

Whiteheads Development Company Limited
Audited Financial Statements for the Year Ended 31 March 2021

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

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for the Year Ended 31 March 2021**

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Whiteheads Development Company Limited

**Company Information
for the Year Ended 31 March 2021**

Directors:

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

Registered office:

7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Registered number:

08741542 (England and Wales)

Auditors:

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

Balance Sheet
31 March 2021

	Notes	2021 £	2020 £
Current assets			
Stocks		5,543,931	5,384,982
Debtors	4	125,136	107,565
Cash at bank		<u>271,828</u>	<u>603,910</u>
		5,940,895	6,096,457
Creditors			
Amounts falling due within one year	5	<u>(310,279)</u>	<u>(7,961,016)</u>
Net current assets/(liabilities)		<u>5,630,616</u>	<u>(1,864,559)</u>
Total assets less current liabilities		5,630,616	(1,864,559)
Creditors			
Amounts falling due after more than one year	6	<u>(8,025,053)</u>	<u>-</u>
Net liabilities		<u>(2,394,437)</u>	<u>(1,864,559)</u>
Capital and reserves			
Called up share capital	8	100	100
Retained earnings	9	<u>(2,394,537)</u>	<u>(1,864,659)</u>
Shareholders' funds		<u>(2,394,437)</u>	<u>(1,864,559)</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 7 September 2021 and were signed on its behalf by:

A C Crompton - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

1. Statutory information

Whiteheads 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.

Stocks

Work in progress is valued at the lower of cost and net realisable value. Impairment of work in progress is considered at each year end and cost reduced if required.

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 2021

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 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 based upon the latest cost estimates. The Board is looking at a number of options to deliver further savings and/or additional income which will improve the financial viability.

All of the payments to date are in accordance with the Welsh Government (WG) loan agreement and has been certified as qualifying expenditure by the WG officers.

In the unlikely event that the Board considers the scheme to be undeliverable, then the company has the option to sever an acquisition termination notice in accordance with the Conditional Loan Sale Agreement and the current loan, together with accrued interest, will be written off.

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 (2020 - 6) .

4. Debtors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed by group undertakings	100	93,616
VAT	31,211	13,949
Prepayments and accrued income	93,825	-
	<u>125,136</u>	<u>107,565</u>

5. Creditors: amounts falling due within one year

	2021	2020
	£	£
Other loans	-	7,905,369
Trade creditors	52,809	8,004
Amounts owed to group undertakings	39,891	28,449
Accrued expenses	217,579	19,194
	<u>310,279</u>	<u>7,961,016</u>

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

	2021	2020
	£	£
Other loans - 2-5 years	<u>8,025,053</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

7. **Secured debts**

The following secured debts are included within creditors:

	2021 £	2020 £
Other loans	<u>8,025,053</u>	<u>7,905,369</u>

The loan is from the Welsh Government and is dated 29 April 2021, this loan supersedes the revised loan agreements dated 3 July 2020 and 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 1.13% at 31 March 2021 (2019: 1.94%).

The loan of £7 million plus accrued interest is due for repayment based on the earlier of several different key events but no later 31 December 2025 and therefore the loan has been classified as falling due for repayment within 2-5 years.

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

8. **Called up share capital**

Allotted and issued:

Number:	Class:	Nominal value:	2021 £	2020 £
100	Ordinary shares	£1	<u>100</u>	<u>100</u>

9. **Reserves**

	Retained earnings £
At 1 April 2020	(1,864,659)
Deficit for the year	(529,878)
At 31 March 2021	<u>(2,394,537)</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

Material uncertainty related to going concern

We draw attention to note 2, 'Going concern', in the financial statements. As at 31 March 2021, the company's total liabilities exceeded its total assets by £2,394,437. 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.

11. **Contingent liabilities**

The company received a pre-action letter of claim on behalf of Coilcolor for flooding events that occurred during late 2016. The Company has taken appropriate expert advice and legal representations and is confident that it is not responsible for the alleged damages and has sent a substantive response defending its position. As the value is unable to be reliably measured as at the year end, the liability has been treated as contingent.

12. **Post balance sheet events**

On 29 April 2021, the Welsh Government transferred the land to Whiteheads Development Company Ltd for a consideration value of £NIL.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

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 registered society'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.