

# ANNUAL REPORT

# 2023-24



# Tirion

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GLANCE**

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# OUR YEAR IN A GLANCE



**245**

Number of homes built

Total investment at The Mill and Royal Victoria Court

**£74m**



**£29.7m**

Funds received in 2023-24

**117**

New Lettings



**£103m**

Community benefits investment



**84**

Defects successfully resolved

# CHAIR'S FOREWORD

As we come to the end of another successful financial year, we also mark a transition in Group Board structure as Peter Mathias retires as chair and hands over to myself. Peter has been part of the Tirion Homes Board over the last decade and, he said, "it has been a pleasure to be able to play a role in its achievements from an initial start up to a mature Group building affordable homes and dynamic communities at key sites in South Wales."

Peter added, "I am delighted to be handing over the reins to my vice chair, Sean Mayo, who has provided invaluable support and advice over the years for which I am very grateful and who I know will continue to lead the board to further long-term success. I must also add my thanks and gratitude David Ward our CEO and Chad Patel, our Finance Director and Company secretary for their sound guidance and wise counsel over the years."

Over the last financial year we have seen incredible progress across our developments, with The Mill and its final phase due for completion in summer 2024. Royal Victoria Court is welcoming residents in increasing numbers. Both these schemes have been delivered through our ongoing partnership with Welsh Government. This relationship has the potential to deliver an increasing number of affordable homes across Wales. We have benefited from our arrangements with Lovell, and I hope this will continue.

Having established our own housing management programme at Royal Victoria Court, and welcomed Mark Howells as our new Housing Director, it has been fantastic to see our community engagement activities increasing, with residents becoming involved and embracing the opportunity to meet their neighbours and contribute to the community. We are delighted to report we will be investing further over the coming months to strengthen that community spirit.

Tirion Homes and its team have worked hard to deliver against the Board's strategic priorities. This annual report is testament to that, but also to our commitment in the longer term not only to increasing numbers of homes provided, but to establish quality placemaking in general and energy conservation in particular.

On behalf of the Board and the executive team I would like to thank Peter for his dedication and support to Tirion Homes. Also, on behalf of the Board, we would like to thank the executive team for their dedication and commitment to delivering on the Group's strategic objectives, also to the board members, particularly those who are stepping down. Their commitment and experience has been an invaluable resource and support to us, the Group and the Tirion Homes team. I welcome those who have recently joined the Board. I wish them well and encourage their participation on many fronts.

*Sean Mayo*

Sean Mayo (Sep 27, 2024 17:31 GMT+1)

Chair

# CEO WELCOME

I am delighted to present our annual report for 2023-24. It has been a fantastic twelve months for Tirion Homes, as we have seen more properties completed and refinanced with M&G Investments ensuring the long-term stability of our communities. We remain fully committed to delivering excellent placemaking and living standards for all our residents. It is an absolute pleasure to watch residents setting down roots in their new homes, supported by our commitment to create dynamic, sustainable communities where residents can thrive and be proud of where they live.

We have welcomed our first residents to Royal Victoria Court, as well as Julie James MS, the Cabinet Secretary for Housing, Local Government and Planning, showcasing this growing community and an example of our ongoing partnership with Welsh Government. The Mill and its final phase is set for completion in early summer 2024 and as an established community, we are excited to be able to support residents through ongoing community engagement. We were pleased to welcome the Veteran Commissioner for Wales, Colonel James Phillips, to The Mill for a chance to highlight how The Mill has supported veterans and their families in their civilian lives.

We are continuing to deliver against our Strategic Plan through our existing projects and operational activities, as well as ensuring our strategy for securing new projects through our ongoing collaboration with Welsh Government and our development and funding partners.

In 2023-24, the Group invested and established its own management subsidiary to wholly manage our properties at Royal Victoria Court. Through this, we have recruited two housing specialists to our team, established the appropriate systems and registered the new lettings agency with Rent Smart Wales; letting 117 properties and putting a reactive repairs framework in place to deal with repairs and compliance.

Our funding strategy has proven to be effective in delivering affordable homes without Social Housing Grant but, we are not resting on our laurels and, we continue to seek new ways to finance and deliver more affordable homes across Wales. However, we recognise the importance of addressing the climate emergency and cost-of-living crisis which continues to impact on our residents and how this aligns with our funding avenues in the longer term.

With the decarbonisation agenda becoming increasingly important in Welsh (and UK) housing, we are working hard to commercialise net-zero energy performance for all new projects.

A special mention must go to our partners Welsh Government, Lovell, PBS, M&G, Pobl and Cadwyn, who continue to support our business model and the wide range of benefits it brings to the affordable housing sector in Wales. We are looking forward to building on the success of 2023-24, with new developments and continued engagement with those that influence how Tirion Homes can positively make a difference in the Welsh housing sector.



CEO



# DELIVERING OUR PROJECTS

We continue to focus on the successful delivery of our existing projects at The Mill, Royal Victoria Court and Parc Eirin.

The Mill will complete in the summer of 2024 and we will continue to work on the completion and adoption of the public areas. We continue to collaborate with M&G Investments Ltd to provide long-term investment that will underpin the sustainability of the Community. Royal Victoria Court will continue at pace towards completion in mid-2025. We will develop and maintain the highest standards of tenant and estate management and support our community with extensive engagement activities.

Parc Eirin will commence construction in late 2024 providing an exemplary development focusing on affordable housing and net-zero energy performance.



ROYAL VICTORIA  
COURT

Homes at Royal Victoria Court continue to be delivered for our community. Since the launch of the development in 2021, in partnership with Lovell, we delivered 117 homes in 2023-24.

It is our second affordable housing scheme and is based at the former site of the Whiteheads Steelworks. Since April 2023, 172 tenants and their families have moved into our homes; with 21 being at risk of homelessness, meaning they have been able to move from temporary accommodation into Royal Victoria Court to restart their lives.

Royal Victoria Court highlights the commitment to creating thriving communities with access to essential amenities and services.



# ESTATE MANAGEMENT

Tirion Homes continues to expand its management services, with the organisation, ensuring that it is able to provide appropriate estate management to its residents. Through 2023-24, we supported our residents from sign-up to maintaining their tenancies.

We will aim to become a partner of choice for property management for key partners in the coming years. This will be delivered through Tirion Property Management, which will focus on providing exemplary property management services, leveraging technology, and fostering strong client relationships to drive growth and establish ourselves as a trusted partner in the industry.

At the heart of everything we do will be the creation of multi-tenure communities that thrive on integration and a pride in the place in which they live. Key to this will be tenant support, community engagement and well maintained neighbourhoods.

**100%**

resident satisfaction on property condition when moving in



**180%**

Increase in applications for our homes at Royal Victoria Court





# OUR NEIGHBOURHOOD TEAM



In October 2023, we appointed our first neighbourhood manager to further strengthen our commitment to creating dynamic communities, where residents can thrive.

Lisa Jameson-Cook is the primary contact for prospective, new and existing residents across our Cardiff and Newport communities, providing advice and support, especially in terms of ensuring greater tenancy sustainment.

As neighbourhood manager, Lisa will undertake inspections, including complaints of anti-social behaviour and in collaboration with other agencies when required. As a landlord and developer, we are working to create community spaces to be proud of, and through Lisa this will be enhanced so that services are monitored, grown and/or improved.

“

**I believe everyone has the right to a safe and secure place that they can call home. If I can help play a small part in achieving this for people, it is a job well done. To be in a position of seeing a property become a home for individuals and families, particularly when you know that it will be life changing for them and their families, is priceless. I am proud to be part of it.**

Lisa on her appointment

”

# THE TIRION HOMES BUSINESS MODEL



The Tirion Homes model was developed by Welsh Government and Principality Building Society in 2012 as a tool for securing pension fund investment to deliver major affordable housing regeneration projects. The key difference between Tirion Homes and the traditional house building and RSL sector is that our business is predicated on securing highly efficient long-term (50 years) finance to create communities with a focus on 50% being affordable housing, but without the need for Social Housing Grant (SHG) which would normally be required to secure delivery.

However, while our model is inherently flexible, there are strict requirements imposed by our investors in terms of the quality of the homes and their management and maintenance which underpin the sustainability of the investment.

The delivery of our communities can be facilitated through a number of routes including public sector loans for pre-construction activities and site preparation; flexible land purchase terms; public sector guarantees for construction; equity investment and/or guaranteed re-financing by private partners.

Since our inception, we have proved that the model works through the refinancing of phases at both The Mill in Cardiff and Royal Victoria Court in Newport, which when complete will have delivered more than 660 affordable homes without SHG. Tirion Homes fill a gap in the market that traditional social or private landlords, as well as well housebuilders do not occupy, this is down to our ability to provide finance that unlocks major regeneration projects and maintains the ability to deliver both open market and affordable homes.

While we are not a social landlord, we use our not-for-profit status to be able to increase the provision of affordable housing.

As we continue to grow the business and our communities, we know that Tirion Homes offers opportunities across the board including:

- Provision of construction finance by the traditional banking sector.
- Institutional investors providing long-term finance based on stable rental cashflow.
- Social Landlords using the Tirion Homes model to add value to schemes by increasing the % of affordable homes without additional grant.
- Private housebuilders reducing the burden of affordable housing planning requirements by securing additional private finance.
- Welsh Government and Local Authorities using the Tirion Homes model to help unlock further major regeneration projects that have stalled due to viability issues.

We know that our model is not without its risks, the construction phase can be unpredictable, especially with the recent volatility in inflation and interest rates. However, we look to keep the risk as low as possible for our long-term investors. In reality the acute housing shortage across the country, means that the demand for high quality homes for rent in our communities will be sustained providing robust income streams for investors.

This is where we believe the public sector also has a crucial role to play, as they can help to underwrite a proportion of the risk through the provision of loans, guarantees and/or flexible land purchase terms.

We believe in our model and its ability to deliver inherently sustainable investment through our 50-year financing structure, which in turn is further strengthened by our focus on placemaking, community cohesion and net zero strategies designed to make the Tirion Homes neighbourhoods both attractive, and aspirational, places to live.

With the Welsh Government commitment to net zero, and decarbonisation, delivering the related energy infrastructure is a huge challenge for the housing industry, especially in the more marginal markets across Wales. However, it is something that all housebuilders need to consider.

Our strategy is to commercialise the provision of net zero energy by partnering with private companies looking to invest, operate and maintain that infrastructure, primarily through microgrids and demand management technologies. This removes some of the cost burden from the house building activity and ensures a sustainable business model going forward. We are particularly well placed to pursue this net zero strategy due to the long-term nature of our model.



Our communities are an integral part of what Tirion Homes are all about. We want to build places and spaces where people can thrive and are proud to call home. That's why we work with our partners, including Lovell and Cadwyn Housing Association, to host community engagement events that bring together residents - whether homeowner or tenant - to get involved with activities, meet their neighbours and speak to our teams about any issues, queries or concerns.



Through the course of 2023-24, we engaged with more than 100 residents at our hosted events at both The Mill in Cardiff and Royal Victoria Court in Newport. This is an area that we will continue to build on in the coming year and beyond, so that our residents feel like they are part of something special.



## **WELCOMING THE VETERANS COMMISSIONER FOR WALES TO THE MILL**

In September 2023, Colonel James Phillips, the independent Veterans Commissioner for Wales joined veterans and their families, at The Mill in Cardiff as part of his visit to Wales and to see first hand the collaborative success between the Welsh Veterans Partnership, Tirion Homes and Lovell.

The Mill provides a safe community that provides 19 veterans and their families the opportunity to live in new, affordable homes, as well as being provided with wellbeing, mental health and transition support from the Partnership. Most recently, two Fijian veterans, who have served in the Welsh family of Regiments have moved into The Mill.

Colonel Phillips said of his visit, "The Mill has provided veterans with quality homes, not just accommodation like those provided at crisis by a number of other organisations in Wales, but instead real quality homes where they can be stable and then can spring forward to live their best lives.

"This has been made possible because of the partnership we see here with Lovell, Welsh Veterans Partnership, Tirion Homes and Cadwyn."

During his visit, the Commissioner met with two veterans in their homes to hear their stories on leaving the armed forces, and to understand how the Welsh Veterans Partnership is helping in areas such as healthcare and mental health provision, housing and employment.

# 10 YEAR OLD RECEIVES £17,500 WORTH OF ADAPTATIONS TO LIVE MORE INDEPENDENTLY



Riley, who is 10 years old, suffers from a rare form of polio and a collaboration between Tirion Homes and Lovell, meant his home was adapted to suit his needs and provide him with the opportunity to live more independently as he gets older.

Riley, lives with his father at The Mill in Cardiff and the works, which included constructing a driveway to ensure safe access into and out of the house, transforming their traditional bathroom into a wet room and ensuring that the garden was accessible all year round through removing any unlevel surfaces, provides Riley with a safe space that he can enjoy. In total, the work cost in excess of £17,500.

Paul Jones, Riley's father, said of the adaptation, "We want to say a huge thank you to Lovell, their contractors and Tirion for all of the support that they have given Riley. It means that he can move more freely around our home, which gives him a chance to live more independently as he gets older.

"We are so grateful to everyone involved, it really has made such a difference and as Riley's dad, all I want is for him to be happy and healthy, which starts at home."



# FINANCIAL SUMMARY

Over the course of 2023-24, Tirion Homes continued to secure pension fund investment to deliver our affordable housing regeneration projects. An overview is noted below, however, our full statutory accounts can be found in the **Financial Statements**.

## \* FINANCIAL SECURITY

**Financial security is being maintained**

	2024	2023	2022	2021	2020	2019
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Total income/Gains	9,963	10,334	17,418	5,189	2,657	2,657
Expenditure	8,715	4,112	8,251	1,973	2,317	2,317
<b>Net income</b>	<b>1,248</b>	<b>6,222</b>	<b>9,167</b>	<b>3,216</b>	<b>340</b>	<b>340</b>
Value of Properties	75,311	60,735	42,534	30,933	17,591	17,591
Current assets	39,371	22,057	19,916	10,270	12,683	12,683
<b>Total Assets</b>	<b>114,682</b>	<b>82,792</b>	<b>62,450</b>	<b>41,203</b>	<b>30,274</b>	<b>30,274</b>



# FUTURE OUTLOOK

## **FUTURE PLAN**

We are looking to build on our successes to date and further develop our affordable homes portfolio. Our target market is the delivery of major regeneration projects which have stalled, bringing our expertise to bear in bringing these sites forward. We will do this through partnerships with Welsh Government, Local Authorities, Responsible Social Landlords (RSLs) and the private sector.

We will work hard to lever long-term private investment into affordable housing in Wales which will help accelerate delivery to address the housing emergency we currently face.

## **NEXT STEPS**

We will develop a strategy for stalled regeneration sites with our partners to bring forward a portfolio of sites with the following objectives:

- ◆ Delivering 50% affordable housing;
- ◆ A focus on excellent placemaking;
- ◆ Net-zero energy performance working with private investors;
- ◆ Building resilient and thriving communities; and
- ◆ Levering private investment that minimises the need for public subsidy.



# SOCIETY INFORMATION

## Members

A Crompton		L J Lovell	Resigned 31/03/2024
M Davies	Appointed 01/10/2023	C Marshall	Appointed 01/10/2023
S Evans	Appointed 01/10/2023	P R G Mathias	Resigned 31/03/2024
K Haines		S Mayo	
M Howells	Appointed 01/10/2023	C Patel	
G Jones	Resigned 31/03/2024	D Ward	
		P Williams	Appointed 01/10/2023

## Senior Staff

D Ward (CEO)  
C Patel (Finance Director & Secretary)  
M Howells (Housing Director)

## Registered Office

7 Neptune Court  
Vanguard Way  
Cardiff  
CF24 5PJ

## Registered Society Number

7521

## Auditors

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

## Bankers

Barclays Bank Client Support  
Process Fulfilment Team  
Radbroke Hall  
Knutsford  
WA16 9EU

# Report of the Independent Auditors to the Members of Tirion Group Limited

## Opinion

We have audited the financial statements of Tirion Group Limited (the 'Society') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Statement of Financial Position, Parent Statement of Financial Position, Company, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the Society's affairs as at 31 March 2024 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, The Co-operative and Community Benefit Societies Act 2014 and the Charities Act 2011.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

**The members are responsible for the other information. The other information comprises the information in the Report of the Members, but does not include the financial statements and our Report of the Auditors thereon.**

**Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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, 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 in this regard.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent Society and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board.

We have nothing to report in respect of the following matters where The Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

#### **Responsibilities of members**

As explained more fully in the Statement of Members' Responsibilities set out on page four, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine 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 members are responsible for assessing the group's and the parent Society'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 members either intend to liquidate the group or the parent society 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the group. These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, The Co-operative and Community Benefit Societies Act 2014, UK GAAP (FRS102) and the Charities Act 2011 and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with members and management which areas of the business they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities;
- Obtaining an understanding of the key controls put in place by the company to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally;
- Assessing the risk of management override and review and testing of journal entries made into the accounting system;
- Challenging assumptions and judgements made by the company in relation to the significant accounting estimates employed in the preparation of the financial statements;
- Discussing with Directors and management the legal and regulatory obligations of the business and whether they have any knowledge or suspicion of non compliance.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the charitable society's members, as a body, in accordance with The Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the charitable society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Clive Edwards (Senior Statutory Auditor)  
 Haines Watts Wales LLP, Statutory Auditors  
 7 Neptune Court  
 Vanguard Way  
 Cardiff  
 CF24 5PJ

Date: .....

# FINANCIAL STATEMENTS

## Tirion Group Limited

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**Tirion Group Limited**

**Consolidated Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the year ended 31 March 2024**

		Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
	Notes				
<b>Incoming Resources</b>					
Charitable activities	3	-	7,032,414	7,032,414	2,160,343
Other income		-	<u>171,163</u>	<u>171,163</u>	<u>82,350</u>
<b>Total</b>		-	7,203,577	7,203,577	2,242,693
 <b>Resources Expended</b>					
Charitable activities	4	-	8,714,516	8,714,516	4,112,135
<b>Total</b>		-	<u>8,714,516</u>	<u>8,714,516</u>	<u>4,112,135</u>
<b>Net income/(expenditure) before gains/losses</b>		-	(1,510,939)	(1,510,939)	(1,869,442)
<b>Gain on revaluation of fixed asset investments</b>		-	2,758,793	2,758,793	8,057,150
<b>Gain on revaluation of fixed assets</b>		-	-	-	34,304
<b>Net income/(expenditure)</b>	17	-	1,247,854	1,247,854	6,222,012
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		-	11,099,524	11,099,524	4,877,511
<b>Total funds carried forward</b>		<u>-</u>	<u>12,347,378</u>	<u>12,347,378</u>	<u>11,099,524</u>

The financial statements were approved by the Board of Members on .....and were signed on its behalf by:

.....  
A Crompton - Member

.....  
S Mayo - Member

.....  
C Patel - Secretary

**Tirion Group Limited**

**Consolidated Statement of Financial Position  
for the Year Ended 31 March 2024**

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	9	14,627,417	13,479,364
Investments	10	-	-
Investment property	11	<u>60,683,490</u>	<u>47,256,056</u>
		<u>75,310,907</u>	<u>60,735,420</u>
<b>Current assets</b>			
Stocks	12	25,436,606	11,611,037
Debtors	13	8,042,624	6,955,463
Cash at bank		<u>5,891,851</u>	<u>3,490,231</u>
		39,371,081	22,056,731
<b>Creditors</b>			
Amounts falling due within one year	14	<u>(25,954,136)</u>	<u>(13,069,328)</u>
<b>Net current (liabilities)/assets</b>		<u><b>13,416,945</b></u>	<u><b>8,987,403</b></u>
<b>Total assets less current liabilities</b>		88,727,852	69,722,823
<b>Creditors</b>			
Amounts falling due after more than one year	15	<u>(76,380,474)</u>	<u>(58,623,299)</u>
<b>Net (liabilities)/assets</b>		<u><b>12,347,378</b></u>	<u><b>11,099,524</b></u>
<b>Funds</b>			
Restricted funds	17	<u>12,347,378</u>	<u>11,099,524</u>
		<u><b>12,347,378</b></u>	<u><b>11,099,524</b></u>

The financial statements were approved by the Board of Members on.....and were signed on its behalf by:

.....  
A Crompton - Member

.....  
S Mayo - Member

.....  
C Patel - Secretary

**Tirion Group Limited**

**Society Statement of Financial Position  
for the Year Ended 31 March 2024**

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets		-	-
Investments	10	300	300
Investment property	11	-	-
		300	300
<b>Current assets</b>			
Stocks	12	18,724,066	-
Debtors	13	239,162	103,101
Cash at bank		414,701	460,158
		19,377,929	563,259
<b>Creditors</b>			
Amounts falling due within one year	14	(21,509,915)	(1,737,482)
<b>Net current (liabilities)/assets</b>		<b>(2,131,986)</b>	<b>(1,174,223)</b>
<b>Total assets less current liabilities</b>		(2,131,686)	(1,173,923)
<b>Creditors</b>			
Amounts falling due after more than one year	15	(300)	(300)
<b>Net (liabilities)/assets</b>		<b>(2,131,986)</b>	<b>(1,174,223)</b>
<b>Reserves</b>			
Restricted reserves		(2,131,986)	(1,174,223)
		(2,131,986)	(1,174,223)
Society's surplus/(deficit) for the financial year		(957,762)	(1,750,933)

The financial statements were approved by the Board on..... and were signed on its behalf by:

.....  
A Crompton - Member

.....  
S Mayo - Member

.....  
C Patel - Secretary



**Tirion Group Limited**

**Consolidated Statement of Cash Flows  
for the Year Ended 31 March 2024**

	Notes	2024 £	2023 £
<b>Cash flows from charity activities</b>			
Cash generated from activities	1	(60,214)	(5,262,488)
Interest paid		<u>(3,872,742)</u>	<u>(1,505,638)</u>
Net cash from charity activities		<u>(3,932,956)</u>	<u>(6,768,126)</u>
 <b>Cash flows from investing activities</b>			
Interest received		171,163	82,350
Purchase of fixed assets		(1,214,471)	(4,575)
Purchase of investment property		(10,625,624)	(11,663,795)
Net cash from investing activities		<u>(11,668,932)</u>	<u>(11,586,020)</u>
 <b>Cash flows from financing activities</b>			
Loans received/(repaid)		<u>18,003,509</u>	<u>18,586,867</u>
Net cash from financing activities		<u>18,003,509</u>	<u>18,586,867</u>
 <b>Increase/(decrease) in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of year</b>	2	2,401,621	232,721
		<u>3,490,230</u>	<u>3,257,509</u>
 <b>Cash and cash equivalents at end of year</b>	2	 <u>5,891,851</u>	 <u>3,490,230</u>

**Tirion Group Limited**

**Notes to the Consolidated Statement of Cash Flows  
for the Year Ended 31 March 2024**

**1. Reconciliation of cash flow from charity activities**

	2024	2023
	£	£
Surplus	1,247,767	6,222,012
Finance costs	3,872,742	1,505,638
Finance income	(171,163)	(82,350)
Depreciation of tangible assets	66,419	55,299
Gain on fixed assets	-	(34,304)
Gain on investment property	<u>(2,758,793)</u>	<u>(8,057,150)</u>
	2,256,972	(390,855)
(Increase) / Decrease in stocks	(13,825,569)	(2,415,018)
Decrease / (increase) in debtors	(1,087,161)	506,624
(Decrease) / increase in creditors	<u>12,595,544</u>	<u>(2,963,239)</u>
<b>Cash generated from charity activities</b>	<u><u>(60,214)</u></u>	<u><u>(5,262,488)</u></u>

**2. Cash and cash equivalents**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 March 2024**

	31.3.24	1.4.23
	£	£
Cash and cash equivalents	<u>5,891,851</u>	<u>3,490,231</u>

**Year ended 31 March 2023**

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	<u>3,490,231</u>	<u>3,257,509</u>

**Tirion Group Limited**

**Society Statement of Cash Flows  
for the Year Ended 31 March 2024**

	Notes	2024 £	2023 £
<b>Cash flows from charity activities</b>			
Cash generated from activities	1	(7,427,424)	(253,880)
Interest paid		(190,640)	(287,360)
		<hr/>	<hr/>
Net cash from charity activities		<u>(7,618,064)</u>	<u>(541,240)</u>
 <b>Cash flows from investing activities</b>			
Purchase of investment property		-	(10,763,191)
Sale of investment property		<hr/>	<u>12,250,000</u>
Net cash from investing activities		<hr/>	<u>1,486,809</u>
 <b>Cash flows from financing activities</b>			
Loans received/(repaid)		<u>7,572,607</u>	<u>(547,645)</u>
Net cash from financing activities		<u>7,572,607</u>	<u>(547,645)</u>
 <b>Increase/(decrease) in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of year</b>	2	460,158	62,234
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	2	<u>414,701</u>	<u>460,158</u>

**Tirion Group Limited**

**Notes to the Society Statement of Cash Flows  
for the Year Ended 31 March 2024**

**1. Reconciliation of cash flow from charity activities**

	2024	2023
	£	£
Surplus/ (deficit)	(957,762)	(1,750,933)
(Gain)/loss on investment property	-	-
Loss on disposal of investment properties	-	1,669,941
Finance costs	190,640	287,360
	(767,122)	206,368
(Increase) / decrease stocks	(18,724,066)	
Decrease / (increase) debtors	(136,061)	83,898
(Decrease) / increase creditors	12,199,826	(544,146)
<b>Cash generated from charity activities</b>	<b>(7,427,424)</b>	<b>(253,880)</b>

**2. Cash and cash equivalents**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 March 2024**

	31.3.24	1.4.23
	£	£
Cash and cash equivalents	414,701	460,158

**Year ended 31 March 2023**

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	460,158	62,234

## Tirion Group Limited

### Notes to the Consolidated Financial Statements for the Year Ended 31 March 2024

#### 1. Accounting policies

##### **Basis of preparing the financial statements**

The financial statements of the charitable group, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP 2019 (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', The Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, The Co-operative and Community Benefit Societies Act 2014 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention except where expressly disclosed below.

##### **Basis of consolidation**

The consolidated accounts include the results of Tirion Group Limited ("the Society") and its subsidiaries for the year ended 31 March 2024. Consolidated accounts are required under The Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969. No separate company Statement of Financial Activities (SOFA) has been prepared for the Charity as permitted by paragraph 24.37 of the SORP.

##### **Subsidiary undertakings**

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

Further information relating to the subsidiaries can be found in note 21.

##### **Income**

All income is recognised in the Statement of Financial Activities once the society has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Other income relates to interest receivable which is recognised on a receivable basis.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Investments**

Investments in subsidiaries are measured at cost less impairment.

##### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in Statement of Financial Activities.

## Tirion Group Limited

### Notes to the Consolidated Financial Statements for the Year Ended 31 March 2024

#### 1. Accounting policies - continued

##### Stocks

Work in progress is valued at the lower of cost and estimated selling price less costs to sell. Impairment of work in progress is considered at each year end and cost reduced if required.

##### 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

Housing property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in Statement of Financial Activities.

Depreciation is charged on the historic cost of property components. Depreciation is charged on cost on a straight line basis over the component's expected economic useful life as follows:

Component	Years
Boilers, and ventilation	15
Light fitting, kitchen and alarms	20
Rainwater goods, parking/hardstanding's	25
External doors, bathroom, wiring	30
Window & timber grade doors	35
Internal ceilings	40
Roof tiles	65

Land is not depreciated.

##### Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised initially at transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

##### Cash and cash equivalents

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

##### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the entity does not have an unconditional right, at the end of the reporting period, to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the members.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

## Tirion Group Limited

### Notes to the Consolidated Financial Statements for the Year Ended 31 March 2024

#### 1. Accounting policies - continued

##### **Taxation**

Tirion Group Limited is registered with charitable status as a community benefit society and with the Financial Conduct Authority. It benefits from corporation tax exemptions available to charitable bodies. Those primary purpose activities that fall within its charitable purposes and where its funds are applied only for these purposes are exempt from corporation tax.

All subsidiaries of the Society are limited companies which are fully taxable entities except for Tirion Investments Limited which benefits from corporation tax exemptions available to charitable bodies.

##### **Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the SOFA in the period to which they relate.

#### 2. Going concern

##### **Group**

The Board is aware that due to the nature of the development projects where a significantly large amount of cost is expended ahead of earning any revenue income, the development companies (EBDC, WDC & PEDC) will report significant accounting losses until revenue income is generated. The long-term projections monitored via regular review of the development tracker, shows that each 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.

Based on the above, the Board considers that the Group 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.

##### **Parent entity**

The Board is aware that due to the upfront costs for setting up the Society and to facilitate the funding for the acquisition of residential accommodation, the Society will report accounting deficits in early years. The long term financial projections monitored regularly by the Board show that the Society will generate sufficient revenue income to discharge all of its obligations.

Based on the above, the Board considers that the Society 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.

**Tirion Group Limited**

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 March 2024**

**3. Income from charitable activities**

	2024 £	2023 £
Sales	3,711,542	-
Rental Income	3,320,872	2,160,343
	<u>7,032,414</u>	<u>2,160,343</u>

**4. Charitable activities costs**

	Direct costs £	Finance costs (See note 5) £	Support costs (See note 6) £	Totals £
Charitable activities	<u>4,507,777</u>	<u>4,173,429</u>	<u>33,310</u>	<u>8,714,516</u>

**5. Finance costs**

	2024 £	2023 £
Bank charges	6,774	5,259
Loan interest	3,114,480	1,505,638
Arrangement and exit fees	296,773	(123,521)
Indexation charge	755,402	780,308
	<u>4,173,429</u>	<u>2,167,684</u>

**6. Support costs**

Support costs include governance costs of £33,310 (2023: £30,550) for the preparation and audit of the statutory accounts for the Group and its subsidiaries.

**7. Employees and members**

	2024 £	2023 £
Wages and salaries	460,082	364,633
Social security costs	44,884	35,330
Other pension costs	<u>35,350</u>	<u>18,299</u>
	<u>540,316</u>	<u>418,262</u>

The average number of employees during the year was as follows:

	2024	2023
	<u>14</u>	<u>10</u>



**Tirion Group Limited**

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 March 2024**

**7. Employees and members - continued**

**Group**

Total members' remuneration for the year ended 31 March 2024 was £70,140 (2023: £69,540). Members' remuneration was paid in line with the governing document of the Society:

	2024 £	2023 £
A C Compton	6,480	-
M R Davies	3,000	-
S L Evans	3,000	-
K V Haines	9,000	-
C Marshall	3,000	-
G Jones	6,480	6,480
P Mathias	13,500	12,900
S Mayo	12,900	12,900
R Murphy	-	8,400
	57,360	40,680
Paid via subsidiary:		
L J Lovell	12,780	12,780
A C Compton	-	6,480
K V Haines	-	4,800
P Edwards	-	4,800
<b>Total</b>	<b>70,140</b>	<b>69,540</b>

Key management remuneration for the year ended 31 March 2024 was £360,088 (2023: £268,494). Key management include individuals who are deemed to have significant influence on the strategy of the Group.

One employee received benefits in the current and prior year totalling between £70,000 - £75,000.  
One employee received benefits in the current and prior year totalling between £110,000 - £120,000.  
One employee received benefits in the current and prior year totalling between £170,000 - £180,000.

**Parent**

Total members' remuneration and key management remuneration for the year ended 31 March 2024 was £57,360 (2023: £40,680).

One employee received benefits in the current and prior year totalling between £70,000 - £75,000.  
One employee received benefits in the current and prior year totalling between £110,000 - £120,000.  
One employee received benefits in the current and prior year totalling between £170,000 - £180,000.

**Members' expenses**

	2024 £	2023 £
Members' expenses	2,150	840

Members' expenses relate to travel and subsistence costs reimbursed to 2 members (2023: 2).

**8. Taxation**

**Analysis of the tax charge - group**

No liability to UK corporation tax arose for the year ended 31 March 2024 nor for the year ended 31 March 2023.

**Tirion Group Limited**

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 March 2024**

**9. Tangible fixed assets**

<b>Group</b>	<b>Housing property £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>Cost or valuation</b>			
At 1st April 2023	13,529,683	6,612	13,536,295
Additions	1,212,327	2,145	1,214,472
Revaluations	<u>          </u>	<u>          </u>	<u>          </u>
At 31st March 2024	<u>14,742,010</u>	<u>8,757</u>	<u>14,750,767</u>
<b>Depreciation</b>			
At 1st April 2023	53,368	3,563	56,931
Charge for year	64,177	2,242	66,419
Revaluation adjustments	<u>          -</u>	<u>          -</u>	<u>          -</u>
At 31st March 2024	<u>117,545</u>	<u>5,805</u>	<u>123,350</u>
<b>Net book value</b>			
At 31st March 2024	<u>14,624,465</u>	<u>2,952</u>	<u>14,627,417</u>
At 31st March 2023	<u>13,476,315</u>	<u>3,049</u>	<u>13,479,364</u>

Cost or valuation at 31st March 2024 is represented by:

	<b>Housing property £</b>
Valuations	457,428
Cost	<u>14,284,582</u>
	<u>14,742,010</u>

If housing properties had not been revalued they would have been included at the following historical cost:

	<b>2024 £</b>	<b>2023 £</b>
Cost less accumulated depreciation	<u>14,167,037</u>	<u>13,011,700</u>

Housing properties were valued on market rent basis on 31<sup>st</sup> March 2024 by the members, using the valuation model supplied by a third party as agreed with M&G Investments.

**Tirion Group Limited**

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 March 2024**

**10. Fixed asset investments**

**Parent**

	Shares in group undertakings £
<b>Cost</b>	
At 1 April 2023 and 31 March 2024	<u>300</u>
<b>Net book value</b>	
At 31 March 2024	<u>300</u>
At 31 March 2023	<u>300</u>

Further disclosure on subsidiary undertakings is disclosed in note 22.

**11. Investment property**

**Group**

	<b>Total</b> £
<b>Fair value</b>	
At 1st April 2023	47,255,556
Additions	10,669,141
Reclassification	-
Revaluations	<u>2,758,793</u>
At 31st March 2024	<u>60,683,490</u>
<b>Net book value</b>	
At 31st March 2024	<u>60,683,490</u>
At 31st March 2023	<u>47,256,056</u>

Fair value at 31st March 2024 is represented by:

	£
Valuations	16,808,405
Cost	<u>43,875,085</u>
	<u>60,683,490</u>

**Tirion Group Limited**

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 March 2024**

**11. Investment property - continued**

<b>Company</b>	<b>Total £</b>
<b>Fair value</b>	
At 1st April 2023	-
Additions	
Disposals	
Revaluation	-
At 31st March 2024	-
<b>Net book value</b>	
At 31st March 2024	-
At 31st March 2023	-

Investment properties relating to 'Phase A', 'Phase B', 'Phase C' & 'Phase D' of the Ely Bridge as well as the Whitehead sites were valued by the members, using the valuation model supplied by a third party as agreed with M&G investments.

Investment properties within phase D of Ely Bridge and at Whiteheads were disposed of during the year end 31 March 2024 to the Society's subsidiary Tirion Investments Limited.

**12. Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2024 £</b>	<b>2023 £</b>	<b>2024 £</b>	<b>2023 £</b>
Completed units for sale	18,724,066	-	18,724,066	-
Work-in-progress	6,712,540	11,606,149	-	-
<b>Total stocks</b>	<u>25,436,606</u>	<u>11,606,149</u>	<u>18,724,066</u>	<u>-</u>

**Tirion Group Limited**

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 March 2024**

**13. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year:				
Trade debtors	100,716	46,082	-	-
Amounts owed by group undertakings	-	-	172,392	103,101
Other debtors	284,703	-	66,770	-
VAT	10,041	-	-	-
Prepayments and accrued income	<u>1,397</u>	<u>28,228</u>	<u>          </u>	<u>          </u>
	<u>396,857</u>	<u>74,310</u>	<u>239,162</u>	<u>103,101</u>
Amounts falling due after more than one year:				
Trade debtors	<u>7,645,767</u>	<u>6,881,153</u>	<u>          </u>	<u>          </u>
Aggregate amounts	<u>8,042,624</u>	<u>6,955,463</u>	<u>239,162</u>	<u>103,101</u>

**14. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other loans (see note 16)	15,568,708	10,427,024	9,267,816	1,695,209
Trade creditors	8,867,943	1,648,851	133,225	281
Amounts owed to group undertakings	-	-	12,027,545	12,399
Social security and other taxes	14,019	13,038	14,019	12,837
VAT	-	2,250	-	-
Other creditors	27,127	75,433	18,426	1,284
Accrued expenses	<u>1,476,338</u>	<u>902,732</u>	<u>48,884</u>	<u>15,472</u>
	<u>25,954,135</u>	<u>13,069,328</u>	<u>21,509,915</u>	<u>1,737,482</u>

**Tirion Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2024**

15. **Creditors: amounts falling due after more than one year**

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Other loans (see note 16)	76,380,474	58,623,299	-	-
Amounts owed to group undertakings	-	-	300	300
Other creditors	-	-	-	-
	<u>76,380,474</u>	<u>58,623,299</u>	<u>300</u>	<u>300</u>

16. **Loans**

An analysis of the maturity of loans is given below:

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Amounts falling due within one year or on demand:				
Other loans	<u>15,568,708</u>	<u>10,427,024</u>	<u>9,267,816</u>	<u>1,695,209</u>
Amounts falling due between one and two years:				
Other loans - 1-2 years	<u>10,768,823</u>	<u>8,742,797</u>	-	-
Amounts falling due between two and five years:				
Other loans - 2-5 years	<u>12,408,529</u>	<u>11,488,042</u>	-	-
Amounts falling due in more than five years:				
Repayable by instalments				
Other loans more 5yrs instal	<u>53,203,122</u>	<u>38,392,460</u>	-	-

**Parc Eirin Development Company Limited**

The loan is from the Welsh Government and is dated 3 July 2020, this loan supersedes 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 6.65% at 31 March 2024 (2023: 4.52%). 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 June 2027 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 on the cash balances within the company.

## Tirion Group Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2023

#### 16. Loans - continued

##### **Ely Bridge Development Company Limited**

The Phase D construction loan of £5,666,420 owed to Principality Building Society is due to be repaid on or before 31 December 2024.

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.

The loan for £10,377,903 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 6.65% at 31 March 2024 (2023: 4.52%).

The loan of £10.4 million plus accrued interest is due for repayment based on the earlier of several different key events but no later 31 July 2025 and therefore the loan has been classified as falling due for repayment within 1 to 2 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.

##### **Whiteheads Development Company Limited**

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 6.65% at 31 March 2024 (2023: 4.52%).

The loan of £7 million plus accrued interest is due for repayment based on the earlier of several different key events but no earlier than 31 December 2025 and therefore this has been classified as falling due for repayment within 1 to 2 years.

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

##### **Tirion Investments Limited**

The loan notes are acquired by a number of institutional investors and are dated 18 June 2020 (Tranche 1), 7 May 2021 (Tranche 2), 8 December 2022 (Tranche 3) and 16 November 2023 (Tranche 4). The interest is calculated at 1.0870% per annum on Tranche 1 & 2, 3.2% on Tranche 3 and 4.45% on Tranche 4. The loan notes for Tranches 1, 2 & 3 are due to be repaid in instalments by 31 March 2070 and by 31 March 2074 for Tranche 4.

The loan notes are secured against the land purchased during the period as well as any future land acquired.

**Tirion Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2024**

**17. Funds**

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
<b>Unrestricted funds</b>				
General fund	-	-	-	-
<b>Restricted funds</b>				
Tirion Group Limited	(216,205)	(957,762)	-	(1,173,967)
Whiteheads Development	(1,499,549)	880,093	-	(619,456)
Parc Eirin Development	(837,910)	(78,970)	-	(916,880)
Ely Bridge Development	(7,639,148)	(164,580)	-	(7,803,728)
Tirion Investments	21,292,335	1,569,204	-	22,861,539
Tirion Homes	-	(130)	-	(130)
	<u>11,099,523</u>	<u>1,247,854</u>	-	<u>12,347,378</u>
<b>TOTAL FUNDS</b>	<u>11,099,523</u>	<u>1,247,854</u>	-	<u>12,347,378</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gain/(loss) on investments £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	-	-	-	-
<b>Restricted funds</b>				
Tirion Group Limited	2,120,904	(3,078,666)	-	(957,762)
Whiteheads Development	2,214,873	(1,334,780)	-	880,093
Parc Eirin Development	-	(78,970)	-	(78,970)
Ely Bridge Development	35,592	(200,172)	-	(164,580)
Tirion Investments	2,832,208	(4,021,797)	2,758,793	1,569,204
Tirion Homes	-	(130)	-	(130)
<b>Total restricted</b>	<u>7,203,577</u>	<u>(8,714,516)</u>	<u>2,758,793</u>	<u>1,247,854</u>



**Tirion Group Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2024**

**17. Funds - continued**

**Comparatives for movement of funds**

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
<b>Unrestricted funds</b>				
General fund	-	-	-	-
<b>Restricted funds</b>				
Tirion Group Limited	265,129	(481,334)	-	(216,205)
Whiteheads Development	(849,397)	(650,152)	-	(1,499,549)
Parc Eirin Development	(799,565)	(38,345)	-	(837,910)
Ely Bridge Development	(6,716,980)	(922,168)	-	(7,639,148)
Tirion Investments	12,978,324	8,314,011	-	21,292,335
	<u>4,877,511</u>	<u>6,222,012</u>	-	<u>11,099,523</u>
<b>TOTAL FUNDS</b>	<u>4,877,511</u>	<u>6,222,012</u>	-	<u>11,099,523</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gain/(loss) on investments £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	-	-	-	-
<b>Restricted funds</b>				
Tirion Group Limited	283,498	(764,823)	-	(481,334)
Whiteheads Development	-	(650,152)	-	(650,152)
Parc Eirin Development	-	(38,345)	-	(38,345)
Ely Bridge Development	37,402	(959,570)	-	(922,168)
Tirion Investments	<u>1,921,793</u>	<u>(1,699,236)</u>	<u>8,091,454</u>	<u>8,314,011</u>
<b>Total restricted</b>	<u>2,242,693</u>	<u>(4,112,135)</u>	<u>8,091,454</u>	<u>6,222,012</u>

Whiteheads Development, Parc Eirin Development, Ely Bridge Development, Tirion Homes and Tirion Investments represent the subsidiaries whose results are recognised in the consolidated results. Their funds are restricted to the projects, due to the restrictions of the funder. The restrictions will be lifted when specific milestones are achieved for each project.

## Tirion Group Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

#### 18. Contingent liabilities

##### **Ely Bridge Development Company Limited**

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, £500,000 (25%) was paid during 2019/20 and £500,000 (25%) paid during 2021/22 and the remaining balance is payable as follows:

- the final 25% prior to the date of occupation of the last dwelling within phase D or if earlier 31 March 2025.

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. During 2021, land was sold to Cadwyn Housing Association who will now deal with the Section 106 obligation. However, the agreement with Cardiff Council is still with EBDC. 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 2023 to 31 December 2026.

As at 31 March 2024, 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.

In addition to the 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 2024, 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 2024, the conditions to make further payments have not been met and therefore there was no liability arising.

## Tirion Group Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

#### Green Street 2

On 21st June 2021, 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 2024, the conditions to make further payments have not been met and therefore there was no liability arising.

#### **Whiteheads Development Company Limited**

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. The claim has now been issued in the courts and the company has received a notice that for the Case Management Conference will be held on 14 October 2024. WDC maintains its position that it is not liable. As the value is unable to be reliably measured as at the year end, the liability has been treated as contingent.

The Company has entered into a development agreement dated 29 April 2021 for the development of 264 residential units at the Whiteheads site. Payment for these units will fall due upon the Developer meeting certain milestones. First payment was made on 30 November 2023 and second payment was made on 30 April 2024. Third payment is not due until 30 October 2024. Welsh ministers are also a party to this agreement. Welsh Ministers have provided a guarantee that it will make the payments due in the event that the Company is unable to make the payment due to the Developer.

#### **Tirion Group Limited**

On 3 July 2020, Tirion Group Limited sold 'Phase A' investment property at the Ely Bridge site to subsidiary entity Tirion Investments Limited for £14m, plus a deferred consideration of £3.5m which is contingent on future events.

On 7 May 2021, Tirion Group Limited sold 'Phase B' investment property at the Ely Bridge site to subsidiary entity Tirion Investments Limited for £11.25m, plus a deferred consideration of £2.6m which is contingent on future events.

On 22 December 2022, Tirion Group Limited sold 'Phase C' investment property at the Ely Bridge site to subsidiary entity Tirion Investments Limited for £11 m, plus a deferred consideration of £4.5m which is contingent on future events.

On 30 November 2023, Tirion Group Limited sold 'Phase D, section 1' investment property at the Ely Bridge site for £5.3m, plus a deferred consideration of £0.9m which is contingent on future events and Cluster 1 investment property at the Whiteheads site to subsidiary entity Tirion Investments Limited for £7.2m, plus a deferred consideration of £2m which is contingent on future events.

## 19. **Pension and other schemes**

#### **Defined contribution pension scheme**

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £35,350 (2023: £18,299).

## Tirion Group Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2024

#### 20. Related party disclosures

No related party transactions have occurred in the current or prior year except for those disclosed in note 7.

The Group 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.

#### 21. Leasing agreement

Minimum lease payments under non-cancellable operating lease fall due as follows:

	2024	2023
	£	£
Within one year	2,900	2,900
Between one and five years	<u>1,450</u>	<u>4,350</u>
	<u><u>4,350</u></u>	<u><u>7,250</u></u>

#### 22. Group note

Tirion Group Limited has 6 directly owned subsidiaries.

- Whiteheads Development Company Limited (08741542) – 100% owned of the called up share capital.
- Parc Eirin Development Company Limited (08741560) – 100% owned of the called up share capital.
- Ely Bridge Development Company Limited (08010561) – wholly controlled (limited by guarantee).
- Tirion Homes Limited (08937395) – 100% owned of the called up share capital.
- Tirion Investments Limited (RS009240) – wholly controlled.
- Tirion Affordable Homes Limited (RS008839 - Dormant) – wholly controlled.

	WDC Ltd	PEDC Ltd	EBDC Ltd	TH Ltd	TI Ltd
Income	19,153,185	-	16,841,876	34,277	2,832,208
Expenditure	(18,273,092)	(78,970)	(17,006,456)	(34,407)	(1,263,093)
Net Profit/(loss)	<u><b>880,093</b></u>	<u><b>(78,970)</b></u>	<u><b>(164,580)</b></u>	<u><b>(130)</b></u>	<u><b>1,569,115</b></u>
Total assets	16,556,880	354,727	10,310,735	34,098	79,842,226
Total liabilities	(17,212,340)	(1,271,507)	(18,926,665)	(34,228)	(56,842,324)
Net assets/(liabilities)	<u><b>(655,460)</b></u>	<u><b>(916,780)</b></u>	<u><b>(8,615,930)</b></u>	<u><b>(130)</b></u>	<u><b>22,999,902</b></u>
Funds	<u><b>(655,460)</b></u>	<u><b>(916,780)</b></u>	<u><b>(8,615,930)</b></u>	<u><b>(130)</b></u>	<u><b>22,999,902</b></u>

Victoria Court (Newport No1) Residents Management Company Limited, a company limited by guarantee, was incorporated on 19 March 2021. This company is an associate of Whiteheads Development Company Limited, there is no surplus during the period and no activity on the balance sheet.

Copies of the individual financial statements are available from Companies House.

The ultimate controlling party of Tirion Group Limited is the board of members.

Tirion Group Limited

Detailed Consolidated Statement of Financial Activities  
for the Year Ended 31 March 2024

	2024		2023	
	£	£	£	£
<b>Sales, UK</b>		3,711,542		-
<b>Cost of sales</b>				
Purchases		<u>(3,292,856)</u>		<u>-</u>
<b>Gross profit</b>		418,686		-
<b>Other income</b>				
Rents received	3,320,872		2,160,343	
Deposit account interest	59,081		21,913	
Other interest receivable	<u>112,082</u>		<u>60,437</u>	
		<u>3,491,907</u>		<u>2,242,693</u>
		3,910,593		2,242,693
<b>Expenditure</b>				
Insurance	136,261		89,189	
Light, heat and power	798		468	
Directors' salaries	-		16,080	
Directors' fees	12,780		12,780	
Wages	460,082		348,553	
Social security	44,884		35,330	
Pensions	35,350		18,299	
Hire of plant and machinery	-		1,490	
Subcontract costs	5,445		4,714	
Telephone	2,288		2,982	
Post and stationery	4,613		4,390	
Travel and subsistence	412		419	
Motor expenses	8,421		7,811	
Computer consumables	8,201		3,513	
Community engagement	24,716		23,209	
Sundry expenses	-		1,503	
Housing management fee	472,558		473,197	
Estate service charge	223,375		41,040	
Accountancy	775		7,700	
Subscriptions	2,041		3,900	
Legal & consultancy fees	409,770		373,068	
Auditors' remuneration	33,310		33,144	
Depreciation of tangible fixed assets	66,418		55,299	
Advertising	14,061		-	
Diminution in value	<u>(718,556)</u>		<u>451,543</u>	
		<u>1,248,103</u>		<u>1,944,451</u>
		2,662,490		298,242
<b>Finance costs</b>				
Bank charges	6,774		5,269	
Arrangement and exit fees	296,773		(123,521)	
Loan interest	3,114,480		1,505,638	
Indexation charge	<u>755,402</u>		<u>780,308</u>	
		<u>4,173,429</u>		<u>2,167,684</u>
		(1,510,939)		(1,869,442)

<b>Gain/loss on revaluation of assets</b>				
Gain/loss on revaluation of investment properties	2,758,793		4,797,230	
Gain/loss on revaluation of fixed assets	<u>          -</u>		<u>3,294,224</u>	
		<u>2,758,793</u>		<u>8,091,454</u>
<b>Net profit</b>		<u><b>1,247,854</b></u>		<u><b>6,222,012</b></u>

# CONTACT US



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