

**PORTH TEIGR MANAGEMENT COMPANY LIMITED**

**Registered in England and Wales No. 7706582**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE  
18 MONTH PERIOD ENDED 30 JUNE 2020**



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

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# **Porth Teigr Management Company Limited**

**Registered in England and Wales No. 7706582**

## **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 period ended 30 June 2020**

The director presents his report and the audited financial statements for the Company for the 18 month period ended 30 June 2020. The accounting period was extended to offer more time to put the Company into liquidation.

### **Directors**

The directors of the company who were in office during the period 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)

### **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 regenerated area. The property assets of Igloo Regeneration Partnership have been realised. There are ongoing discussions with the Welsh Ministers and British Steel Pension Fund Trustee Limited as it is still 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 30 June 2020 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.

#### **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 British Steel requires the ownership of the Company's shares to be transferred from IRGP to another company nominated by the WM. There are ongoing discussions on this point with the objective that the Company will be liquidated within 12 months of the signing of the current period financial statements.

#### **Going Concern**

The Director intends to liquidate the Company within the next 12 months and therefore these financial statements continue to be prepared on a basis other than going concern. No further adjustments from the prior year were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

#### **Employees**

The Company had no employees during the period (2018: nil). The key management personnel have been identified as the director of the Company. The director received no remuneration (2018: £nil).

# **Porth Teigr Management Company Limited**

**Registered in England and Wales No. 7706582**

## **Director's Report for the period ended 30 June 2020 (continued)**

### **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. This indemnity is a 'qualifying third party indemnity' for the purposes of sections 309A to 309C of the Companies Act 1985 and remains in force as at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 (which continue to apply in relation to any provision made before 1 October 2007). This indemnity is a 'qualifying third party indemnity' for the purpose of Sections 309A to 309C of the Companies Act 1985.

# **Porth Teigr Management Company Limited**

**Registered in England and Wales No. 7706582**

## **Director's Report for the period ended 30 June 2020 (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 accounting standards in conformity with the requirements of the Companies Act 2006. In preparing the financial statements, the director has also elected to comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IFRSs as issued by IASB).

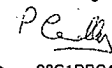
Under company law, a director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs issued by IASB 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.

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.

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 them to ensure that the financial statements comply with the Companies Act 2006.

The financial statements on pages 7 to 20 were approved by the Director:

DocuSigned by:  
  
98C1DBC4D95741A...  
P Connolly  
Director  
21 June 2021  
21 June 2021

# **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**

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#### **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 30 June 2020 and of its result and cash flows for the 18 month period (the "period") then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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 30 June 2020; the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the 18 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **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.

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#### **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 directors' reasons why the financial statements have been prepared on a basis other than going concern.

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#### **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 directors are 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 period ended 30 June 2020 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 (continued)**

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Director's Responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### *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](http://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.

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## **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 directors' 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.

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### **Entitlement to exemptions**

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



Thomas Norrie (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
21 June 2021



# Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

## Statement of Comprehensive Income

For the 18 month period ended 30 June 2020

	Note(s)	18 months ended 30 June 2020 £	Year ended 31 December 2018 £
<b>Income</b>			
Service charge income	3	10,359	117,637
<b>Expenses</b>			
Service charge expenses	4	45	(105,224)
Other operating expenses	4,5	(10,404)	(12,413)
<b>Result before income tax</b>		-	-
Income tax expense	7	-	-
<b>Result and total comprehensive income for the financial year</b>		-	-

All amounts reported in the statement of comprehensive income for the year ended 31 December 2018 and 18 months ended 30 June 2020 relate to discontinuing operations.

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

The notes on pages 11 to 20 form an integral part of these financial statements.

# Porth Teigr Management Company Limited

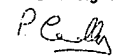
Registered in England and Wales No. 7706582

## Statement of Financial Position

As at 30 June 2020

		At 30 June 2020	At 31 December 2018
	Note	£	£
<b>Current Assets</b>			
Receivables and other financial assets	8	13,719	12,002
Cash and cash equivalents		3,993	14,313
<b>Total current assets</b>		<u>17,712</u>	<u>26,315</u>
<b>Current Liabilities</b>			
Payables and other financial liabilities	9	<u>(17,711)</u>	<u>(26,314)</u>
<b>Total current liabilities</b>		<u>(17,711)</u>	<u>(26,314)</u>
<b>Net assets</b>		<u><u>1</u></u>	<u><u>1</u></u>
<b>Equity</b>			
Ordinary share capital	10	<u>1</u>	<u>1</u>
<b>Total equity</b>		<u><u>1</u></u>	<u><u>1</u></u>

These financial statements on pages 7 to 20 were approved by the Director on 21 June 2021 and signed by:

DocuSigned by:  
  
 98C1DBC4D95741A...  
 P Connolly  
 Director  
 21 June 2021

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

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

**Statement of Changes in Equity**  
**For the 18 month period ended 30 June 2020**

	Ordinary share capital
	£
Balance as at 1 January 2018	1
Net result and total comprehensive income for the year	-
Balance as at 31 December 2018	<u>1</u>
Balance as at 1 January 2019	1
Net result and total comprehensive income for the 18 month period	-
Balance as at 30 June 2020	<u>1</u>

The notes on pages 11 to 20 form an integral part of these financial statements

# Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

## Statement of Cash Flows

For the 18 month period ended 30 June 2020

	18 Months ended 30 June 2020 £	Year ended 31 December 2018 £
<b>Cash flows from operating activities</b>		
Result before income tax	-	-
(Increase)/decrease in receivables and other financial assets	(1,717)	4,753
Decrease in payables and other financial liabilities	(8,603)	(89,440)
<b>Net cash outflows from operating activities</b>	(10,320)	(84,687)
<b>Net decrease in cash and cash equivalents</b>	(10,320)	(84,687)
Cash and cash equivalents at 1 January	14,313	99,000
<b>Cash and cash equivalents at 30 June and 31 December</b>	<b>3,993</b>	<b>14,313</b>

The notes on pages 11 to 20 form an integral part of these financial statements.

# Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

## Notes to the Financial Statements (continued)

For the 18 months ended 30 June 2020

### 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 basis other than going concern under the historical cost convention in accordance with International Accounting Standards in conformity with the requirements of the 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

#### *Accounting period extension*

The accounting period was extended to 18 months to offer more time to place the Company in liquidation. These Financial Statements have been prepared for a long period from 1 January 2019 to 30 June 2020 to comply with the UK tax filing regulations. The comparative information is for the year ended 31 December 2018.

The functional and presentational currency of the Company is the Pound Sterling "GBP".

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 period beginning on 1 January 2019. The Director does not expect that the adoption of the standard listed below would have a material impact on the financial statements of the Company in future periods due to the impending liquidation of the Company.

- IFRS 3, *Business Combinations – a definition of a business*
- IAS 1 – *Presentation of Financial Statements*
- IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*

#### New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

# **Porth Teigr Management Company Limited**

**Registered in England and Wales No. 7706582**

## **Notes to the Financial Statements (continued)**

**For the 18 months ended 30 June 2020**

### **Accounting policies (continued)**

<b>Standard/interpretation</b>	<b>Content</b>	<b>Applicable for financial years beginning on/after</b>
IFRS 9, IAS 9 and IFRS 7	Amendments - Interest Rate Benchmark Reform – Phase 2	1 January 2021
IAS 16	Amendments – Proceeds before intended use	1 January 2022
IFRS 17	Insurance Contracts	1 January 2023
IAS 1	Amendments – Classification of liabilities as current or non current	1 January 2023

The Director 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 due to the impending liquidation of the Company. There are no other standards or interpretations that are not yet effective that would be expected to have a material impact on the Company.

### **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**

The Director intends to liquidate the Company within the next 12 months and therefore these financial statements continue to be prepared on a basis other than going concern. No further adjustments from the prior year were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

### **Strategic and Director's 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 Director's 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.

# Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

## Notes to the Financial Statements (continued)

For the 18 months ended 30 June 2020

### Accounting policies (continued)

#### 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.

#### 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 the Statement of Comprehensive Income, 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.

# Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

## Notes to the Financial Statements (continued)

For the 18 months ended 30 June 2020

### Accounting policies (continued)

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 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.



# Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

## Notes to the Financial Statements (continued)

### For the 18 months ended 30 June 2020

#### Accounting policies (continued)

##### (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.

#### 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

	18 months ended 30 June 2020	Year ended 31 December 2018
	£	£
Service charge income	10,359	117,637
	<u>10,359</u>	<u>117,637</u>

### 4. Expenses

	18 months ended 30 June 2020	Year ended 31 December 2018
	£	£
Service charge expenses	(45)	105,224
Other operating expenses	10,404	12,413
	<u>10,359</u>	<u>117,637</u>

# Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

## Notes to the Financial Statements (continued)

For the 18 months ended 30 June 2020

The Company had no employees in the current and prior year. The Directors received no emoluments for services to the Company for the financial period (2018: £nil)

### 5. Auditors' remuneration

	18 months ended 30 June 2020	Year ended 31 December 2018
	£	£
Audit services	8,520	6,721
	<u>8,520</u>	<u>6,721</u>

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 period (2018: 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

	2020	2018
	£	£
Trade and other receivables	189	189
Amounts due from Igloo Regeneration Partnership	13,530	11,813
VAT	-	-
	<u>13,719</u>	<u>12,002</u>
Recoverable in less than one year	<u>13,719</u>	<u>12,002</u>

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 30 June 2020 (31 December 2018: £nil).

# Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

## Notes to the Financial Statements (continued)

For the 18 months ended 30 June 2020

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

9. Payables and other financial liabilities	2020	2018
	£	£
Service charge creditors	15,866	24,470
VAT	1,845	1,845
	<u>17,711</u>	<u>26,315</u>
Expected to be settled within one year	<u>17,711</u>	<u>26,315</u>

### 10. Ordinary share capital

	2020	2018
	£	£
Allotted, called up and fully paid share capital of the Company at 30 June and 31 December	1	1
1 (2018: 1) Ordinary B share of £1	<u>1</u>	<u>1</u>

### 11. Related party transactions

#### (a) Services provided by related parties

During the period the Company recorded a debtor of £13,530 which Igloo Regeneration Partnership has confirmed it will provide the funds for (2018: 11,813).

#### (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.

# **Porth Teigr Management Company Limited**

## **Registered in England and Wales No. 7706582**

### **Notes to the Financial Statements (continued)**

#### **For the 18 months ended 30 June 2020**

#### **12. 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 2019, 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 receivables and other financial assets and cash and cash equivalents.

# Porth Teigr Management Company Limited

Registered in England and Wales No. 7706582

## Notes to the Financial Statements (continued)

### For the 18 months ended 30 June 2020

#### 12. Principal risks and uncertainties (continued)

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.

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

	Less than 1 year £	From 1 to 5 years £	After 5 years £	Total £
<b>30 June 2020</b>				
<b>Financial assets</b>				
Trade and other receivables	189	-	-	189
Amounts due from Igloo Regeneration Partnership	13,530	-	-	13,530
Cash and cash equivalents	3,993	-	-	3,993
<b>Total financial assets</b>	<b>17,712</b>	<b>-</b>	<b>-</b>	<b>17,712</b>
<b>Financial liabilities</b>				
Service charge creditors	(15,866)	-	-	(15,866)
<b>Total financial liabilities</b>	<b>(15,866)</b>	<b>-</b>	<b>-</b>	<b>(15,866)</b>
<b>31 December 2018</b>				
<b>Financial assets</b>				
Trade and other receivables	189	-	-	189
Amounts due from Igloo Regeneration Partnership	11,813	-	-	11,813
Cash and cash equivalents	14,313	-	-	14,313
<b>Total financial assets</b>	<b>26,315</b>	<b>-</b>	<b>-</b>	<b>26,315</b>
<b>Financial liabilities</b>				
Service charge creditors	(24,470)	-	-	(24,470)
<b>Total financial liabilities</b>	<b>(24,470)</b>	<b>-</b>	<b>-</b>	<b>(24,470)</b>

# **Porth Teigr Management Company Limited**

**Registered in England and Wales No. 7706582**

## **Notes to the Financial Statements (continued)**

**For the 18 months ended 30 June 2020**

### **13. Subsequent events**

Post year end the Director has initiated proceedings 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.