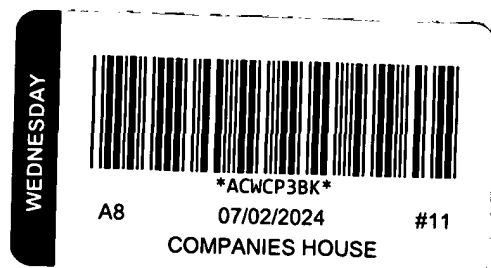


# **ARA Principal Book (GP) Limited**

(Registered number: 07506806)

## **Annual Report and Audited Financial Statements**

For the year ended 31 December 2022



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**ARA Principal Book (GP) Limited**

## **Company information**

**Registered Number: 07506806**

**Directors**

S Jackson

T Thorp

**Banker**

HSBC Bank Plc

8 Canada Square

London

E14 5HQ

**Registered office**

10 Cork Steet

London

W1S 3LW

**Auditor**

MHA

6<sup>th</sup> Floor

2 London Wall Place

London

EC2Y 5AU

## **ARA Principal Book (GP) Limited**

### **Directors' report**

**For the year ended 31 December 2022**

The Directors present their annual report and the financial statements of ARA Principal Book (GP) Limited (the "Company") for the year ended 31 December 2022.

The Company changed its name from InfraRed Principal Book (GP) Limited to ARA Principal Book (GP) Limited on 17 February 2022.

#### **Principal activity and business review**

The principal activity of the Company during the year to 31 December 2022 was to act as general partner to ARA Principal Book Limited Partnership ("the LP") and it is responsible for the management and control of the business and affairs of the LP as well as certain other management activities provided for in the respective Limited Partnership Agreement of the LP.

#### **Results**

The Company's profit after tax for the year ended 31 December 2022 was €286 (2021: loss of €187) as shown in the statement of comprehensive income on page 9. The slight increase in profit is due to increase revenues during 2022. The Company's statement of financial position as detailed on page 10 shows net assets of €23,151 (2021: net liabilities of €419).

#### **Directors**

The Directors who served during the year ended 31 December 2021 and up to the date of approval of this report were:

S Jackson	Appointed 28 July 2022
D Hudson	Resigned 28 July 2022
T Thorp	

#### **Dividends**

The Company paid no dividend during the year ended 31 December 2022 (2021: €165,686).

#### **Future developments**

The Directors do not expect any change in the principal activities of the Company or the manner in which it operates in the foreseeable future.

#### **Going concern**

The Directors have assessed the going concern status of the Company and concluded that there are no material uncertainties that may cast doubt upon its ability to continue as a going concern. That assessment includes the impact of the on-going conflict between Russia and Ukraine.

The Directors consider that the LP has, and can maintain, a sufficient net asset value from which the Company as general partner of the LP can earn sufficient income to enable it to cover its costs and pay its liabilities for the next 12 months from the date of approval of these financial statements. The Directors anticipate no change in activities going forward.

Consequently, the Directors have concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern for the next 12 months from the date of approval of these financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

ARA Principal Book (GP) Limited

## Directors' report (continued)

For the year ended 31 December 2022

### Disclosure of information to auditor

At the date of approving this report, so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to be aware of any relevant audit information and to establish that the auditor is also aware of that information.

### Appointment of auditor

Following a rebranding exercise on 15 May 2023, the trading name of the LLP's independent auditor changed from MHA Macintyre Hudson to MHA.

### Small companies' exemption

In preparing this Directors' report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006. The Directors have also taken advantage of the exemption from preparing a strategic report that is available to small companies under section 414(b) of the Companies Act 2006.

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

*Stuart Jackson*

.....  
Stuart Jackson

Director

Date: 1 February 2024

## **Statement of Directors' responsibilities**

**For the year ended 31 December 2022**

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 period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom accounting standards, including Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102"). 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 at the year end and of its profit or loss for the 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;
- follow applicable accounting standards, subject to departures disclosed and explained in the financial statements; 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 confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARA Principal Book (GP) Ltd

### Opinion

We have audited the financial statements of ARA Principal Book (GP) Ltd (the "Company") for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, Statement of cash flows, and the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022, and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARA Principal Book (GP) Ltd (CONTINUED)**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Directors' remuneration specified by law are not made; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' responsibilities as set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance, around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.





## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARA Principal Book (GP) Ltd (CONTINUED)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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.

David King, ACA, (Senior Statutory Auditor)

For and on behalf of:

MHA

Chartered Accountants and Statutory Auditors

London, United Kingdom

1 February 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

## Statement of comprehensive income

For the year ended 31 December 2022

		2022	2021
	Notes	€	€
Turnover	4	464,684	375,311
Administrative expenses	5	(464,398)	(375,124)
<b>Operating profit</b>		<b>286</b>	<b>187</b>
Interest payable		-	-
<b>Profit before tax</b>		<b>286</b>	<b>187</b>
Taxation	7	-	-
<b>Profit for the year</b>		<b>286</b>	<b>187</b>
Foreign exchange gain/(loss) arising on retranslation to presentational currency		24,284	(607)
<b>Total Comprehensive income for the year</b>		<b>23,570</b>	<b>(420)</b>

All amounts relate to continuing activities.

The notes on pages 12 to 16 form part of these financial statements.

## Statement of financial position

As at 31 December 2022

Registered number: 07506806

	Notes	2022 €	2021 €
<b>Current assets</b>			
Debtors	8	<u>147,320</u>	<u>3,146</u>
		147,320	3,146
<b>Creditors - amounts falling due within one year</b>	9	<u>(124,169)</u>	<u>(3,565)</u>
<b>Net current assets /(liabilities)</b>		<u>23,151</u>	<u>(419)</u>
<b>Net assets/(liabilities)</b>		<u>23,151</u>	<u>(419)</u>
<b>Capital and reserves</b>			
Called up share capital	10	<u>1</u>	<u>1</u>
Retained earnings		<u>23,150</u>	<u>(420)</u>
<b>Shareholders' funds</b>		<u>23,151</u>	<u>(419)</u>

These financial statements were approved and authorised for issue by the board of directors on 1 February 2024.

*Stuart Jackson*

Stuart Jackson  
Director

The notes on pages 12 to 16 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 December 2022

	Share capital	Retained earnings	Total
	€	€	€
At 1 January 2022	1	(420)	(419)
<b>Total comprehensive income:</b>			
Profit for the year	-	286	286
Foreign exchange gain arising on retranslation to presentational currency		23,284	23,284
Dividends paid	-	-	-
At 31 December 2022	1	23,150	23,151

	Share capital	Retained earnings	Total
	€	€	€
At 1 January 2021	1	165,687	165,687
<b>Total comprehensive income:</b>			
Profit for the year	-	187	187
Foreign exchange loss arising on retranslation to presentational currency		(607)	(607)
Dividends paid		(165,686)	(165,686)
At 31 December 2021	1	(419)	(419)

The notes on pages 12 to 16 form part of these financial statements.

## **Notes to the financial statements**

**For the year ended 31 December 2022**

### **1. General information**

ARA Principal Book (GP) Limited ("the Company") is a private limited company registered in the United Kingdom. The address of its registered office and place of business is 10 Cork Street, London, W1S 3LW.

### **2. Accounting policies**

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

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with United Kingdom accounting standards, incorporating Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies - see note 3.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The Directors have assessed the going concern status of the Company and concluded that there are no material uncertainties that may cast doubt upon its ability to continue as a going concern. That assessment includes the impact of the on-going conflict between Russia and Ukraine.

The Directors consider that the LP has, and can maintain, a sufficient net asset value from which the Company as general partner of the LP can earn sufficient income to enable it to cover its costs and pay its liabilities for the next 12 months from the date of approval of these financial statements. The Directors anticipate no change in activities going forward.

Consequently, the Directors have concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern for the next 12 months from the date of approval of these financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

#### **2.3 Disclosure exemptions**

The Company is a subsidiary and is included in the 2022 consolidated financial statements of ESR Group Limited which are publicly available from its registered office. Consequently, the Company has taken advantage of the exemption from preparing a Statement of cash flows under paragraph 1.12(b) of FRS 102.

#### **2.4 Revenue recognition**

Revenue is recognised on an accruals basis to the extent that it is probable that future economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### **2.5 Expenses**

Expenses are recognised in the statement of comprehensive income on an accruals basis.

## Notes to the financial statements

For the year ended 31 December 2022

### 2.6 Taxation and deferred taxation

Tax is recognised in the statement of comprehensive income. The current tax charge is calculated on taxable income in excess of allowable expenses using tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates that are expected to apply to the reversal of the timing difference.

### 2.7 Financial instruments

#### *Financial assets*

The Company's financial assets comprise basic financial instruments, being trade and other receivables and cash balances.

Cash balances are represented by deposits with financial institutions repayable without penalty on notice of no more than 24 hours.

Trade and other receivables are initially measured at transaction price and thereafter at the amount of cash or other consideration expected to be received. Any impairment loss is recognised in the statement of comprehensive income.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

#### *Impairment*

An impairment loss is measured as the difference between an asset's carrying amount and the amount that the Company would receive for the asset if it were to be sold at the reporting date.

#### *Financial liabilities*

The Company's financial liabilities comprise basic financial liabilities, being trade and other payables. These are initially measured at transaction price and thereafter at the amount of cash or other consideration expected to be paid.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### *Offsetting*

Financial assets and liabilities are offset, and the net amounts presented in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## Notes to the financial statements

For the year ended 31 December 2022

### 2.8 Foreign currency translation

The functional and presentation currency is Euro (€), being the currency of the primary economic environment in which the Company operates.

Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange ruling at the Statement of financial position date. Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of comprehensive income.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the period.

#### (a) Critical judgements in applying the entity's accounting policies

The Company has not been required to apply any critical judgements in applying the accounting policies.

#### (b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates may not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are in relation to impairment of debtors.

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor if available, the ageing profile of debtors and historical experience. Note 8 contains details of the net carrying amount of the debtors and any associated impairment provision.

### 4. Turnover

Turnover, which is stated net of value added tax, represents general partner share during the year 31 December 2022, in relation to services provided in the United Kingdom to a Fund domiciled in the UK. General partner share amounted to €464,684 (2021: €375,311).

### 5. Administrative expenses

Administrative expenses include management fees and auditor's remuneration.

### 6. Directors' remuneration

The Directors received no remuneration for their services to the Company in the year ended 31 December 2022 (2021: €Nil).

### 7. Taxation

Analysis of charge:	2022 €	2021 €
Current tax charge	54	36
Deferred tax	-	-
<b>Total tax charge</b>	<b>54</b>	<b>36</b>

# Notes to the financial statements

For the year ended 31 December 2022

## 7. Taxation (continued)

Factors affecting current taxation charge for the year:

	2022	2021
	€	€
Profit before tax	286	187
Theoretical tax at corporation tax rate corporation tax 19% (2021: 19%)	54	36
Effects of:		
Utilised tax losses	-	-
Unutilised tax losses	-	-
	54	36

## 8. Debtors

	2022	2021
	€	€
Other debtors	117,859	137
Due from InfraRed Partners LLP	29,461	3,009
	147,320	3,146

Other debtors relates to amounts to from related parties. This is interest free and repayable on demand.

The amount due from InfraRed Partners LLP represents a cash balance that is held at HSBC plc in InfraRed Partners LLP's name but is due to the Company.

## 9. Creditors – amounts falling due within one year

	2022	2021
	€	€
Accruals	7624	3,565
Amounts due to related parties	116,545	-
	124,169	3,565

Amounts due to related parties are interest free and repayable on demand.

## 10. Share capital

	2022	2021
	€	€
Allotted, called up and fully paid		
100 Ordinary shares of €1	1	1
	1	1



## **Notes to the financial statements**

**For the year ended 31 December 2022**

### **11. Related party transactions**

The Company has taken advantage of the exemption granted by FRS 102.33.1A not to disclose related party transactions between it and fellow wholly owned subsidiaries.

The key management personnel of the Company are the Directors, who received no remuneration for their services to the Company during the year ended 31 December 2022 (2021: €Nil).

### **12. Ultimate controlling party**

Up to 20 January 2022 the Company's ultimate parent undertaking was ARA Asset Management Holdings Pte. Ltd. On 20 January 2022 ESR Group Limited completed its acquisition of ARA Asset Management Holdings Pte. Ltd to become, and remain, the Company's ultimate parent company. The financial statements of the ultimate parent are available on the ESR website.

The Company's immediate parent company is, and has been during the year ended 31 December 2022, ARA Europe GP Holdco Limited.