

## **GBCONSORTIUM 1 LIMITED**

Directors' Report and Unaudited Financial  
Statements

Year Ended

31 March 2021

Company Number 04957036



# GBCONSORTIUM 1 LIMITED

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## Company Information

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<b>Directors</b>	A H Naafs I Tayler F Schramm
<b>Registered number</b>	04957036
<b>Registered office</b>	9th Floor Cobalt Square 83-85 Hagley Road Birmingham B16 8QG

# **GBCONSORTIUM 1 LIMITED**

## **Directors' Report (continued) For the Year Ended 31 March 2021**

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The directors present their report and the unaudited financial statements for the year ended 31 March 2021. 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 £1,359,534 (2020 - £1,887,290).

Dividends of £1,356,740 were paid during the year (2020 - £1,886,095).

### **Directors**

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

A H Naafs  
I Tayler  
F Schramm

### **Going concern**

At the year-end, the company has net assets of £23,863 (2020: £21,069). The company has net current assets of £8,233 (2020: -£14,721), including cash of £13,771 (2020: £8,979).

The COVID-19 pandemic is continuing to have a significant impact on the UK economy which creates uncertainty in respect of all future business plans. At the time of writing, the Directors continue to believe that there is limited going concern risk to the company.

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 which 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 European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

# GBCONSORTIUM 1 LIMITED

## Directors' Report (continued) For the Year Ended 31 March 2021

### Directors' responsibilities statement (continued)

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, 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 ending 31 March 2021 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 on *20<sup>th</sup> JANUARY 2022* and signed on its behalf.



**I Tayler**  
Director

# GBCONSORTIUM 1 LIMITED

## Statement of Profit and Loss and Other Comprehensive Income For the Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Continuing operations</b>			
Revenue	3	17,065	16,656
<b>Gross profit</b>		<u>17,065</u>	<u>16,656</u>
Administrative expenses		(19,771)	(20,461)
<b>Operating loss</b>	4	<u>(2,706)</u>	<u>(3,805)</u>
Finance income	5	2,400,197	2,930,509
Finance costs	6	(1,037,957)	(1,039,414)
<b>Profit before tax</b>		<u>1,359,534</u>	<u>1,887,290</u>
Tax charge	7	-	-
Other comprehensive income for the year, net of tax		-	-
<b>Profit and total comprehensive income for the year attributable to equity holders</b>		<u><u>1,359,534</u></u>	<u><u>1,887,290</u></u>

The notes on pages 7 to 18 form part of these financial statements.

# GBCONSORTIUM 1 LIMITED

Registered number: 04957036

## Statement of Financial Position As at 31 March 2021

	Note	2021 £	2020 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	8	15,630	15,630
Other loans and receivables	9	7,587,904	7,711,208
		<u>7,603,534</u>	<u>7,726,838</u>
<b>Current assets</b>			
Other loans and receivables	9	431,630	319,995
Cash and cash equivalents	10	13,771	8,979
		<u>445,402</u>	<u>328,974</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(437,168)	(343,695)
<b>Net current (liabilities)/assets</b>		<u>8,233</u>	<u>(14,721)</u>
<b>Total assets less current liabilities</b>		<u>7,611,767</u>	<u>7,712,117</u>
<b>Non-current liabilities</b>			
Creditors: amounts falling due after more than one year	12	(7,587,904)	(7,691,048)
<b>Net assets</b>		<u><u>23,863</u></u>	<u><u>21,069</u></u>
<b>Equity attributable to equity holders of the parent company</b>			
Ordinary shares	15	15,630	15,630
Retained earnings		8,233	5,439
<b>Total equity</b>		<u><u>23,863</u></u>	<u><u>21,069</u></u>

For the year ending 31 March 2021 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 on

20<sup>th</sup> JANUARY 2022.



**I Tayler**  
Director

The notes on pages 7 to 18 form part of these financial statements.

# GBCONSORTIUM 1 LIMITED

## Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 April 2019</b>	<b>15,630</b>	<b>4,244</b>	<b>19,874</b>
<b>Changes in equity for 2019-2020</b>			
Profit and total comprehensive income for the year	-	1,887,290	1,887,290
Dividends paid	-	(1,886,095)	(1,886,095)
<b>At 1 April 2020</b>	<b>15,630</b>	<b>5,439</b>	<b>21,069</b>
<b>Changes in equity for 2020-2021</b>			
Profit and total comprehensive income for the year	-	1,359,534	1,359,534
Dividends paid	-	(1,356,740)	(1,356,740)
<b>At 31 March 2021</b>	<b>15,630</b>	<b>8,233</b>	<b>23,863</b>

Dividends of £1,356,740 (£86.80 per share) were paid during the year (2020: £1,886,095 (£120.67 per share)).

The notes on pages 7 to 18 form part of these financial statements.

# GBCONSORTIUM 1 LIMITED

## Statement of Cash Flows For the Year Ended 31 March 2021

	2021	2020
	£	£
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,359,534	1,887,290
<b>Adjustments for:</b>		
Finance costs	1,037,957	1,039,414
Finance income	(2,400,197)	(2,930,509)
Decrease in trade and other receivables	271	4
Increase/(Decrease) in trade and other payables	1,725	(1,435)
<b>Net cash used in operating activities</b>	<b>(708)</b>	<b>(5,236)</b>
<b>Cash flows from investing activities</b>		
Loan note interest receivable	1,037,957	1,039,414
Dividends received	1,362,240	1,891,095
<b>Net cash from investing activities</b>	<b>2,400,197</b>	<b>2,930,509</b>
<b>Cash flows from financing activities</b>		
Repayment of loan notes	(11,397)	(4,830)
Loans repaid by joint venture entities	11,397	4,830
Dividends paid	(1,356,740)	(1,886,095)
Interest paid	(1,037,957)	(1,039,414)
<b>Net cash used in financing activities</b>	<b>(2,394,697)</b>	<b>(2,925,509)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>4,792</b>	<b>(236)</b>
Cash and cash equivalents at beginning of year	8,979	9,215
<b>Cash and cash equivalents at the end of year</b>	<b>13,771</b>	<b>8,979</b>

The notes on pages 7 to 18 form part of these financial statements.



# **GBCONSORTIUM 1 LIMITED**

## **Notes to the Financial Statements For the Year Ended 31 March 2021**

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### **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 European Union 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**

New standards impacting the company adopted in the annual financial statements for the year ended 31 March 2021, and which have given rise to changes in the company's accounting policies are:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material) (effective 1 January 2020);
- IFRS 3 Business Combinations (Amendment – Definition of Business) (effective 1 January 2020), and
- Revised Conceptual Framework for Financial Reporting.

The company has assessed that the adoption of new standards have had no material impact on the financial statements for either the current year or prior years.

#### **Standards and interpretations issued but not yet applied**

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 January 2021:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) – effective 1 January 2023 (not endorsed);
- Reference to the Conceptual Framework (Amendments to IFRS 3) – effective 1 January 2022 (not endorsed);
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) – effective 1 January 2022 (not endorsed);
- Annual Improvements to IFRS Standards 2018–2020 – effective 1 January 2022 (not endorsed);
- Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) – effective 1 January 2021;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – effective 1 January 2023 (not endorsed); and
- Definition of Accounting Estimates (Amendments to IAS 8) – effective 1 January 2023 (not endorsed).

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

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

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### 1. Accounting policies (continued)

#### 1.2 Going Concern

At the year-end, the company has net assets of £23,863 (2020: £21,069). The company has net current assets of £8,233 (2020: -£14,721), including cash of £13,771 (2020: £8,979).

The COVID-19 pandemic is continuing to have a significant impact on the UK economy which creates uncertainty in respect of all future business plans. At the time of writing, the Directors continue to believe that there is limited going concern risk to the company.

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.

#### 1.3 Investments in joint ventures

Investments in joint ventures are valued at cost less provision for impairment. 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.

#### 1.4 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.

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

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### 1. Accounting policies (continued)

#### 1.5 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.

#### 1.6 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.

#### 1.7 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.

#### 1.8 Revenue

Revenue comprises management fees receivable. Consideration received in respect of management and related services revenue is only recorded as revenue to the extent that the company has performed its contractual obligations in respect of that consideration.

# **GBCONSORTIUM 1 LIMITED**

## **Notes to the Financial Statements For the Year Ended 31 March 2021**

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### **1. Accounting policies (continued)**

#### **1.9 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.

#### **1.10 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.

#### **1.11 Reserves**

Retained earnings – All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

### **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 Liverpool and Sefton Health Partnership Limited and North London Estate Partnerships 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.

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 3. Revenue

	2021	2020
	£	£
<b>Revenue comprises:</b>		
Management and related services	<u>17,065</u>	<u>16,656</u>

### 4. Operating loss

There were no employees during the year (2020: None).

### 5. Finance income

	2021	2020
	£	£
Interest income on receivables due from joint ventures	1,037,957	1,039,414
Dividends received	1,362,240	1,891,095
	<u>2,400,197</u>	<u>2,930,509</u>

### 6. Finance costs

	2021	2020
	£	£
Interest on borrowings	<u>1,037,957</u>	<u>1,039,414</u>

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 7. Taxation

	2021	2020
	£	£

#### UK Corporation tax:

Current tax on profits for the year

- -

#### Total current tax

- -

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Profit on ordinary activities before tax	<u>1,359,534</u>	<u>1,887,290</u>

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)

258,312 358,585

#### Effects of:

Dividend income not taxable	(258,825)	(359,308)
Tax losses where no deferred tax asset recognised	513	2,738
Expenses not deductible for tax purposes	-	-
Effect of difference in current and deferred tax rates	-	(2,015)

#### 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 19%, being the rate substantively enacted at the statement of financial position date.

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 8 Investments

			Shares in joint ventures £
<b>Cost</b>			
As at 1 April 2020 and 31 March 2021			<u>15,630</u>
	Proportion of ownership interest	Aggregate of capital and reserves as at 31 March 2021 £	Profit for the year ended 31 March 2021 £
Liverpool and Sefton Health Partnership Limited	60%	13,710	2,153,531
AEL Fundco Limited*	60%	3,255,000	729,000
GOS Fundco Limited*	60%	2,070,000	607,000
CPP Fundco Limited*	60%	339,000	124,000
TPM Fundco Limited*	60%	482,000	339,000
KHC Fundco Limited*	60%	156,000	372,000
MCDC Midco Limited*	31%	10,000	384,000
MCDC Fundco Limited*	31%	1,752,000	335,000
North London Estate Partnerships Limited	60%	120,170	237,561
Forest Vale Fundco Limited*	60%	7,736,000	911,000
FMH Fundco Limited*	60%	2,120,000	408,000
LSHP Development Company Limited *	60%	1	-

\*Denotes indirectly held.

All of the above entities are incorporated in the UK and engaged in the activities of property development and investment, with the exception of MCDC Midco Limited which is an intermediary holding company. 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.

During the accounting period, there were no impairments in the above mentioned investments.

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 9. Other loans and receivables

	2021	2020
	£	£
Amounts due from joint venture entities	7,587,904	7,711,208
<b>Non-current assets</b>	<b>7,587,904</b>	<b>7,711,208</b>
Trade receivables	-	-
Amounts due from joint venture entities	431,602	319,695
Other receivables	29	300
<b>Current assets</b>	<b>431,630</b>	<b>319,995</b>
	<b>8,019,535</b>	<b>8,031,203</b>

Amount due from joint venture entities have interest which accrues daily on loan notes at rates between 11.7% and 13.4% per annum. Interest ceases to accrue on a loan note from the due date of its redemption in respect of the principal amount of the loan note due to be redeemed.

### 10. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

### 11. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade payables	540	-
Unsecured loan notes (see note 13)	431,603	339,856
Accruals and deferred income	5,025	3,839
	<b>437,168</b>	<b>343,695</b>



# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 12. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Unsecured loan notes (see note 13)	<u>7,587,904</u>	<u>7,691,048</u>

### 13. Borrowings

	2021	2020
	£	£
<b>Current portion of long-term borrowings</b>		
Unsecured loan notes	431,603	339,856
	<u>431,603</u>	<u>339,856</u>

#### Non-current borrowings

Unsecured loan notes	7,587,904	7,691,048
	<u>7,587,904</u>	<u>7,691,048</u>

Interest accrues daily on loan notes at rates between 11.7% and 13.4% per annum. Interest ceases to accrue on a loan note from the due date of its redemption in respect of the principal amount of the loan note due to be redeemed.

The loan notes are due to shareholder companies and their associates. The loan notes rank pari passu with all other unsecured obligations of the company.

### 14. 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 £20,379 (2020: £19,866) in respect of losses amounting to £107,263 (2020: £104,558) that can be carried forward against future taxable income.

### 15. Share capital

	2021	2020
	£	£
<b>Allotted, called up and fully paid</b>		
15,630 Ordinary shares of £1 each	<u>15,630</u>	<u>15,630</u>

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 16. Related party transactions

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

	2021	2020
	£	£
<b>Dividends received/(paid)</b>		
Shareholders, and their associates	(1,356,740)	(1,886,095)
Joint venture entities	1,362,240	1,891,095
<b>Interest receivable/(payable)</b>		
Shareholders, and their associates	(1,037,957)	(1,039,414)
Joint venture entities	1,037,957	1,039,414
<b>Amounts owed to related parties</b>		
Shareholders, and their associates	8,019,535	8,030,903
<b>Amounts owed by related parties</b>		
Joint venture entities	8,019,535	8,030,903
<b>Sales of services and receipts of rent</b>		
Shareholders, and their associates	17,065	16,656
<b>Purchase of services</b>		
Shareholders, and their associates	17,065	16,656

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.

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 17. 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 2021 £	Estimated Fair Value 2021 £	Book Value 2020 £	Estimated Fair Value 2020 £
<b>Financial assets</b>				
Loans and receivables:				
Cash and cash equivalents	13,771	13,771	8,979	8,979
Amounts due from joint venture entities	8,019,507	13,472,772	8,030,903	13,667,835
	<u>8,033,278</u>	<u>13,486,542</u>	<u>8,039,882</u>	<u>13,676,814</u>

	Book Value 2021 £	Estimated Fair Value 2021 £	Book Value 2020 £	Estimated Fair Value 2020 £
<b>Financial liabilities</b>				
Amortised cost:				
Unsecured loan notes	8,019,507	13,472,772	8,030,903	13,667,835
Trade and other payables	5,193	5,193	3,839	3,839
	<u>8,024,700</u>	<u>13,477,965</u>	<u>8,034,742</u>	<u>13,671,674</u>

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 18. 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 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 2021 and 31 March 2020.

	Less than 3 months £	3 to 12 months £	1 to 5 years £	More than 5 years £	Total £
<b>2021</b>					
<b>Financial liabilities</b>					
Unsecured loan notes	256,303	1,303,125	4,515,105	18,983,812	25,705,334
Trade and other payables	5,193	-	-	-	5,193
	<u>261,496</u>	<u>1,303,125</u>	<u>4,515,358</u>	<u>19,981,340</u>	<u>25,709,174</u>
	Less than 3 months £	3 to 12 months £	1 to 5 years £	More than 5 years £	Total £
<b>2020</b>					
<b>Financial liabilities</b>					
Unsecured loan notes	-	1,208,636	4,515,358	19,981,340	25,705,534
Trade and other payables	3,840	-	-	-	3,840
	<u>3,840</u>	<u>1,208,636</u>	<u>4,515,358</u>	<u>19,981,340</u>	<u>25,709,174</u>

# GBCONSORTIUM 1 LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2021

### 18. Financial risk management (continued)

#### *Interest rate risk*

The company's exposure to market risk for changes in interest rates is considered 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.

### 19 Note supporting statement of cash flows

Non-cash transactions from financing activities are shown in the reconciliation of liabilities from financing transactions:

	Non-current loans and borrowings £	Current loans and borrowings £	Total £
<b>At 1 April 2020</b>	<b>7,691,048</b>	<b>339,856</b>	<b>8,030,904</b>
Cash flows	-	(1,049,354)	(1,049,354)
Loans and borrowings classified as current at 31 March 2021	(103,144)	103,144	-
Interest accruing in period	-	1,037,957	1,037,957
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2021</b>	<b>7,587,904</b>	<b>431,603</b>	<b>8,019,507</b>
	<hr/>	<hr/>	<hr/>
<b>At 1 April 2019</b>	<b>7,783,355</b>	<b>252,379</b>	<b>8,035,734</b>
Cash flows	-	(1,044,244)	(1,044,244)
Loans and borrowings classified as current at 31 March 2020	(92,307)	92,307	-
Interest accruing in period	-	1,039,414	1,039,414
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2020</b>	<b>7,691,048</b>	<b>339,856</b>	<b>8,030,904</b>
	<hr/>	<hr/>	<hr/>