PORTH TEIGR MANAGEMENT COMPANY LIMTED
Registered in England and Wales No. 7706582

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Aviva: Public

Porth Teigr Management Company Limited
Registered in England and Wales No. 7706582

Contents

Porth Teigr Management Company Limited
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Director, Officers and Other Information

Director:

Peter Connolly

Company Secretary:

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Managing Agent:

Knight Frank LLP
55 Baker Street
London
EC3P 3DQ

Independent Auditors:

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Registered Office:

St Helen's
1 Undershaft
London
EC3P 3DQ

Porth Teigr Management Company Limited
Registered in England and Wales No. 7706582

Director's Report for the year ended 31 December 2018

The director presents his report and the audited financial statements for the Company for the year ended 31 December 2018.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

Peter Connolly
Luke Baker (appointed 28 September 2018 – resigned 13 May 2019)
Mark Nevitt (Resigned 20 May 2018).

Principal Activities

In 2007 the Welsh Ministers ("WM") planned to regenerate an area in Cardiff and engaged with Igloo Regeneration (General Partner) Limited ("IRGP") as the developer of Porth Teigr ("the Property"). Porth Teigr Management Company Limited ("PTMC") was incorporated in July 2011 and the principal activity of the company is the provision of estate management services for the Estate. Igloo Regeneration Partnership has a termination date of 30 June 2017 and an obligation to realise Partnership assets by 31 December 2018, which are subject to discussions with the Welsh Ministers and British Steel Pension Fund Trustee Limited. It is the intention of the Fund Manager of the Partnership and the Director of the Company to liquidate the Partnership and the Company at the earliest opportunity.

Review of the Company's Business

Financial Position and Performance

The financial position of the Company at 31 December 2018 is shown in the Statement of Financial Position on page 8, with the results shown in the Statement of Comprehensive Income on page 7 and the Statement of Cash Flows on page 10.

The net result for the year, as shown in the Statement of Comprehensive Income was £nil (2017: £nil). There was no interim dividend paid during the financial year (2017: £nil).

Future Outlook

Following the termination of the 2007 Development Agreement between WM and IRGP, the stipulations under the 2011 Forward Funding Agreement between IRGP and B.S. requires the ownership of the Company's shares to be transferred from IRGP to another company nominated by the WM. Although this has not occurred the director expects the parties to agree to waive this stipulation and has therefore determined that the Company will be liquidated within 12 months of the signing of these financial statements.

Going Concern

In accordance with his responsibility, the director has considered the appropriateness of the going concern basis for the preparation of the financial statements. The Company is planned to be liquidated within 12 months of the approving of the current year financial statements. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 2 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values or to provide for liabilities arising from the decision.

Creditor Payment Policy

It is the Company's policy to pay creditors when they fall due for payment. Terms of payment are agreed with suppliers when negotiating each transaction and the policy is to abide by those terms, provided that the suppliers also comply with all relevant terms and conditions.

Director's Report for the year ended 31 December 2018 (continued)

Employees

The Company had no employees during the year (2017: nil). The key management personnel have been identified as the director of the Company. The director received no remuneration (2017: £nil).

Disclosure of information to the auditors

Each person who was a Director of the Company on the date that this report was approved, confirms that

(a) so far as the director is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditors are unaware; and

(b) each Director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent Auditors

It is the intention of the director to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of section 487 of the Companies Act 2006.

Qualifying Indemnity Provisions

The director has the benefit of an indemnity provision contained in the Company's Articles of Association, subject to the conditions set out in the Companies Act 2006. This is a "qualifying third party indemnity" provision as defined in section 234 of the Companies Act 2006 and remains in force throughout the year and as at the date of approving the Director's Report.

Director's Report for the year ended 31 December 2018 (continued)

Statement of Director's Responsibilities in respect of the financial statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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. As explained in note 2 to the financial statements, the director does not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006.

The director is 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption in section 415A of the Companies Act 2006. A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities.

The financial statements on pages 7 to 21 were approved by the Board of Director on and signed on its behalf by:

P Connolly
Director
12 September 2019

Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

Independent auditors' report to the members of Porth Teigr Management Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, Porth Teigr Management Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the director's reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Director's Report.

Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

Independent auditors' report to the members of Porth Teigr Management Company Limited

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Statement of the Director's Responsibilities in respect of the financial statements set out on page 4, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that he give a true and fair view. The director is also responsible for such internal control as he 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of director's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the director is not entitled to: take advantage of the small companies exemption in preparing the Director's Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
12 September 2019

Statement of Comprehensive Income
For the year ended 31 December 2018

	Note(s)	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Income			
Service charge income	3	117,637	238,629
Expenses			
Service charge expenses	4	(105,224)	(196,236)
Other operating expenses	4,5	(12,413)	(42,393)
Profit before income tax		-	-
Income tax expense		-	-
Profit and total comprehensive income for the financial year		-	-

All amounts reported in the statement of comprehensive income for the year ended 31 December 2017 and 31 December 2018 relate to discontinuing operations.

There are no gains or losses other than those recognised above.

The notes on pages 11 to 21 form an integral part of these financial statements.

Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

Statement of Financial Position

As at 31 December 2018

	Note	2018 £	2017 £
Current Assets			
Receivables and other financial assets	8	12,002	16,755
Cash and cash equivalents		14,313	99,000
Total current assets		26,315	115,755
Current Liabilities			
Payables and other financial liabilities	9	(26,314)	(115,754)
Total current liabilities		(26,314)	(115,755)
Net assets		1	1
Equity			
Ordinary share capital	10	1	1
Total equity		1	1

These financial statements on pages 7 to 21 were approved by the Board of Director on 12 September 2019 and were signed on its behalf by:

P Connolly
Director

The notes on pages 11 to 21 form an integral part of these financial statements.

Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

Statement of Changes in Equity

For the year ended 31 December 2018

	Ordinary share capital Year ended 31 December 2018 £	Ordinary share capital Year ended 31 December 2017 £
Balance as at 1 January	1	1
Net result and total comprehensive income for the year	-	-
Balance as at 31 December	1	1

The notes on pages 11 to 21 form an integral part of these financial statements

Porth Teigr Management Company Limited
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Statement of Cash Flows
For the year ended 31 December 2018

	Year ended 31 December 2018	Year ended 31 December 2017
	£	£
Cash flows from operating activities		
Profit before income tax	-	-
Decrease in receivables and other financial assets	4,753	53,948
Decrease in payables and other financial liabilities	(89,440)	(54,773)
Net cash outflows from operating activities	(84,687)	(825)
Net decrease in cash and cash equivalents	(84,687)	(825)
Cash and cash equivalents at 1 January	99,000	99,825
Cash and cash equivalents at 31 December	14,313	99,000

The notes on pages 11 to 21 form an integral part of these financial statements.

1. General Information

The Company is incorporated as private company limited by shares in the United Kingdom under The Companies Act 2006. The address of the registered office is St Helen's, 1 Undershaft, London, United Kingdom, EC3P 3DQ. The nature of the Company's operations and its principal activity is the provision of estate management services for Porth Teigr, a property in Cardiff developed by Igloo Regeneration Partnership, which is owned by British Steel Pension Fund.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and Companies Act 2006, using the accounting policies as set out below, which have been applied consistently throughout the period.

Statement of compliance
The Company has opted to prepare financial statements in accordance with EU endorsed International Financial Reporting Standards, IFRICs interpretations and Companies Act 2006. The Company's financial statements have been prepared in accordance with IFRS applicable at 31 December 2018.

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

Changes in accounting policies and disclosures

New and amended standards adopted by the Company and interpretations

The following standards and amendments have been adopted by the Company for the first time for the financial year beginning on 1 January 2018:

- IFRS 9, *Financial instruments*
- IFRS 15, *Revenue from Contracts with Customers*

The Company had to change its accounting policies following the adoption of IFRS 9 and IFRS 15.

IFRS 9 *Financial instruments*

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

(a) Classification and measurement
The adoption of IFRS 9, *Financial instruments*, from 1 January 2018 did not result in any significant impact in the classification and measurement of financial instruments in the financial statements. Under IFRS 9, financial assets are subsequently measured at fair value through profit or loss, amortised cost, or at fair value through other comprehensive income.

The Company's financial assets include mainly trade and other receivables which are measured at amortised cost. The classification of financial liabilities remains largely the same as under IAS 39.

Accounting policies (continued)
Changes in accounting policies and disclosures (continued)

New and amended standards adopted by the Company and interpretations (continued)
(b) Impairment
The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

For trade receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has applied the expected credit loss model that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company has adopted IFRS 15, *Revenue from Contracts with Customers*, from 1 January 2018.

As a result of the retrospective adoption of IFRS 15, there was no impact to net income, shareholders' equity or cash flows from the adoption of this standard and also no adjustment to opening retained earnings on the date of adoption of this standard.

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standard and Interpretation which has not been applied in these financial statements was in issue but not yet effective:

Standard/interpretation	Content	Applicable for financial years beginning on/after
IFRS 16	Leases	1 January 2019

The Director have performed an assessment and does not expect that the adoption of the standard listed above will have a material impact on the financial statements of the Company in future periods as the company does not have any leases.

Accounting policies (continued)

Critical accounting estimates and assumptions

The preparation of financial statements requires the director to make estimates and assumptions that affect items reported in the Statement of Financial Position, Statement of Comprehensive Income and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on management's best knowledge of current facts, circumstances and to, some extent, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

The director does not consider any particular item susceptible to changes in estimates and assumptions.

Going Concern

In accordance with his responsibility, the director has considered the appropriateness of the going concern basis for the preparation of the financial statements. The Company is planned to be liquidated within 12 months of the approving of the current year financial statements. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in these financial statements to reduce assets to their realisable values or to provide for liabilities arising from the decision.

Strategic report

A strategic report has not been included in these audited financial statements as the Company qualifies for exemption as a small entity under Section 414B of the Companies Act 2006 relating to small entities. The Directors' report has been prepared with reduced disclosures in accordance with the provisions applicable to companies entitled to the small companies exemption in section 415A of the Companies Act 2006.

Service charge income and expenditure

The Company's service charge income and service charge expenses arise from its property management activity, which is performed in the United Kingdom. Such activities include the provision of cleaning and security services. Income is earned through the levy of charges to the tenants as well as for management fees. The service charge accounts are prepared and audited separately from these financial statements. The service charge income is recognised when the services are rendered and the service charge expenses are recognised when they are incurred.

Other operating expenses

Other operating expenses are costs such as statutory audit fees and property management fees. Operating expenses are recognised when they are incurred.

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand and deposits held at call with banks. For the purposes of the Statement of Cash Flows, cash and cash equivalents also include any bank overdrafts, which are included within payables and other financial liabilities on the Statement of Financial Position.

Accounting policies (continued)

Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is more probable than not. Contingent liabilities are disclosed if the future obligation is probable and the amount cannot be reasonably estimated.

Financial instruments

(i) Financial assets

In accordance with IFRS 9, 'Financial Instruments', financial assets are classified as financial assets at fair value through profit or loss or financial assets at amortised cost, as appropriate. The classification of financial assets is determined at initial recognition.

The Company's financial assets at amortised cost include receivables and other financial assets and cash and cash equivalents.

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition. In the current year these financial assets are recognised at net realisable value following the financial statements being prepared on a basis other than a going concern.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.
The Company's financial assets consist of loans and receivables.

Receivable and other financial assets
Financial assets recognised in the statement of financial position as receivables and other financial assets are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. In the current year these financial assets are recognised at net realisable value following the financial statements being prepared on a basis other than a going concern.

Cash and cash equivalents
Cash and cash equivalents are also classified as loans and receivables. They are subsequently measured at amortised cost. Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Impairment
The Company assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit

Accounting policies (continued)

Financial instruments (continued)

losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in income statement.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Company transfers substantially all risks and rewards of ownership.

(ii) Financial liabilities

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or at amortised cost, as appropriate. The Company's financial liabilities consist of trade and other payables. They are classified as being measured at amortised cost in accordance with IFRS 9.

In the current year financial liabilities included in trade and other payables are recognised at fair value following the financial statements being prepared on a basis other than a going concern.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in payables and other financial liabilities are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally 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.

Community Fund

The Company's Community Fund ("the Fund") represents monies collected through the service charge, for the benefit of the local community of the Porth Teigr area. Grants from the Fund are agreed by a management group made up of individuals from the local community, business and other representatives. The aim of the group is the promotion of the Porth Teigr Estate, the development of community cohesion throughout the Porth Teigr Estate, its integration with the local community and making a positive contribution to the wider neighbourhood and community of Porth Teigr. The Community Fund is recognised at cost and accrued for as a liability in the Statement of Financial Position until grants are made.

Accounting policies (continued)
Taxation

Current Tax
Taxation is based on the profits and income for the period as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior periods. Tax payable is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current taxation is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the current tax is recognised in the Statement of Comprehensive Income, or equity, as applicable.

Deferred Tax
Deferred taxation is recognised on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax rates used are the rates that have been enacted or substantively enacted at the balance sheet date. Full provision is made for the deferred tax liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against of which the temporary differences can be utilised.

Deferred taxation is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the deferred taxation is recognised in the Statement of Comprehensive Income, or equity, as applicable.

3. Service Charge Income

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Service charge income	117,637	238,629
	117,637	238,629

4. Expenses

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Service charge expenses	105,224	196,236
Other operating expenses	12,413	42,393
	117,637	238,629

The Company had no employees in the current and prior year. The Directors received no emoluments for services to the Company for the financial year (2017: £nil)

5. Auditors' remuneration

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Audit services	6,721	6,559
	6,721	6,559

Auditors' remuneration is included within other operating expenses. During the year no non-audit fees were paid to the statutory auditors.

6. Directors' emoluments

The directors received no emoluments from the Company in respect of services to the Company during the year (2017: nil).

7. Taxation

The company would ordinarily be subject to tax at the main rate of 19% As the company has made no profit or loss before tax and there are no tax adjusting items to be made there will be no tax to pay. A tax reconciliation has therefore been omitted from the notes.

The company had no recognised or unrecognised deferred tax assets and liabilities at the statement of financial position date.

8. Receivables and other financial assets

	2018 £	2017 £
Trade and other receivables	189	4,272
Amounts due from Igloo Regeneration Partnership	11,813	-
Prepayments	-	1,035
VAT	-	11,448
	12,002	16,755
Recoverable in less than one year	12,002	16,755

Concentrations of credit risk with respect to receivables are limited due to the size and spread of the company's trading base.

There was no material past due or impaired receivables as at 31 December 2018 (2017: £nil).

The carrying value of the trade and other receivables are unsecured, interest free, payable on demand and due from debtors with no indication of default or impairment to date.

Notes to the Financial Statements (continued)
For the year ended 31 December 2018

9. Payables and other financial liabilities

	2018	2017
	£	£
Service charge creditors	24,470	62,710
Deferred income	-	41,158
Community Fund	-	11,887
VAT	1,845	-
	26,315	115,754
Expected to be settled within one year	26,315	115,754

10. Ordinary share capital

	2018	2017
	£	£
Allotted, called up and fully paid share capital of the Company at 31 December:	1	1
1 (2017: 1) Ordinary B share of £1	1	1

10. Related party transactions

(a) Services provided by related parties

During the year the Company recorded a debtor of £11,813 which Igloo Regeneration Partnership has confirmed it will provide the funds for (2017: nil).

(b) Parent and ultimate controlling undertaking

The Company is owned by Igloo Regeneration (General Partner) Limited which is owned 50% by Norwich Union (Shareholder GP) Limited, 25% by Igloo Regeneration Limited and 25% by Barclays Funds Investments Limited. No party has overall control of Igloo Regeneration (General Partner) Limited.

Norwich Union (Shareholder GP) Limited is a wholly owned subsidiary of the Aviva plc group of companies.

Copies of the financial statements of Aviva plc, Igloo Regeneration Limited and Barclays Funds Investments Limited are publicly available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

11. Principal risks and uncertainties

A description of the principal risks and uncertainties facing the Company and the Company's risk and capital management policies are set out below:

(a) Approach to risk and capital management

Aviva plc and subsidiaries ("Aviva Group") operates within its own governance structure and priority framework. They also have their own established governance framework, with clear terms of reference for the Board and the Aviva Executive committee and a clear organisation structure, with documented delegated authorities and responsibilities (largely through role profiles). Aviva has an Audit Committee, which includes shareholder representatives.

The Company's objectives when managing capital are to safeguard the Company's ability to continue operations till the date of liquidation in order to provide returns for its shareholder and benefits for other stakeholders and to optimise the balance between return and risk.

In managing capital, the Company seeks to:

- Maintain sufficient, but not excessive, financial strength in accordance with risk appetite, to support new developments and investments and satisfy the requirements of its regulators and other stakeholders giving both its customers and shareholders assurance of its financial strength;
- Optimise its overall capital structure to enhance returns to its shareholder, subject to its capital risk appetite and balancing the requirements of the different stakeholders;
- Retain financial flexibility by maintaining strong liquidity, including significant unused credit facilities and access to a range of capital markets; and
- Declare dividends with reference to factors including growth in cash flows and earnings.

Details of the Group approach to capital management are set out in the Aviva plc Annual Report and Accounts 2018, available at http://www.aviva.com/investors/reports/.

(b) Management of financial and non-financial risks

The Company's exposure to different types of risk is limited by the nature of its business as follows:

(i) Operational risk

Operational risk arises as a result of inadequate or failed internal processes, people or systems; or from external events. Details of the Group approach to operational risk are set out in the Aviva plc Annual Report and Accounts 2018, available at http://www.aviva.com/investors/reports/.

(ii) Liquidity risk

Liquidity risk is managed by ensuring that there is always sufficient headroom available to meet the working capital requirements of the business.

(iii) Credit risk

Credit risk is the risk of financial loss as a result of the failure of third parties to pay their obligations to the Company. The Company's maximum exposure to credit risk is associated with its associated with its receivables and other financial assets and cash and cash equivalents.

Cash and cash equivalent are funds held by Knight Frank LLP, entity with no history of default, on behalf of the Company.

The Company's interests are managed by agents who have responsibility for the prompt collection of amounts due.

Porth Teigr Management Company Limited
Registered in England and Wales No. 7706582

Notes to the Financial Statements (continued)
For the year ended 31 December 2018

11. Principal risks and uncertainties (continued)

(b) Management of financial and non-financial risks (continued)

31 December 2018	Less than 1 year £	From 1 to 5 years £	After 5 years £	Total £
Financial assets				
Trade and other receivables	189	-	-	189
Amounts due from Igloo Regeneration Partnership	11,813	-	-	11,813
Cash and cash equivalents	14,313	-	-	14,313
Total financial assets	26,315	-	-	26,315
Financial liabilities				
Service charge creditors	(24,470)	-	-	(24,470)
Total financial liabilities	(24,470)	-	-	(24,470)

31 December 2017	Less than 1 year £	From 1 to 5 years £	After 5 years £	Total £
Financial assets				
Trade and other receivables	16,755	-	-	16,755
Cash and cash equivalents	99,000	-	-	99,000
Total financial assets	115,755	-	-	115,755
Financial liabilities				
Service charge creditors	(62,710)	-	-	(62,710)
Community Fund	(11,887)	-	-	(11,887)
Total financial liabilities	(74,597)	-	-	(74,597)

12. Subsequent events

Post year end Director has resolved to liquidate the company within 12 months from approving these financial statements and there were no adjustments were necessary in these financial statements to reduce assets to their realisable values or to provide for liabilities arising from the decision.