

Ely Bridge 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

**Contents of the Financial Statements
for the Year Ended 31 March 2020**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Ely Bridge 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:

08010561 (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 £
Fixed assets			
Tangible assets	4	548	-
Current assets			
Stocks	5	5,379,339	3,164,749
Debtors	6	2,437,417	5,194,797
Cash at bank and in hand		525,729	1,119,107
		<u>8,342,485</u>	<u>9,478,653</u>
Creditors			
Amounts falling due within one year	7	<u>(4,384,873)</u>	<u>(1,546,371)</u>
Net current assets		<u>3,957,612</u>	<u>7,932,282</u>
Total assets less current liabilities		<u>3,958,160</u>	<u>7,932,282</u>
Creditors			
Amounts falling due after more than one year	8	<u>(9,264,892)</u>	<u>(13,425,023)</u>
Net liabilities		<u>(5,306,732)</u>	<u>(5,492,741)</u>
Reserves			
Income and expenditure account	10	<u>(5,306,732)</u>	<u>(5,492,741)</u>
		<u>(5,306,732)</u>	<u>(5,492,741)</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 24 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

Ely Bridge Development Company Limited is a private company, limited by guarantee, 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.

Other operating income

Other operating income represents amounts chargeable, net of value added tax, in respect of the provision of back office support services to related companies under common control and other sundry invoices. It is recognised as these services are provided.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Computer equipment - 33.3% on cost

Stocks

Work in progress represents amounts recoverable on contracts in which income is recognised by stage of completion.

When the outcome cannot be reliably measured, all costs are expensed and revenue is only recognised to the extent that it is probable that costs are recoverable.

When it is probable that a loss will occur on a contract, this is recognised in full immediately as an onerous contract provision.

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.

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

2. Accounting policies - continued

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

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 significant accounting losses until revenue income is generated. The long-term projections monitored via regular review of the development tracker, shows 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.

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 8 (2019 - 7) .

4. Tangible fixed assets

	Computer equipment £
Cost	
Additions	822
At 31 March 2020	<u>822</u>
Depreciation	
Charge for year	274
At 31 March 2020	<u>274</u>
Net book value	
At 31 March 2020	<u><u>548</u></u>

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

5.	Stocks		
		2020	2019
		£	£
	Work-in-progress	<u>5,379,339</u>	<u>3,164,749</u>
6.	Debtors		
		2020	2019
		£	£
	Amounts falling due within one year:		
	Trade debtors	11,847	-
	Amounts owed by participating interests	1,638,247	-
	Other debtors	1,101	821
	VAT	<u>8,738</u>	<u>-</u>
		<u>1,659,933</u>	<u>821</u>
	Amounts falling due after more than one year:		
	Trade debtors	343,000	4,000,000
	Amounts owed by group undertakings	<u>434,484</u>	<u>1,193,976</u>
		<u>777,484</u>	<u>5,193,976</u>
	Aggregate amounts	<u>2,437,417</u>	<u>5,194,797</u>
7.	Creditors: amounts falling due within one year		
		2020	2019
		£	£
	Other loans	2,850,305	-
	Trade creditors	727,773	600,787
	Amounts owed to participating interests	160,230	495,841
	Social security and other taxes	8,280	5,701
	VAT	-	82,688
	Other creditors	481	-
	Accrued expenses	<u>637,804</u>	<u>361,354</u>
		<u>4,384,873</u>	<u>1,546,371</u>
8.	Creditors: amounts falling due after more than one year		
		2020	2019
		£	£
	Other loans due in 1 - 2 years	-	11,592,273
	Other loans - 2-5 years	<u>9,264,892</u>	<u>1,832,750</u>
		<u>9,264,892</u>	<u>13,425,023</u>

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

9. Secured debts

The following secured debts are included within creditors:

	2020 £	2019 £
Other loans	12,115,197	13,425,022

Loans outstanding

	Total			Total	
Counterparty	Due within 1 year £	Due within 1-2 years £	Due after more 2-5 years £	2020 £	2019 £
Principality Building Society	2,850,305	-	-	2,850,305	4,344,077
Welsh Government	-	-	9,264,892	9,264,892	9,080,945
	<u>2,850,305</u>	<u>-</u>	<u>9,264,892</u>	<u>12,115,197</u>	<u>13,425,022</u>

Principality Building Society:

The construction loan of £2,850,305 owed to Principality Building Society is due on or before 31 October 2020. The interest rate applicable to this borrowing is three month LIBOR plus 3.5%.

The loan is secured by way of fixed charges numbered 0801 0561 0005, 0801 0561 0006 and 0801 0561 0007 over the freehold land known as Ely Mill, Canton, Cardiff dated 2 September 2015 and 26 October 2017.

Welsh Government:

The loan for £9,264,892 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 loan of £8.08 million plus accrued interest is due for repayment based on the earlier of several different key events but no later 31 March 2024 and therefore the loan has been classified as falling due for repayment within 2 - 5 years.

The loan is secured on the Ely Bridge site and the cash balances within the company, together with charges over the completed properties at the Mill site which have been transferred within the Group.

10. Reserves

	Income and expenditure account £
At 1 April 2019	(5,492,741)
Surplus for the year	186,009
At 31 March 2020	<u>(5,306,732)</u>

11. 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**

11. 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 £5,306,732. 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 accounting policies note.

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.

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

12. Contingent liabilities

On the 27th August 2015 the company entered in to an agreement with the Cardiff City Council to pay £2,000,000 pursuant to Section 106 Town and Country Planning Act 1990 relating to Land at Ely Bridge. A sum of £500,000 (25%) was paid during 2018/19, a further sum of £500,000 (25%) was paid during 2019/20 and the remaining balance is payable as follows:

- 25% prior to the date of occupation of the last dwelling within phase C or if earlier 30 September 2021 and
- the final 25% prior to the date of occupation of the last dwelling within phase D or if earlier 30 June 2023.

In addition to the education payment, the Section 106 agreement requires EBDC to construct a Community Facility and provide other facilities for the benefit of the community. Total estimated cost of these obligations is £760,000. Cardiff City Council has agreed to extend the deadline for constructing the Community Facility from 30 June 2019 to 30 June 2023.

As at 31 March 2020, the conditions to make a payment, or provide the community facilities, had not been met and therefore there was no liability arising in the balance sheet.

On 17th August 2016, the company entered into an agreement with Cardiff Council under Section 278 and Section 38 of the Highway Act 1980 for the execution of Highway works at Ely Mill (Southern Access). The total estimated cost of this obligation is £145,500.

As at 31 March 2020, the conditions to make further payments have not been met and therefore there was no liability arising.

In addition to the section 38 of the Highway Act 1980 above, the following side agreements have been entered into:

Spine Road

On 28th April 2016, the company entered into a side agreement with Cardiff Council in relation to highway works on Ely Mill, Cardiff - Spine Road. The Spine Road Side Agreement obliges the relevant parties to complete the Section 38 Agreement and Bond once the Council has confirmed that the highway works have been completed to enable the Certificate of Substantial Completion to be issued. The total estimated cost of this obligation is £472,000.

The sums are payable on or before completion of the Section 38 Agreement.

As at 31 March 2020, the conditions to make further payments have not been met and therefore there was no liability arising.

Green Street 1

On 17th August 2017, the company entered into a side agreement with Cardiff Council in relation to highway works on Ely Mill, Cardiff - Green Street 1. The Green Street 1 Side Agreement obliges the relevant parties to complete the Section 38 Agreement and Bond once the Section 38 Agreement to be completed pursuant to the Spine Road Side Agreement has been completed. The total estimated cost of this obligation is £13,340.

The sums are payable on or before completion of the Section 38 Agreement.

As at 31 March 2020, the conditions to make further payments have not been met and therefore there was no liability arising.

Green Street 2

On 21st June 2019, the company entered into a side agreement with Cardiff Council in relation to highway works on Ely Mill, Cardiff - Green Street 2. The Green Street 2 Side Agreement obliges the relevant parties to complete the Section 38 Agreement and Bond once the Section 38 Agreement linked to the Spine Road Side Agreement has been completed and the Council has confirmed that the highway works have been completed to enable the Certificate of Substantial Completion to be issued. The total estimated cost of this obligation is £11,585.

The sums are payable on or before completion of the Section 38 Agreement.

As at 31 March 2020, the conditions to make further payments have not been met and therefore there was no liability arising.

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

13. 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.

14. Limited by guarantee

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

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.