

Parc Eirin Development Company Limited

Audited Financial Statements for the Year Ended 31 March 2020

Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

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for the Year Ended 31 March 2020**

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Parc Eirin Development Company Limited

**Company Information
for the Year Ended 31 March 2020**

Directors:

A C Crompton
P A Edwards
K V Haines
L J Lovell
E B Melhuish
H Warren

Registered office:

7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Registered number:

08741560 (England and Wales)

Auditors:

Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Balance Sheet
31 March 2020

	Notes	2020 £	2019 £
Current assets			
Debtors	4	375,244	555,100
Cash at bank		<u>2,336</u>	<u>2,174</u>
		377,580	557,274
Creditors			
Amounts falling due within one year	5	<u>(3,912)</u>	<u>(179,477)</u>
Net current assets		<u>373,668</u>	<u>377,797</u>
Total assets less current liabilities		373,668	377,797
Creditors			
Amounts falling due after more than one year	6	<u>(1,128,956)</u>	<u>(1,106,541)</u>
Net liabilities		<u>(755,288)</u>	<u>(728,744)</u>
Capital and reserves			
Called up share capital	8	100	100
Retained earnings	9	<u>(755,388)</u>	<u>(728,844)</u>
Shareholders' funds		<u>(755,288)</u>	<u>(728,744)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2020 and were signed on its behalf by:

A C Crompton - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2020**

1. Statutory information

Parc Eirin Development Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of land, construction and property services to customers.

Revenue from the sale of land is recognised when the company has transferred to the buyer the significant risks and rewards of ownership.

The company recognises revenue from the rendering of services by reference to the stage of completion of the transaction at the end of the reporting period.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

2. Accounting policies - continued

Going concern

The Board is aware that due to the nature of the development project where a significantly large amount of cost is expended ahead of earning any revenue income, the company will report accounting losses until revenue income is generated. The long-term projections show that the scheme will generate a surplus when completed. The Board also receives cash flow projections and update on funding agreements (short term and long term) as part of periodic financial reporting package.

In the unlikely event that the Board considers the scheme to be undeliverable, then the company has the option to sell the residual land to Pobl at an agreed price which will enable the repayment of the WG loan.

As with any such project, there is some level of material uncertainty, but the directors are confident that should the project fail to go ahead, the Company will be able to meet its liabilities as they fall due.

Tirion Group Limited (Group), the parent, has taken steps to alter or reduce normal business activity to help control the spread of the outbreak of the COVID-19 pandemic, to minimise the impact across the Group. The management, working in partnership with the contractors and advisors, have conducted a review of the Group's business risks that are potentially exposed. This analysis did not identify any areas that would be likely to represent a substantial challenge to the Group's business model sustainability.

Based on the above, the Directors consider that the Company is financially viable and can meet its liabilities as they fall due and therefore these financial statements have been prepared on a going concern basis.

3. Employees and directors

The average number of employees during the year was 6 (2019 - 6) .

4. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>25,244</u>	<u>205,100</u>
Amounts falling due after more than one year:		
Trade debtors	<u>350,000</u>	<u>350,000</u>
Aggregate amounts	<u>375,244</u>	<u>555,100</u>

5. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	13,456
VAT	-	125,146
Accrued expenses	<u>3,912</u>	<u>40,875</u>
	<u>3,912</u>	<u>179,477</u>

6. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans - 1-2 years	-	1,106,541
Other loans - 2-5 years	<u>1,128,956</u>	<u>-</u>
	<u>1,128,956</u>	<u>1,106,541</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

7. **Secured debts**

The following secured debts are included within creditors:

	2020 £	2019 £
Other loans	<u>1,128,956</u>	<u>1,106,541</u>

The loan is from the Welsh Government and is dated 3 July 2020, this loan supersedes the both the revised loan agreement dated 30 March 2017 and the original loan agreement dated 30 March 2013. The interest is calculated on a compound basis with reference to the European Reference rates together with a 1% margin. The interest rate together with the 1% margin totalled 1.94% at 31 March 2020 (2019: 2.09%).

The repayment of the loan is set by the company reaching key milestone events.

The loan of £1 million plus accrued interest is due for repayment based on the earlier of several different key events but no earlier than 30 April 2024 and therefore this has been classified as falling due for repayment within 2 to 5 years.

The loan is secured on the Parc Eirin site and the cash balances within the company.

8. **Called up share capital**

Allotted and issued: Number:	Class:	Nominal value:	2020 £	2019 £
100	Share capital 1	1	<u>100</u>	<u>100</u>

9. **Reserves**

	Retained earnings £
At 1 April 2019	(728,844)
Deficit for the year	<u>(26,544)</u>
At 31 March 2020	<u>(755,388)</u>

10. **Disclosure under Section 444(5B) of the Companies Act 2006**

The Report of the Auditors was unqualified.

Stephen Lucey (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

10. **Disclosure under Section 444(5B) of the Companies Act 2006 - continued**

Material uncertainty related to going concern

We draw attention to note 2, 'Going concern', in the financial statements. As at 31 March 2020, the company's total liabilities exceeded its total assets by £755,288. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

The impact of uncertainties due to COVID -19 on our audit

The Directors' view on the impact of COVID-19 is disclosed within the report of the directors.

Uncertainties relating to the effects of COVID -19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of assets, appropriateness of the going concern basis of preparation of the financial statements and associated disclosures. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

The COVID -19 viral pandemic is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We have applied a standardised approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to the COVID -19 pandemic.

11. **Ultimate parent company**

The ultimate parent company and controlling party is Tirion Group Limited, which prepares group financial statements incorporating the financial statements of the company. A Copy of these can be obtained from the charity's registered office at 7 Neptune Court, Vanguard Way, Cardiff, Wales, CF24 5PJ.

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.