

**BARKING RIVERSIDE LIMITED**  
**Annual report and financial statements**  
**31 March 2021**



## **BARKING RIVERSIDE LIMITED**

### **Annual report and financial statements for the year ended 31 March 2021**

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## **BARKING RIVERSIDE LIMITED**

### **Annual report and financial statements for the year ended 31 March 2021**

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#### **Directors and advisors**

##### **Directors**

Rachael Hickman (appointed 8<sup>th</sup> March 2021)  
David Lunts (resigned 8<sup>th</sup> March 2021)  
Edward Farnsworth  
Neil Hook (resigned 11th August 2021)  
Victoria Savage  
Tom Copley (appointed 1<sup>st</sup> May 2020)  
Diane Hart

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

Emuoborohwo Siakpere  
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 2021**

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#### **Directors' report**

The directors are pleased to present their report together with the audited financial statements for the year ended 31 March 2021.

#### **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 2021 delivered a profit before tax of £356,910. (2020: profit £9,102,251).

#### **Proposed dividend**

The directors of the company do not propose making a dividend payment for the year (2020: £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 2021**

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#### **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: 21st September 2021**

## **BARKING RIVERSIDE LIMITED**

### **Annual report and financial statements for the year ended 31 March 2021**

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#### **Strategic report**

##### **Business Review**

In the financial year Barking Riverside Ltd continued to trade land in Stage 2 of the development as well as invest in infrastructure works to pave the way for land sales in the District Centre around the new railway station which BRL has invested in significantly in the year via S106 payments. Two plots of land were sold to facilitate the delivery of 401 units and circa 800m<sup>2</sup> of commercial space.

The sale of homes to end purchasers by plot developers has remained strong despite the underlying uncertainty that COVID-19 has brought, 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. This investment will support sales of property and drive value, which will in turn drive demand for land parcels from plot developers.

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 (due to open in the next 18 months) with the Thames Clipper service (due to open in the next 12 months). 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. Over the next period work will begin to explore the optimum number of units and begin the process to secure the necessary planning consents to deliver these.

Major projects being undertaken in 2021/22 include 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.

Construction of the new overground station has progressed significantly over the past 12 months with the completion of the viaduct that connects the railway to the existing rail network. It is anticipated that the physical works to the station and railway viaduct will be completed over the next 12 months with testing and commissioning leading to opening in Autumn 2022.

The coronavirus pandemic and the lockdown have continued to make work on site more complex, however land disposals and major projects continue with only small delays to forecasts. All elements of the site have been able to continue safely throughout the various levels of lockdown with land continuing to be traded. Although there is still uncertainty over the impacts of COVID-19

## **BARKING RIVERSIDE LIMITED**

### **Annual report and financial statements for the year ended 31 March 2021**

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#### Strategic report (continued)


it is therefore not anticipated that there will be significant impacts on programmes due to the pandemic.

#### **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:

- Managing costs of infrastructure to ensure serviced land is available to meet the desired level of completed units per year;
- Changes in demand for new homes due to movement in interest rates and availability of mortgages, the impact of COVID, Brexit 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; and
- 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.



**Edward Farnsworth**  
Director

**Date:** 21st September 2021

## **BARKING RIVERSIDE LIMITED**

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

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#### **Opinion**

We have audited the financial statements of Barking Riverside Limited ("the company") for the year ended 31 March 2021, 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 2021 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 to the members of Barking Riverside Limited**

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- Enquiring of directors as to the entity's high-level policies and procedures to prevent and detect fraud, 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 by individuals who do not frequently post journals and the last five journals posted to revenue.

#### *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.

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

## **BARKING RIVERSIDE LIMITED**

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

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 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).

## **BARKING RIVERSIDE LIMITED**

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

#### **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.



**Joanne Lees (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square, London, E14 5GL

28 September 2021

**BARKING RIVERSIDE LIMITED****Statement of Comprehensive Income for the year ended 31 March 2021**

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**Statement of Comprehensive Income**

	Note	2021 £'000	2020 £'000
<b>Turnover</b>	3	<b>8,483</b>	1,086
Cost of sales		<u>(8,693)</u>	<u>(2,825)</u>
<b>Gross loss</b>		<b>(210)</b>	(1,739)
Administrative expenses		<u>(2,591)</u>	<u>(2,358)</u>
<b>Operating loss</b>		<b>(2,801)</b>	(4,097)
Interest receivable and similar income	6	<b>9,233</b>	4,947
Interest payable and similar charges	7	<u>(6,075)</u>	<u>(9,952)</u>
<b>Profit/(loss) on ordinary activities before tax costs</b>	8	<b>357</b>	(9,102)
Tax on (profit)/loss on ordinary activities	9	<u>-</u>	<u>109</u>
<b>Profit/(loss) for the year</b>		<u><b>357</b></u>	<u>(8,993)</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.

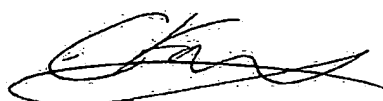
The accompanying notes form part of these financial statements.

**BARKING RIVERSIDE LIMITED****Statement of Financial Position as at 31 March 2021****Statement of Financial Position**


	Note	2021 £'000	2020 £'000
<b>Fixed Assets</b>			
Tangible Assets	10	891	983
<b>Current Assets</b>			
Stock and work in progress	11	229,741	152,171
Debtors	12	4,113	17,672
Cash at bank and in hand		6,520	44,253
		<u>240,374</u>	<u>214,096</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(4,927)</u>	<u>(10,387)</u>
<b>Net current assets</b>		<u>235,447</u>	<u>203,709</u>
<b>Total assets less current liabilities</b>		<u>236,338</u>	<u>204,692</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(236,370)</u>	<u>(205,081)</u>
<b>Net liabilities</b>		<u>(32)</u>	<u>(389)</u>
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Revenue reserve		<u>(32)</u>	<u>(389)</u>
		<u>(32)</u>	<u>(389)</u>

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: 21st September 2021**

Company Registration Number: 05055132

**BARKING RIVERSIDE LIMITED****Statement of Change in Equity as at 31 March 2021**

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**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 2019	-	8,604	8,604
Loss for the year	-	(8,993)	(8,993)
<b>Balance at 31 March 2020</b>	-	<b>(389)</b>	<b>(389)</b>
Profit for the year	-	357	357
<b>Balance at 31 March 2021</b>	-	<b>(32)</b>	<b>(32)</b>

The accompanying notes form part of these financial statements:

**BARKING RIVERSIDE LIMITED****Statement of Cash Flows at 31 March 2021**

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**Statement of Cash Flows**

	Note	2021 £'000	2020 £'000
<b>Net cash flow from operating activities</b>	17	<b>(55,035)</b>	<b>(32,302)</b>
<b>Cash flows from Investing activities</b>			
Interest received		<b>9,233</b>	4,946
Acquisition of tangible fixed assets	10	<b>25</b>	<b>(18)</b>
		<b>9,258</b>	4,928
<b>Cash flow from financing activities</b>			
Additional proceeds from loan		<b>24,017</b>	40,392
Interest paid		<b>(6,075)</b>	(9,952)
Forward sale of affordable units		<b>(9,898)</b>	12,734
		<b>8,044</b>	43,174
<b>Net increase in cash and cash equivalents</b>		<b>(37,733)</b>	15,800
Cash and cash equivalents at the beginning of the year		<b>44,253</b>	28,453
<b>Cash and cash equivalents at the end of the year</b>		<b>6,520</b>	44,253

The accompanying notes form part of these financial statements.

## **BARKING RIVERSIDE LIMITED**

### **Notes to the financial statements for the year ended 31 March 2021**

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#### **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.

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 business plan was reviewed in March 2020 and September 2020 by the BRL board with the most recent plan incorporating all the impacts of the coronavirus pandemic and introducing flexibility into the plan to respond to an uncertain economic climate. The company has £116m 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
Vehicles, plant and equipment	3-5 years



## **BARKING RIVERSIDE LIMITED**

### **Notes to the financial statements for the year ended 31 March 2021**

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#### **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 2021****3. Turnover**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Rental income	<b>965</b>	1,086
Development – Land sales	<b>7,518</b>	-
	<b>8,483</b>	<b>1,086</b>

**4. Directors' remuneration**

None of the directors received any remuneration during the year (2020: £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) (2020: nil).

**6. Interest receivable**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest	<b>3</b>	10
Initial gain on financial instruments	<b>9,230</b>	4,936
	<b>9,233</b>	<b>4,946</b>

**7. Interest payable and similar charges**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Payable to associated undertakings	<b>3,711</b>	2,297
Unwinding of financial instruments	<b>2,190</b>	7,378
Other interest	<b>174</b>	277
	<b>6,075</b>	<b>9,952</b>

Of the above amount £2,542,249 (2020: £1,390,436) was payable to GLA Land and £1,169,130 (2020: £906,682) was payable to L&Q New Homes Limited.

Unwinding of financial instruments saw a £5,188k decrease in the year due to a change in tax advice in agreement with HMRC enabling a change in approach to be applied to an Affordable Housing Exclusivity Agreement transaction for pre-funding of affordable homes at BRL. The accounting applied in all financial years followed the cash payments as required, the increase in the year represents the required unwinding of historic transactions.

**BARKING RIVERSIDE LIMITED****Notes to the financial statements for the year ended 31 March 2021****8. Profit on ordinary activities before taxation**

	<b>2021</b> <b>£'000</b>	2020 £'000
This is stated after charging:		
Depreciation	<b>92</b>	90
Auditor's remuneration (exc. VAT and expenses)		
- in their capacity as auditors	<b>11</b>	12
- in respect of other services	<u>-</u>	<u>-</u>

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

	<b>2021</b> <b>£'000</b>	2020 £'000
(Loss)/profit on ordinary activities before tax	<b>357</b>	(9,102)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020: 19%)	<b>68</b>	(1,729)
Fixed asset differences	<b>13</b>	13
Other tax adjustments, reliefs and transfers	<b>234</b>	234
Additional deduction for land remediation expenditure	<b>(37)</b>	-
Adjustments to tax charge in respect of previous periods	-	109
Deferred tax not recognised	<b>(278)</b>	1,482
Total tax expense included in profit or loss	<u>-</u>	<u>109</u>

# **BARKING RIVERSIDE LIMITED**

## **Notes to the financial statements for the year ended 31 March 2021**

### **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 2020	1,349	100	1,449
Additions	-	-	-
Disposals	(25)	-	(25)
At 31 March 2021	<u>1,324</u>	<u>100</u>	<u>1,424</u>
<b>Depreciation</b>			
At 1 April 2020	421	45	466
Reclassification	-	-	-
Charge for the period	68	24	92
Depreciation on disposals	(25)	-	(25)
At 31 March 2021	<u>464</u>	<u>69</u>	<u>533</u>
<b>Net Book Value</b>			
At 31 March 2021	<u>860</u>	<u>31</u>	<u>891</u>
At 31 March 2020	<u>928</u>	<u>55</u>	<u>983</u>

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

	<b>2021 £'000</b>	<b>2020 £'000</b>
Land and work in progress	<u>229,741</u>	<u>152,171</u>
	<u>229,741</u>	<u>152,171</u>

### **12. Debtors**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Other tax	306	-
Other debtors	3,715	17,642
Prepayments and accrued income	<u>92</u>	<u>30</u>
	<u>4,113</u>	<u>17,672</u>

**BARKING RIVERSIDE LIMITED****Notes to the financial statements for the year ended 31 March 2021****13. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	771	3,771
Amounts owed to associated undertakings	1,844	1,844
Other tax	-	2,096
Accruals and deferred income	2,288	2,652
Deposits held	24	24
Other creditors	-	-
	<b>4,927</b>	<b>10,387</b>

Included within amounts owed to associated undertakings is an amount of £1,843,487 (2020: £1,843,487) payable to GLA Land and Property Limited.

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Deferred land receipts	48,468	56,969
Junior Loan from GLA Land and Property Ltd – unsecured	50,184	35,311
Junior Loan from L&Q New Homes – unsecured	15,681	8,605
Loan from GLA Land and Property Limited – unsecured	34,365	33,334
Loan from L&Q New Homes – unsecured	35,359	34,297
Other creditors	52,313	36,565
	<b>236,370</b>	<b>205,081</b>

The Junior loan from GLA Land and Property Limited of £50,184,315 (2020: £35,311,414) is interest bearing. Interest accrues at a rate of 4.5%. The loan is forecast to be repaid in 2030.

The Junior loan from L&Q New Homes of £15,680,950 (2020: £8,604,667) 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 £25,190,751 (2020: £24,597,531) 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 £25,811,093 (2020: £25,203,268) 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 £36,812,653 (2020: £30,567,774) for Acceleration and Additional Unit Recoverable Gap Funding received from Homes England.

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.

# BARKING RIVERSIDE LIMITED

## Notes to the financial statements for the year ended 31 March 2021

### 15. Called up share capital

	2021 £	2020 £
<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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
GLA Land and Property Limited	-	-	-	-	2,542	1,390
Bellway Homes Limited	7,518	-	-	-	-	-
L&Q New Homes Limited	-	-	450	207	1,169	907
	<u>7,518</u>	<u>-</u>	<u>450</u>	<u>207</u>	<u>3,711</u>	<u>2,297</u>

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

	Accrued interest		Loans	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
GLA Land and Property Limited	821	640	84,549	68,645
Bellway Homes Limited	-	-	-	-
L&Q New Homes Limited	270	435	51,040	42,902
	<u>1,091</u>	<u>1,075</u>	<u>135,589</u>	<u>111,547</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 2021****17. Cash generated from operations**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) before taxation for the year	<b>357</b>	(9,102)
Depreciation, amortisation and impairment	<b>91</b>	90
Interest receivable and similar income	<b>(9,233)</b>	(4,946)
Interest payable and similar expenses	<b>6,075</b>	9,952
Decrease/(increase) in trade and other debtors	<b>13,559</b>	10,011
(Increase) in stock & work in progress	<b>(77,570)</b>	(62,404)
Increase in trade and other creditors	<b>11,686</b>	23,988
Taxation	<u>-</u>	<u>109</u>
<b>Cash flow from operating activities</b>	<b><u>(55,035)</u></b>	<b><u>(32,302)</u></b>

**18. Financial Instruments**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Interest free loans measured at amortised cost		
- Receivable from shareholders due over 5 years	<b>18,687</b>	17,830
- Deferred land consideration due over 5 years	<b>48,468</b>	56,969
	<b><u>67,155</u></b>	<b><u>74,799</u></b>
Initial recognition of financial instrument (through SOCI)	<b><u>9,230</u></b>	<b><u>4,936</u></b>
Interest cost from effective interest rate	<b><u>2,190</u></b>	<b><u>7,378</u></b>

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 (2020: £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 2021**

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#### **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.