Primaria (Barking & Havering) Limited

Directors' Report and Unaudited Financial Statements

Year Ended

31 March 2023

Company Number 04955302

Primaria (Barking & Havering) Limited

Contents

Company Information

Directors	M Denny F M Schramm I Tayler A H Naafs
Registered number	04955302
Registered office	9th Floor Cobalt Square 83-85 Hagley Road Birmingham B16 8QG

Primaria (Barking & Havering) Limited

Directors' Report
For the Year Ended 31 March 2023

The directors present their report and the unaudited financial statements for the year ended 31 March 2023. In preparing this report, the directors have taken advantage of the small companies' exemption from the requirement to prepare a strategic report provided by section 414B of the Companies Act 2006 and the small companies' exemptions provided by section 415A of the Companies Act 2006.

Principal activity

The principal activity of the company was that of a holding company.

Results and dividends

The profit for the year, after taxation, amounted to £589,327 (2022: £692,870).

Dividends of £688,006 were paid during the year (2022: £628,686).

Directors

The directors who served during the year and to the date of this report were:

M Denny
F M Schramm
I Tayler
A H Naafs

Going concern

At the year end, the company has net assets of £23,368 (2022: £122,047). The company has net current assets of £22,768 (2022: £121,447), including cash of £23,755 (2022: £124,272).

The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the company. The company produces long-term financial forecasts which show the company is able to operate and meet its financial obligations as they fall due. Based on this review and the future business prospects of the company, the directors believe the company will be able to meet its liabilities as they fall due.

Having regard to the above and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all the directors of the company who were in force at the date of approval of this report.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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.

Primaria (Barking & Havering) Limited

Directors' Report (Continued)
For the Year Ended 31 March 2023

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Audit exemption statement

For the year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

This report was approved by the board and signed on its behalf:

I Tayler
Director

Date: 13th DECEMBER 2023

Primaria (Barking & Havering) Limited

Statement of Profit and Loss and Other Comprehensive Income
For the Year Ended 31 March 2023

	Note	2023 £	2022 £
Continuing operations			
Administrative expenses		**(8,679)**	(12,789)
Operating loss		**(8,679)**	(12,789)
Finance income	4	**734,198**	852,978
Finance costs	5	**(136,192)**	(147,319)
Profit before tax		**589,327**	692,870
Tax charge	6	-	-
Other comprehensive income for the year, net of tax		-	-
Profit and total comprehensive income for the year attributable to equity holders of the parent company		**589,327**	692,870

The notes on pages 7 to 17 form part of these financial statements.

Primaria (Barking & Havering) Limited
Registered number:04955302

Statement of Financial Position
As at 31 March 2023

	Note	2023 £	2022 £
Assets			
Non-current assets			
Investments in joint ventures	7	**600**	600
Other loans and receivables	8	**745,951**	848,783
		746,551	849,383
Current assets			
Other loans and receivables	8	**102,832**	181,920
Cash and cash equivalents		**23,755**	124,272
		126,587	306,192
Total assets		**873,138**	1,155,575
Liabilities			
Current liabilities			
Creditors: amounts falling due within one year	9	**(103,819)**	(184,745)
Non-current liabilities			
Creditors: amounts falling due after more than one year	10	**(745,951)**	(848,783)
Total liabilities		**(849,770)**	(1,033,528)
Net assets		**23,368**	122,047
Equity attributable to equity holders of the parent company			
Ordinary shares	13	**600**	600
Retained earnings		**22,768**	121,447
Total equity		**23,368**	122,047

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

I Tayler
Director
Date: 13th DECEMBER 2023

The notes on pages 7 to 17 form part of these financial statements.

Primaria (Barking & Havering) Limited

Statement of Changes in Equity
For the Year Ended 31 March 2023

	Called up Share capital	Profit and loss account	Total
	£	£	£
Balance at 1 April 2022	**600**	**121,447**	**122,047**
Changes in equity for 2022-2023			
Profit for the year	-	589,327	589,327
Dividends paid	-	(688,006)	(688,006)
Balance at 1 April 2023	**600**	**22,768**	**23,368**

	Called up Share capital	Profit and loss account	Total
	£	£	£
Balance at 1 April 2021	**50,600**	**7,263**	**57,863**
Changes in equity for 2021-2022			
Profit for the year	-	692,870	692,870
Dividends paid		(628,686)	(628,686)
Reduction in Share Capital	(50,000)	50,000	-
Balance at 1 April 2022	**600**	**121,447**	**122,047**

Dividends of £688,006 (£1,146.68 per share) were paid during the year (2022: £628,686 (£1,047.81 per share)).

The notes on pages 7 to 17 form part of these financial statements.

Primaria (Barking & Havering) Limited

Statement of Cash Flows
For the Year Ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	**589,327**	692,870
Adjustments for:		
Finance costs	**136,192**	147,319
Finance income	**(734,198)**	(852,978)
Decrease in trade and other payables	**(1,838)**	(2,833)
Net cash used in operating activities	**(10,517)**	(15,622)
Cash flows from investing activities		
Loan note interest receivable	**136,192**	147,319
Dividends received	**598,006**	705,659
Net cash from investing activities	**734,198**	852,978
Cash flows from financing activities		
Repayment of loan notes	**(181,920)**	(79,824)
Loans repaid by joint venture entities	**181,920**	79,824
Dividends paid	**(688,006)**	(628,686)
Interest paid	**(136,192)**	(147,319)
Net cash used in financing activities	**(824,198)**	(776,005)
Net increase/(decrease) in cash and cash equivalents	**(100,517)**	61,351
Cash and cash equivalents at beginning of year	**124,272**	62,921
Cash and cash equivalents at the end of year	**23,755**	124,272

The notes on pages 7 to 17 form part of these financial statements.

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity and areas where assumptions or estimates are significant to the financial statements are disclosed in note 2.

The functional currency is pounds sterling.

Standards issued and applied for the first time this period

The company has assessed that no new standards have a material impact on the financial statements.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early. The following amendments are effective for periods beginning on or after 1 April 2023:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) – effective 1 January 2024;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – effective 1 January 2023;
- Definition of Accounting Estimates (Amendments to IAS 8) – effective 1 January 2023;
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction – effective 1 January 2023; and
- Non-current Liabilities with Covenants (Amendments to IAS 1) - effective 1 January 2024.

The directors do not expect any of these standards, interpretations or amendments to have a material impact on the company.

1. Accounting policies (continued)

1.2 Investments in joint ventures

Investments in joint ventures are valued at cost less provision for impairment. The company has applied the exemption from applying the equity method as it is a parent company that is exempt from preparing consolidated financial statements under IFRS 10.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

1.3 Financial instruments

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on trade date when the company becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not at fair value through profit and loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are derecognised on trade date when the company is no longer a party to the contractual provisions of the instrument.

1.4 Other loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus any transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

1. Accounting policies (continued)

1.5 Cash and cash equivalents

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

1.6 Interest-bearing borrowings

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

1.7 Revenue

Revenue comprises management fees receivable. Consideration received in respect of management and related services revenue is recognised over time as the services are delivered and the company has performed its contractual obligations in respect of that consideration.

1.8 Deferred tax

Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. Deferred tax assets and liabilities are not recognised if they arise in the following situations: the initial recognition of goodwill; or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position 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 asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

1.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved in accordance with the shareholders' agreement.

2. Accounting estimates and judgements

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty affecting the financial statements.

Critical judgements

- The directors have assessed the nature of the company's investment in Barking Dagenham Havering Community Ventures Limited. The directors are of the opinion that, due to the provisions of the shareholders' agreement, the company does not have control over the investee and therefore the company is not a parent company. Accordingly, the company has only prepared separate financial statements for the current year.

- Determine whether there are indicators of impairment of the company's other receivables due from joint ventures. Factors taken into consideration in reaching such a decision include the current financial position of the entities and their expected future financial performance.

3. Employees

There were no employees during the year (2022: None).

4. Finance income

	2023 £	2022 £
Interest income on receivables due from joint ventures	136,192	147,319
Dividend income	598,006	705,659
	734,198	852,978

5. Finance costs

	2023 £	2022 £
Interest on borrowings	136,192	147,319

6. Taxation

	2023 £	2022 £
UK Corporation tax:		
Current tax on profit/(loss) for the year	-	-
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	589,327	692,870
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	**111,972**	131,645
Effects of:		
Dividend income not taxable	**(113,621)**	(134,075)
Deferred tax asset not recognised (see note 12)	**1,649**	2,430
Total tax charge for the year	-	-

Factors that may affect future tax charges

The Finance Bill 2021, published on 11 March 2021, increases the main rate of Corporation tax to 25% for the year commencing 1 April 2023.

Any potential deferred tax asset/ (liability) has therefore been calculated at 25%, being the rate substantively enacted at the statement of financial position date.

7. Investments

	Shares in joint ventures £
Cost	
At 1 April 2022 and 31 March 2023	600

7. Investments (continued)

	Proportion of ownership interest	Aggregate of capital and reserves as at 31 March 2023 £	Profit for the year ended 31 March 2023 £
Barking Dagenham Havering Community Ventures Limited	60%	190,754	928,995
Barking & Havering Lift (Midco) Limited*	60%	1,000	846,676
Barking and Havering Lift Company (No.1) Limited*	60%	8,647,301	2,999,451

*denotes indirectly held.

All of the above entities are incorporated in the UK and engaged in the activities of property development and investment. All companies share the same registered office as the company.

Due to the nature of the shareholders' agreements, the company is not considered to control any of the above entities.

8. Other loans and receivables

	2023 £	2022 £
Amounts due from joint venture entities	745,951	848,783
Current assets		
Amounts due from joint venture entities	102,832	181,920
	848,783	1,030,703

The company applies a forward-looking expected credit loss model to measure expected credit losses from other receivables including amounts due from related parties. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in the credit risk since initial recognition of the other receivable. Given the very low level of credit losses the directors have concluded that no provision is required and therefore an expected credit loss table has not been presented in the financial statements.

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade payables	-	420
Unsecured loan notes (see note 11)	102,832	181,920
Accruals and deferred income	987	2,405
	103,819	184,745

10. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Unsecured loan notes (see note 11)	745,951	848,783

11. Borrowings

	2023 £	2022 £
Current portion of long-term borrowings		
Unsecured loan notes	102,832	181,920
Non-current borrowings		
Unsecured loan notes	745,951	848,783
	848,783	1,030,703

Interest accrues daily on the loan notes at a rate of 13.5% per annum and is payable half yearly after construction has been completed, in arrears on 31 March and 30 September each year. Interest shall cease to accrue on the principal amount of a loan note from the date it is due for redemption.

The loan notes rank pari passu with all other unsecured obligations of the company.

12. Deferred tax

The company had no deferred tax liability as at the end of the year and did not recognise deferred income tax assets of £37,094 (2022: £34,925) in respect of losses amounting to £148,377 (2022: £139,698) that can be carried forward against future taxable income.

13. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
600 (2022: 600) Ordinary shares of £1 each	600	600

14. Related party transactions

BBGI Investments SCA, a company incorporated in Luxembourg, is the company's immediate controlling party. BBGI Global Infrastructure S.A, a company incorporated in Luxembourg, is the company's ultimate controlling party.

	2022 £	2022 £
Dividends received/(paid)		
Shareholders, and their associates	**(688,006)**	(628,686)
Joint venture entities	**598,006**	705,659
Interest receivable/(payable)		
Shareholders, and their associates	**(136,192)**	(147,319)
Joint venture entities	**136,192**	147,319
Amounts owed to related parties		
Shareholders, and their associates	**848,783**	1,030,703
Amounts owed by related parties		
Joint venture entities	**848,783**	1,030,703

There were no directors to whom remuneration was paid or to whom retirement benefits were accruing. The directors are remunerated by shareholder companies and their associates. The directors do not believe it is possible to accurately apportion their remuneration between the many entities they are directors of.

Primaria (Barking & Havering) Limited

15. Financial instruments

Categories of financial assets and liabilities

All financial instruments disclosures of fair value are valued at reference to level three of the fair value hierarchy as set out in IFRS 7: Financial Instruments: Disclosures. The following table sets out the assets and liabilities for which fair values are disclosed and the unobservable inputs used to determine the fair values:

Item	Valuation Technique	Significant unobservable Inputs
Trade receivables and payables	The carrying amount of short term (less than 12 months) trade receivable and payables approximates its fair values.	N/A
Non-Current Borrowings	The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the estimated current market interest rates.	7%

	Book Value 2023 £	Estimated Fair Value 2023 £	Book Value 2022 £	Estimated Fair Value 2022 £
Financial assets				
Loans and receivables:				
Cash and cash equivalents	23,755	23,755	124,272	124,272
Other receivables	848,783	1,240,356	1,030,703	1,591,404
	872,538	1,264,111	1,154,975	1,715,676

	Book Value 2023 £	Estimated Fair Value 2023 £	Book Value 2022 £	Estimated Fair Value 2022 £
Financial liabilities				
Amortised cost:				
Unsecured loan notes	848,783	1,240,356	1,030,703	1,591,404
Trade and other payables	-	-	432	432
	848,783	1,240,356	1,031,135	1,591,836

15. Financial instruments (continued)

Financial risk management

The company's operations expose it to a number of financial risks. The board regularly reviews and agrees policies for managing each of these risks and these are summarised below.

Credit risk

Credit risk is the risk of financial loss where counterparties are not able or are unwilling to meet their obligations.

Other receivables primarily comprise of amounts due from the company's joint ventures. Therefore, credit risk is considered to be low. Cash and cash equivalents comprise balances held with banks. To reduce the risk of counterparty default, the company only uses approved high-quality banks. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the statement of financial position date.

Liquidity risk

Liquidity risk is the risk that the company has insufficient financial resources available to meet its obligations as they fall due. Management review cashflow forecasts on a regular basis to determine whether the company has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

The financial assets of the company are modelled so as to match the profile of the financial liabilities, the maturity analysis of which is set out below. Management closely monitor performance against the financial models and take action if necessary when performance is not in line with modelled expectations.

The table below summarises the maturity profile of the company's financial liabilities, on an undiscounted basis, at 31 March 2023 and 31 March 2022:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	£	£	£	£	£
2023					
Financial liabilities					
Unsecured loan notes	28,568	185,498	615,888	619,940	1,449,894
Trade and other payables	-	-	-	-	-
	28,568	185,498	615,888	619,940	1,449,894

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	£	£	£	£	£
2022					
Financial liabilities					
Unsecured loan notes	34,691	283,421	703,295	746,590	1,767,997
Trade and other payables	432	-	-	-	432
	35,123	283,421	703,295	746,590	1,768,429

15. Financial instruments (continued)

Financial risk management (continued)

Interest rate risk

The company's exposure to market risk for changes in interest rates is considered to be very small, as all loans are at fixed rates. The risk for changes in interest rates is therefore restricted to the interest earned on bank deposits, which is immaterial to the company. It is the company's policy to settle trade payables within the credit terms allowed and the company does therefore not incur interest on overdue balances.

Capital management

The company seeks to match long-term assets with long-term funding, and short-term assets with short-term funding. Borrowings are required primarily to finance construction activity in the joint venture entities and the related loan repayments from joint venture entities are set at a level that will ensure that repayments of borrowings can be met as they fall due. Other expenses are met by cash balances generated from the company's ordinary activities.

16 Note supporting statement of cash flows

Changes in liabilities arising from financing transactions are the following:

	Non-current loans and borrowings £	Current loans and borrowings £	Total £
At 1 April 2022	**848,783**	**181,920**	**1,030,703**
Cash flows	**-**	**(318,112)**	**(318,112)**
Loans and borrowings classified as current at 31 March 2023	**(102,832)**	**102,832**	**-**
Interest accruing in period	**-**	**136,192**	**136,192**
At 31 March 2023	**745,951**	**102,832**	**848,783**
At 1 April 2021	1,030,703	79,824	1,110,527
Cash flows	-	(227,143)	(227,143)
Loans and borrowings classified as current at 31 March 2022	(181,920)	181,920	-
Interest accruing in period	-	147,319	147,319
At 31 March 2022	848,783	181,920	1,030,703