Included within amounts owed to associated undertakings is an amount of £1,843,487 (2021: £1,843,487) payable to GLA Land and Property Limited.

**14. Creditors: amounts falling due after more than one year**

	2022 £'000	2021 £'000
Deferred land receipts	54,646	48,468
Station (Junior/Senior) Loan from GLA Land and Property Ltd – unsecured	52,481	50,184
Station (Junior/Senior) Loan from L&Q New Homes – unsecured	60,499	15,681
Loan from GLA Land and Property Limited – unsecured	35,355	34,365
Loan from L&Q New Homes – unsecured	36,381	35,359
Other creditors	59,706	52,313
	<u>299,068</u>	<u>236,370</u>

The Station (Junior/Senior) loan from GLA Land and Property Limited of £52,481,003 (2021: £50,184,315) is interest bearing. Interest accrues at a rate of 4.5%. The loan is forecast to be repaid in 2030.

The Station (Junior/Senior) loan from L&Q New Homes of £60,498,590 (2021: £15,680,950) is interest bearing. Interest accrues at a rate of 4.5%. The loan is forecast to be repaid in 2030.

The loan from GLA Land and Property Limited includes an amount of £25,722,536 (2021: £25,190,751) which is interest bearing. Interest accrues at a rate of 2% above the Barclays Bank base rate. The loan is repayable in 2031.

The loan with L&Q New Homes includes an amount of £26,355,972 (2021: £25,811,093) which is interest bearing. Interest accrues at a rate of 2% above the Barclays Bank base rate. The loan is repayable in 2031.

Included in Other creditors is £44,206,698 (2021: 36,812,653) for Acceleration and Additional Unit Recoverable Gap Funding received from Homes England.

## BARKING RIVERSIDE LIMITED

### Notes to the financial statements for the year ended 31 March 2022

Included in Other creditors is £5.5 million relating to a loan from the London Borough of Barking and Dagenham which has been amended and is now repayable in April 2025.

#### 15. Called up share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
Equity: 'A' 49 Ordinary Shares of £1 each	49	49
'B' 51 Ordinary Shares of £1 each	51	51
	<u>100</u>	<u>100</u>

#### 16. Related parties

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Transactions with the controlling and associated parties during the year were as follows

	Land Sale		Professional fees		Interest payable	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
GLA Land and Property Limited	-	-	-	-	2,883	2,542
Bellway Homes Limited	-	7,518	-	-	-	-
L&Q New Homes Limited	-	-	627	450	2,189	1,169
	<u>-</u>	<u>7,518</u>	<u>627</u>	<u>450</u>	<u>5,072</u>	<u>3,711</u>

At the financial year end, the controlling and associated parties were owed the following balances from the company:

	Accrued interest		Loans	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
GLA Land and Property Limited	637	821	87,836	84,549
L&Q New Homes Limited	222	270	96,880	51,040
	<u>859</u>	<u>1,091</u>	<u>184,716</u>	<u>135,589</u>

Through the declaration of interest from key management personnel, no further related party transactions are required to be disclosed.

**BARKING RIVERSIDE LIMITED****Notes to the financial statements for the year ended 31 March 2022****17. Cash generated from operations**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit before taxation for the year	<b>(5,217)</b>	357
Depreciation, amortisation and impairment	<b>80</b>	91
Interest receivable and similar income	<b>(2,128)</b>	(9,233)
Interest payable and similar expenses	<b>7,758</b>	6,075
Increase in trade and other debtors	<b>(1,391)</b>	13,559
(Increase) in stock & work in progress	<b>(61,953)</b>	(77,570)
Increase in trade and other creditors	<b>11,837</b>	11,686
Taxation	<u>-</u>	<u>-</u>
<b>Cash flow from operating activities</b>	<b><u>(51,014)</u></b>	<b><u>(55,035)</u></b>

**18. Financial Instruments**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Interest free loans measured at amortised cost		
- Receivable from shareholders due over 5 years	<b>19,658</b>	18,687
- Deferred land consideration due over 5 years	<b>54,646</b>	48,468
	<b><u>74,304</u></b>	<u>67,155</u>
Initial recognition of financial instrument (through SOCI)	<b><u>2,128</u></b>	<u>9,230</u>
Interest cost from effective interest rate	<b><u>2,510</u></b>	<u>2,190</u>

In line with FRS 102 Section 23.5 the difference between the present value of all future receipts and the nominal amount of the consideration is recognised as interest revenue in accordance with paragraphs 23.28 and 23.29 and Section 11.

Barking Riverside Limited holds an interest free loan of £27 million (2021: £27 million) from current and historic shareholders, which has been discounted at an effective interest rate of 5% over the expected life of the loan. The 5% effective interest rate matches the interest-bearing loan provided to Barking Riverside Ltd over the same expected life. The unwinding of the financial instrument is reflected through the statement of comprehensive income under other finance costs.

## **BARKING RIVERSIDE LIMITED**

### **Notes to the financial statements for the year ended 31 March 2022**

---

#### **19. Controlling Parties**

The company is jointly controlled by L&Q New Homes Limited and GLA Land and Property Limited.

L&Q New Homes Limited's share of the Company's results are included in the group accounts of London and Quadrant Housing trust as the ultimate parent undertaking. The consolidated accounts of this social landlord are available to the public and may be obtained from 29-35 West Ham Lane, Stratford, London, E15 4PH. London and Quadrant Housing Trust is the parent of both the smallest and largest group of which the company is a member.

GLA Land and Property Limited's share of the Company's results are included in its financial statements, copies of which can be obtained from its registered office, 5 Endeavour Square, London, E20 1JN.