

CENTURION (PARC Tawe I) Limited
Unaudited Financial Statements
For the financial year ended 31 December 2021
Pages for filing with the registrar

CENTURION (PARC TAWE I) LIMITED
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

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CENTURION (PARC TAWE I) LIMITED
BALANCE SHEET
As at 31 December 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	3	4,556	6,187
Investment property	4	20,000,000	20,000,000
		20,004,556	20,006,187
Current assets			
Debtors	5	658,959	738,964
Cash at bank and in hand		312,476	308,610
		971,435	1,047,574
Creditors			
Amounts falling due within one year	6	(22,718,038)	(22,530,824)
Net current liabilities		(21,746,603)	(21,483,250)
Total assets less current liabilities		(1,742,047)	(1,477,063)
Provision for liabilities		0	(53,820)
Net liabilities		(1,742,047)	(1,530,883)
Capital and reserves			
Called-up share capital	7	27,000,000	27,000,000
Other reserves		1,200,000	1,200,000
Profit and loss account		(29,942,047)	(29,730,883)
Total shareholder's deficit		(1,742,047)	(1,530,883)

For the financial year ending 31 December 2021 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Centurion (Parc Tawe I) Limited (registered number: 05535742) were approved and authorised for issue by the Director on 29 September 2022. They were signed on its behalf by:

F F Whitcomb
Director

CENTURION (PARC TAWE I) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Centurion (Parc Tawe I) Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Management Suite, Parc Tawe, Swansea, SA1 2AL, Wales, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis. At the balance sheet date the company has net liabilities of £1,742,047 and net current liabilities of £21,746,603, of which liabilities of £21,889,913 are due to the company's immediate parent company.

The company is dependent on the support of its parent company. The parent company has provided confirmation that it would not request repayment of this balance until the business has sufficient resources to make a repayment. The company's tenants were adversely impacted due to Covid-19. This continues to have an impact on the tenant's ability to pay rents. The business has seen some tenants go into administration and has supported others by offering rental deferrals. This has had an adverse impact on rents receivable in 2020 and 2021. However the company has reached agreements with a number of new tenants in 2021 and into 2022 and due to the way the business is financed the directors, whilst recognising that there can be no certainty, are satisfied that the company will continue to operate for the foreseeable future, being a period of no less than twelve months from the date of approval of these financial statements.

Turnover

Rental income from investment property leased out under an operating lease is recognised in the profit and loss on a straight-line basis over the lease term. Non-rental income such as car park or commercialisation income or contingent rents, such as turnover rents, rent reviews and indexation, are recorded as income in the period in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

Lease incentives and costs associated with entering into tenant leases are amortised over the lease term.

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Taxation

Current tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and machinery	5 years straight line
Computer equipment	4 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

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Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intra group debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

Basic financial assets comprise short term trade and other debtors and cash and bank balances. Basic financial liabilities comprise short term trade and other creditors. Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the net assets of the company.

Basic financial liabilities

Basic financial liabilities that have no stated interest rate and are payable within one year, such as trade creditors, are measured at transaction price.

Other basic financial liabilities are measured at amortised cost.

Government grants

Government grants receivable comprises monetary assistance received from the government, government agencies and similar bodies whether local, national or international. Grants receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, is recognised in income in the period in which it becomes receivable.

Grants are recognised when there is reasonable assurance that:

- The entity will adhere to the conditions which are attached to the grant, and
- The grant will be received.

Government grants received:

- Coronavirus Job Retention Scheme.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

CENTURION (PARC TAWE I) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based upon historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

- Management estimate the amount of rent expected to be received over the period of a lease. Where that lease includes rental steps or holiday periods the minimum contracted rents expected to be received are spread evenly over the period of the lease.
- Management also use judgement in considering whether outstanding trade debtors will be recoverable and provide against these debts where recoverability is considered uncertain
- The company's investment property is carried in the balance sheet at fair value. At 11 May 2022 an external independent valuation was undertaken by a professionally qualified external valuer and the directors do not consider the valuation at this date to be materially different to the valuation of the investment property as at 31 December 2021. The property was valued using the investment method of valuation. This approach involves applying market-derived capitalisation yields to future income streams with appropriate adjustments for income voids arising from vacancies or rent free periods. The capitalisation yields were derived from comparable property and leasing transactions and were considered key inputs. Other factors taken into account include the tenure of the property, tenancy details and structural conditions.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

2. Employees

	2021	2020
	Number	Number
Monthly average number of persons employed by the Company during the year	7	1

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3. Tangible assets

	Plant and machinery	Computer equipment	Total
	£	£	£
Cost			
At 01 January 2021	6,480	1,339	7,819
At 31 December 2021	6,480	1,339	7,819
Accumulated depreciation			
At 01 January 2021	1,297	335	1,632
Charge for the financial year	1,296	335	1,631
At 31 December 2021	2,593	670	3,263
Net book value			
At 31 December 2021	3,887	669	4,556
At 31 December 2020	5,183	1,004	6,187

4. Investment property

	Investment property
	£
Valuation	
As at 01 January 2021	20,000,000
Additions	536,709
Fair value movement	(536,709)
As at 31 December 2021	20,000,000

Valuation

A valuation of the investment property was undertaken on 11 May 2022 by an external independent valuer. The directors do not consider the valuation at this date to be materially different to the valuation of the investment property as at 31 December 2021.

Historic cost

If the investment properties had been accounted for cost accounting rules, the properties would have been measured as follows:

	2021	2020
	£	£
Historic cost	37,331,226	36,794,517

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5. Debtors

	2021	2020
	£	£
Trade debtors	624,625	679,144
Prepayments and accrued income	21,517	823
VAT recoverable	5,999	0
Other debtors	6,818	58,997
	658,959	738,964

6. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	17,510	59,141
Amounts owed to Group undertakings	21,889,913	21,417,384
Other creditors	519,316	498,679
Accruals and deferred income	290,243	379,428
Corporation tax	1,056	93,108
Other taxation and social security	0	83,084
	22,718,038	22,530,824

7. Called-up share capital

	2021	2020
	£	£
Allotted, called-up and fully-paid		
27,000,000 Ordinary shares of £ 1.00 each	27,000,000	27,000,000

8. Financial commitments

Commitments

The total amount of financial commitments not included in the balance sheet is £10,580,608 (2019 - £11,091,208) in respect of rent receivable under non-cancellable operating leases.

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9. Related party transactions

Transactions with owners holding a participating interest in the entity

At the year end the company owed £21,889,913 (2020 - £21,417,384) to its parent. Interest accrues on the loan at 3% and the loan is repayable on demand.

Other related party transactions

At the year end the company owed £518,079 (2020 - £450,000) to an entity connected by virtue of common control. The loan is interest free and repayable on demand.

10. Reserves

Other reserves represents a capital contribution reserve derived from the value of the waiver of an intercompany debt.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.