

Company registration number NI024016 (Northern Ireland)

TITANIC PROPERTY DEVELOPMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

TITANIC PROPERTY DEVELOPMENT LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr P Power Mr M Walsh Mr J Comerford |
| Company number | NI024016 |
| Registered office | Titanic House Queens Road Queen's Island Belfast Co. Antrim Northern Ireland BT3 9DT |
| Auditor | FPM Accountants Limited 1 - 3 Arthur Street Belfast Co. Antrim Northern Ireland BT1 4GA |
| Bankers | Danske Bank Donegall Square West Belfast Co. Antrim Northern Ireland BT1 6JS |
| Solicitors | DWF (NI) LLP 42 Queen Street Belfast Northern Ireland BT1 6HL Cleaver Fulton Rankin 50 Bedford Street Belfast BT2 7FW Co. Antrim |

TITANIC PROPERTY DEVELOPMENT LIMITED

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TITANIC PROPERTY DEVELOPMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Principal Activities and Business Review

The principal activity of Titanic Property Development Limited ("TPDL") is the development of the land that falls within the Titanic Quarter Master Agreement ("TQMA"), entered into with the Belfast Harbour Commissioners ("Belfast Harbour"), comprising 161.5 acres within Titanic Quarter, Belfast.

TPDL has been focused throughout 2023 on the planning and implementation of development activity associated with the land available for sale and development. This activity has yielded further results in terms of the sale of sites at Titanic Quarter for development by third parties and the negotiation of agreements that will result in further development during 2024 and beyond.

Titanic Quarter Today

Titanic Quarter is home to over 100 firms with approximately 20,000 people living and working in Titanic Quarter daily. The area welcomes over 1m visitors annually. Master planning has been undertaken and planning approval exists for 3 million square feet with 1.5 million square feet delivered to date. £658m has been invested in mixed-use projects at Titanic Quarter as follows:

Development by Sector to date

Office

1. Financial Services Centre - Phase I (Gateway Office)
2. Titanic House
3. Public Record Office of Northern Ireland
4. Catalyst Inc. (formerly N.I. Science Park)
5. Olympic House

Commercial

1. Channel Commercial Park
2. Visitor Car Parks at the Premier Inn Hotel, Belfast Metropolitan College and Queens Road
3. Premier Inn Hotel
4. Titanic Hotel Belfast
5. Audi Car Showroom
6. Porsche Car Showroom
7. Amazon logistics unit and van park
8. Hamilton Dock Hotel (under construction)

Residential and Retail

1. ARC Apartments & Retail
2. Loftlines (under construction)

Education

1. Belfast Metropolitan College

Film, Media and Leisure

1. Titanic Slipways event space
2. Titanic Studios (Paint Hall)
3. We Are Vertigo adventure park
4. Titanic Studios (McQuitty and Hurst stages)
5. Titanic Belfast and Car Park

TITANIC PROPERTY DEVELOPMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW (cont.)

- 6. Titanic Exhibition Centre
- 7. SS Nomadic
- 8. HMS Caroline
- 9. Abercorn Basin Marina
- 10. Titanic Walkway/Maritime Mile

Connectivity, Public Infrastructure and Public Realm

Connectivity to road, rail, bus, port and airport links is a feature of Titanic Quarter together with its proximity to Belfast City Centre. Translink's Glider service connects Titanic Quarter with the City Centre. The Glider service provides efficient and regular service with the Titanic Quarter route being one of two routes introduced as part of an initial roll out in Belfast.

Results and dividends

The loss for the year amounted to £485,753 (2022: £2,420,005) and the Directors have not recommended a dividend.

The group achieved an operating profit of £2,222,502 (2022: £393,579) after an aggregate revaluation gain of £NIL (2022: £25,000).

Future Developments

The directors, with the support of the company stakeholders, funders and shareholders are committed to progressing further development in Titanic Quarter in the near term.

During 2023, construction has commenced on Loftlines and Hamilton Dock Hotel. Loftlines is a 778 unit residential scheme (627 build to rent and 151 social/affordable units). The hotel consists of 228 beds, to be operated under the Marriott brand.

These proposed developments are key elements in the ongoing realisation of the Titanic Quarter Master Plan. TPD is well positioned to actively pursue its development objectives and to maximise the commercial opportunities presented to it under the TQMA. With the continued support of its shareholders and working collaboratively with its stakeholders, most importantly Belfast Harbour.

TITANIC PROPERTY DEVELOPMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Principal Risks and Uncertainties

The Directors consider that the principal risks and uncertainties faced by TPDL are in the following categories:

Going concern and funding

The group incurred a pre-tax loss of £485,753 for the year ended 31 December 2023 (2022: £2,420,005) and the consolidated statement of financial position reflects a net liabilities position of £12,069,580 (2022: £11,583,827). The net current liabilities position at 31 December 2023 was £1,384,850 (2022: net current assets of £528,864).

The directors have valued the development land at £21,860,558 (2022: £23,378,866) per note 14. It remains the primary objective of the group that the development land continues to be developed over the medium to long term (through to 2030).

Bank and facilities were renewed for a further 5 year term on 15 February 2022. The senior debt facilities have been provided by Danske Bank and the subordinated debt by Realview Limited, an entity ultimately beneficially owned by Mr D Desmond.

The directors have concluded that there is sufficient expectation that TPDL will continue to be able to meet its liabilities as they fall due for the foreseeable future. Consequently, the directors consider it appropriate to prepare the Financial Statements on a going concern basis.

The Financial Statements do not include any adjustments that would result if the going concern basis was not being applied.

The company and its subsidiaries have drawn shareholder loans of £26,283,651 (2022: £26,283,651). The shareholders have confirmed that they will not seek repayment of the loans for the foreseeable future. The shareholder loans are subordinated to the debt facility providers. The directors recognise that if TPDL and its subsidiaries were not to continue as a going concern and it was not possible to realise assets in the ordinary course of business, it would not be possible to repay the outstanding shareholder loans in full.

Other Financial Risk

The availability of development and working capital finance in the property sector is important for prospective property purchasers.

Economic and Business Risks

The following represent the primary economic and business risks for the group:

- The risk relating to the availability of finance, ongoing liquidity, interest rate movements and inflation having an adverse impact on property markets;
- The risk of increases in development and operating costs impacting adversely on the group;
- The risk of not being able to reach agreement with stakeholders and the consequential impact on the future delivery of projects;
- The impact of planning policy and decisions on the group's assets.

These risks (which are not an exhaustive list) are managed by due consideration of the financing and interest rate environment, business planning, strict cost control, management of planning applications and proactively developing projects in conjunction with Belfast Harbour.

TITANIC PROPERTY DEVELOPMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Corporate and Social Responsibility

Environment

Titanic Quarter is an award-winning environmental project committed to sustainable development, including recycling, remediation and reusing of brownfield sites and former industrial buildings, Titanic Quarter also incorporates the latest green technology to enhance operations and efficient energy use.

Community engagement

Fostering Titanic Quarter's community, along with its sense of place and purpose, is an important factor in creating a sustainable future. The group continuously seeks to engage with people and organisations throughout Belfast and further afield.

The group works with organisations such as the Maritime Belfast Trust, Queen's University and University of Ulster to help foster community relations and promote economic opportunities.

On behalf of the board

Mr M Walsh

Director

17 April 2024

TITANIC PROPERTY DEVELOPMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Power
Mr M Walsh
Mr J Comerford

Auditor

The auditor, FPM Accountants Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

TITANIC PROPERTY DEVELOPMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Disclosure of information in the strategic report

The strategic report is included at pages 1 to 4.

On behalf of the board

Mr M Walsh

Director

17 April 2024

TITANIC PROPERTY DEVELOPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TITANIC PROPERTY DEVELOPMENT LIMITED

Opinion

We have audited the financial statements of Titanic Property Development Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 December 2023 and of the group's loss 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 Companies Act 2006.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company 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 and parent company'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.

TITANIC PROPERTY DEVELOPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TITANIC PROPERTY DEVELOPMENT LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

TITANIC PROPERTY DEVELOPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TITANIC PROPERTY DEVELOPMENT LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory framework applicable to the company through enquiry of management, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the company – Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

We developed an understanding of the key fraud risks to the entity (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key controls cycles in place and enquiry of management.

Our procedures to respond to those risks identified included, but were not limited to:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

TITANIC PROPERTY DEVELOPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TITANIC PROPERTY DEVELOPMENT LIMITED

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Teresa Campbell (Senior Statutory Auditor)
For and on behalf of FPM Accountants Limited

Chartered Accountants Statutory Auditors

1 - 3 Arthur Street
Belfast
Co. Antrim
Northern Ireland
BT1 4GA

17 April 2024

TITANIC PROPERTY DEVELOPMENT LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Notes | 2023 £ | 2022 £ |
|--|-----------|-------------|-------------|
| Turnover | 3 | 8,833,631 | 6,149,952 |
| Cost of sales | | (3,386,581) | (2,704,344) |
| Gross profit | | 5,447,050 | 3,445,608 |
| Administrative expenses | | (3,243,362) | (3,200,473) |
| Other operating income | | 18,814 | 148,444 |
| Operating profit | 4 | 2,222,502 | 393,579 |
| Interest receivable and similar income | 8 | 1,134,490 | 882,889 |
| Interest payable and similar expenses | 9 | (3,842,745) | (3,696,473) |
| Loss before taxation | | (485,753) | (2,420,005) |
| Tax on loss | 10 | (81) | (6,654) |
| Loss for the financial year | 24 | (485,834) | (2,426,659) |

Total comprehensive income for the year is all attributable to the owners of the parent company.

TITANIC PROPERTY DEVELOPMENT LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|--------------|--------------|--------------|--------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 11,331,750 | | 11,390,368 |
| Current assets | | | | | |
| Stocks | 14 | 21,860,558 | | 23,378,866 | |
| Debtors | 15 | 7,926,307 | | 5,230,704 | |
| Cash at bank and in hand | | 3,258,396 | | 5,114,578 | |
| | | | | | |
| | | 33,045,261 | | 33,724,148 | |
| Creditors: amounts falling due within one year | 16 | (34,430,111) | | (33,195,284) | |
| | | | | | |
| Net current (liabilities)/assets | | | (1,384,850) | | 528,864 |
| | | | | | |
| Total assets less current liabilities | | | 9,946,900 | | 11,919,232 |
| | | | | | |
| Creditors: amounts falling due after more than one year | 17 | | (21,388,634) | | (22,854,513) |
| | | | | | |
| Provisions for liabilities | | | | | |
| Provisions | 19 | 335,601 | | 356,301 | |
| Deferred tax liability | 20 | 292,326 | | 292,245 | |
| | | | (627,927) | | (648,546) |
| | | | | | |
| Net liabilities | | | (12,069,661) | | (11,583,827) |
| | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 23 | | 1,004 | | 1,004 |
| Profit and loss reserves | 24 | | (12,070,665) | | (11,584,831) |
| | | | | | |
| Total equity | | | (12,069,661) | | (11,583,827) |
| | | | | | |

The financial statements were approved by the board of directors and authorised for issue on 17 April 2024 and are signed on its behalf by:

Mr M Walsh

Director

Company registration number NI024016 (Northern Ireland)

TITANIC PROPERTY DEVELOPMENT LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|--------------|--------------|--------------|--------------|
| Fixed assets | | | | | |
| Investments | 12 | | 9,578,000 | | 9,578,000 |
| Current assets | | | - | | - |
| Creditors: amounts falling due within one year | 16 | (11,369,985) | | (11,369,985) | |
| Net current liabilities | | | (11,369,985) | | (11,369,985) |
| Net liabilities | | | (1,791,985) | | (1,791,985) |
| Capital and reserves | | | | | |
| Called up share capital | 23 | | 1,004 | | 1,004 |
| Profit and loss reserves | 24 | | (1,792,989) | | (1,792,989) |
| Total equity | | | (1,791,985) | | (1,791,985) |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2022 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 17 April 2024 and are signed on its behalf by:

Mr M Walsh
Director

Company registration number NI024016 (Northern Ireland)

TITANIC PROPERTY DEVELOPMENT LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Share capital | Profit and loss reserves | Total |
|--|------------------|--------------------------------|--------------|
| | £ | £ | £ |
| Balance at 1 January 2022 | 1,004 | (9,158,172) | (9,157,168) |
| | <hr/> | <hr/> | <hr/> |
| Year ended 31 December 2022: | | | |
| Loss and total comprehensive income for the year | - | (2,426,659) | (2,426,659) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2022 | 1,004 | (11,584,831) | (11,583,827) |
| | <hr/> | <hr/> | <hr/> |
| Year ended 31 December 2023: | | | |
| Loss and total comprehensive income for the year | - | (485,834) | (485,834) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2023 | 1,004 | (12,070,665) | (12,069,661) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

TITANIC PROPERTY DEVELOPMENT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Share capital | Profit and loss reserves | Total |
|--|------------------|--------------------------------|-------------|
| | £ | £ | £ |
| Balance at 1 January 2022 | 1,004 | (1,792,989) | (1,791,985) |
| | <hr/> | <hr/> | <hr/> |
| Year ended 31 December 2022: | | | |
| Profit and total comprehensive income for the year | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2022 | 1,004 | (1,792,989) | (1,791,985) |
| | <hr/> | <hr/> | <hr/> |
| Year ended 31 December 2023: | | | |
| Profit and total comprehensive income | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2023 | 1,004 | (1,792,989) | (1,791,985) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

TITANIC PROPERTY DEVELOPMENT LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

| | | 2023 | 2022 |
|---|-------|-------------|-------------|
| | Notes | £ | £ |
| Cash flows from operating activities | | | |
| Cash generated from operations | 30 | 3,411,664 | 1,115,232 |
| Interest paid | | (5,168,624) | (91,220) |
| Net cash (outflow)/inflow from operating activities | | (1,756,960) | 1,024,012 |
| Investing activities | | | |
| Purchase of tangible fixed assets | | (4,348) | (3,188) |
| Interest received | | 65,627 | - |
| Net cash generated from/(used in) investing activities | | 61,279 | (3,188) |
| Financing activities | | | |
| Movement in related party balances | | (20,501) | 214,228 |
| Proceeds from new bank loans | | - | 2,800,000 |
| Repayment of bank loans | | (140,000) | (2,760,183) |
| Net cash (used in)/generated from financing activities | | (160,501) | 254,045 |
| Net (decrease)/increase in cash and cash equivalents | | (1,856,182) | 1,274,869 |
| Cash and cash equivalents at beginning of year | | 5,114,578 | 3,839,709 |
| Cash and cash equivalents at end of year | | 3,258,396 | 5,114,578 |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Titanic Property Development Ltd ("the company") is a private limited company domiciled and incorporated in Northern Ireland. The registered office is Titanic House, Queens Road, Queen's Island, Belfast, Co. Antrim, Northern Ireland, BT3 9DT.

The group consists of Titanic Property Development Ltd and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Titanic Property Development Ltd together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 December 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.4 Going concern

The group incurred a pre-tax loss of £485,753 for the year ended 31 December 2023 (2022: £2,420,005) and the consolidated statement of financial position reflects a net liabilities position of £12,069,580 (2022: £11,583,827). The net current liabilities position at 31 December 2023 was £1,153,100 (2022: net current assets of £528,864).

The directors have valued the development land at £21,860,558 (2022: £23,378,866) per note 14. It remains the primary objective of the group that the development land continues to be developed over the medium to long term (through to 2030).

The group remains dependent upon support from the group's shareholders and related parties. The group's ultimate controlling parties, The Entice Limited Partnership and Dockside Investments Limited, have confirmed they will not seek repayment of existing loans of £26,283,651 for the foreseeable future. The shareholder loans are subordinated to Danske Bank and Realview Limited, an entity ultimately beneficially owned by Dermot Desmond, for the duration of the facilities provided by these parties. Harcourt Construction (NI) Limited, which is related to Dockside Investments Limited, will not seek repayment of amounts payable to it for the foreseeable future.

In February 2022, the company's debt facilities were agreed and renewed with its current lenders. The renewal of the facilities is on similar terms to those held at the year end and for a period of 5 years. The disclosures in respect of bank loans reflect the renewed position as at the balance sheet signing date.

After making enquiries, the directors have formed the judgement at the time of approving the financial statements that the group will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements, and therefore it is appropriate to prepare the financial statements on a going concern basis.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-------------------------|--------------|
| Long leasehold property | 5 - 50 years |
| Plant and machinery | 3 - 5 years |
| Fixtures and fittings | 5 years |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Development land are held for future development. These are stated at the lower of cost and net realisable value. Cost comprises purchase price and, where initial planning and development work has commenced, development costs and interest.

Interest is calculated by reference to specific borrowings. Net realisable value is defined as the estimated selling price net of selling costs of the completed developments less all further costs to completion, as estimated by the directors depending on agreed plans for the properties.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There were no significant judgements (apart from those involving estimations) that the Directors have made in the process of applying the company's accounting policies.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Tangible asset depreciation

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment property valuation

Investment properties are valued annually by a Director using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself. Key inputs into the valuations are annual rent per square foot and property yields.

Development land valuation

Development land is stated at the lower of cost and estimated selling price less selling costs. Excess inventory is provided for on the basis of likely future usage and estimated net realisable value.

3 Turnover and other revenue

| | 2023 | 2022 |
|--|-----------|-----------|
| | £ | £ |
| Turnover analysed by class of business | | |
| Property rental and proceeds from sale of properties | 8,833,631 | 6,149,952 |
| | ===== | ===== |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Turnover and other revenue (Continued)

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | £ | £ |
| Other revenue | | |
| Interest income | 1,134,490 | 882,889 |
| Gain on revaluation of investment property | - | 25,000 |
| | <u> </u> | <u> </u> |

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

4 Operating profit

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Operating profit for the year is stated after charging: | | |
| Depreciation of owned tangible fixed assets | 62,966 | 70,188 |
| Impairment of trade debtors | 18,375 | 25,076 |
| Operating lease charges | 430,940 | 430,940 |
| | <u> </u> | <u> </u> |

5 Auditor's remuneration

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £ | £ |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and subsidiaries | 22,400 | 21,350 |
| | <u> </u> | <u> </u> |

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

| Group | | Company | |
|-------------------|-------------------|-------------------|-------------------|
| 2023 | 2022 | 2023 | 2022 |
| Number | Number | Number | Number |
| 16 | 15 | - | - |
| <u> </u> | <u> </u> | <u> </u> | <u> </u> |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Employees

(Continued)

Their aggregate remuneration comprised:

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|-----------------------|--------------------|----------------|----------------------|-----------|
| Wages and salaries | 894,319 | 843,581 | - | - |
| Social security costs | 115,136 | 95,127 | - | - |
| Pension costs | 33,281 | 30,951 | - | - |
| | <u>1,042,736</u> | <u>969,659</u> | <u>-</u> | <u>-</u> |

7 Directors' remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group. No remuneration was paid to the three company directors, Mr M Walsh, Mr P Power or Mr J Comerford.

8 Interest receivable and similar income

| | 2023 £ | 2022 £ |
|--------------------------------|------------------|----------------|
| Interest income | | |
| Interest on related party loan | 1,134,490 | 882,889 |
| | <u>1,134,490</u> | <u>882,889</u> |

9 Interest payable and similar expenses

| | 2023 £ | 2022 £ |
|---------------------------------------|------------------|------------------|
| Interest on bank overdrafts and loans | 168,624 | 91,220 |
| Other interest | 3,674,121 | 3,605,253 |
| | <u>3,842,745</u> | <u>3,696,473</u> |

10 Taxation

| | 2023 £ | 2022 £ |
|---|-----------|------------|
| Current tax | | |
| Adjustments in respect of prior periods | - | 306 |
| | <u>-</u> | <u>306</u> |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Taxation

(Continued)

| | 2023 £ | 2022 £ |
|--|-----------|--------------|
| Deferred tax | | |
| Origination and reversal of timing differences | 81 | 6,348 |
| | <u>81</u> | <u>6,348</u> |
| Total tax charge | 81 | 6,654 |
| | <u>81</u> | <u>6,654</u> |

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

| | 2023 £ | 2022 £ |
|--|------------------|--------------------|
| Loss before taxation | (485,753) | (2,420,005) |
| | <u>(485,753)</u> | <u>(2,420,005)</u> |
| Expected tax credit based on the standard rate of corporation tax in the UK of 23.50% (2022: 19.00%) | (114,152) | (459,801) |
| Tax effect of expenses that are not deductible in determining taxable profit | 1,730 | 8,354 |
| Tax effect of income not taxable in determining taxable profit | (4,160) | (4,750) |
| Tax effect of utilisation of tax losses not previously recognised | 285,337 | - |
| Change in unrecognised deferred tax assets | - | 350,602 |
| Effect of change in corporation tax rate | 81 | - |
| Group relief | (179,592) | - |
| Permanent capital allowances in excess of depreciation | 10,837 | 9,854 |
| Chargeable gains | - | 58,106 |
| Transfer pricing adjustment | - | 37,634 |
| Under/(over) provided in prior years | - | 307 |
| Deferred taxation | - | 6,348 |
| | <u>-</u> | <u>6,348</u> |
| Taxation charge | 81 | 6,654 |
| | <u>81</u> | <u>6,654</u> |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Tangible fixed assets

| Group | Long leasehold property | Plant and machinery | Fixtures and fittings | Equipment | Investment property | Total |
|--|-------------------------------|------------------------|--------------------------|-----------|------------------------|------------|
| | £ | £ | £ | £ | £ | £ |
| Cost or valuation | | | | | | |
| At 1 January 2023 | 1,351,907 | 139,025 | 321,463 | 49,318 | 10,949,318 | 12,811,031 |
| Additions | - | - | 4,348 | - | - | 4,348 |
| | | | | | | |
| At 31 December 2023 | 1,351,907 | 139,025 | 325,811 | 49,318 | 10,949,318 | 12,815,379 |
| | | | | | | |
| Depreciation and impairment | | | | | | |
| At 1 January 2023 | 970,510 | 139,025 | 311,128 | - | - | 1,420,663 |
| Depreciation charged in the year | 56,052 | - | 6,914 | - | - | 62,966 |
| | | | | | | |
| At 31 December 2023 | 1,026,562 | 139,025 | 318,042 | - | - | 1,483,629 |
| | | | | | | |
| Carrying amount | | | | | | |
| At 31 December 2023 | 325,345 | - | 7,769 | 49,318 | 10,949,318 | 11,331,750 |
| | | | | | | |
| At 31 December 2022 | 381,397 | - | 10,335 | 49,318 | 10,949,318 | 11,390,368 |
| | | | | | | |

The company has no tangible fixed assets.

Equipment includes £49,318 (2022: £49,318) of chattels which are not depreciated.

The investment properties were valued at 23 September 2021 and 1 February 2022 by CBRE, Chartered Surveyors, at open market value in accordance with the Practice Statements in the RICS Appraisal & Valuation Manual which resulted in a gain on revaluation in the current year of £NIL. Further to this, the Directors have performed an internal valuation and are of the opinion that the above valuations represent a prudent approximation of the open market value of the properties at 31 December 2023. The valuation of the investment property at the date of the approval of the financial statements remains subject to uncertainty.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Tangible fixed assets

(Continued)

On the historical cost basis, investment property would have been included as follows:

| | 2023 £ | 2022 £ |
|--------------------------|-------------|-------------|
| Group | | |
| Cost | 5,360,527 | 5,360,527 |
| Accumulated depreciation | (3,507,580) | (3,400,370) |
| | <hr/> | <hr/> |
| Carrying value | 1,852,947 | 1,960,157 |
| | <hr/> | <hr/> |

12 Fixed asset investments

| | Notes | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|-----------------------------|-------|--------------------|-----------|----------------------|-----------|
| Investments in subsidiaries | 13 | - | - | 9,578,000 | 9,578,000 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

Movements in fixed asset investments

Company

Shares in
subsidiaries
£

Cost or valuation

At 1 January 2023 and 31 December 2023

14,500,000

Impairment

At 1 January 2023 and 31 December 2023

4,922,000

Carrying amount

At 31 December 2023

9,578,000

At 31 December 2022

9,578,000

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Subsidiaries

(Continued)

| Name of undertaking | Registered office | Class of shares held | % Held Direct |
|---------------------------------------|-------------------|----------------------|---------------|
| Titanic Properties Limited | Northern Ireland | Ordinary | 100.00 |
| Titanic Holdings Limited | Northern Ireland | Ordinary | 100.00 |
| Titanic Quarter Limited | Northern Ireland | Ordinary | 100.00 |
| Titanic Investment Properties Limited | Northern Ireland | Ordinary | 100.00 |
| Titanic Trademark Limited | Northern Ireland | Ordinary | 100.00 |
| Ivywood Car Parks Limited | Northern Ireland | Ordinary | 100.00 |

In the opinion of the directors the value of the shares in group undertakings is not less than that shown above.

The registered office for all of the above investments is Titanic House, Queens Road, Queens Island, Belfast, BT3 9DT.

14 Stocks

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|------------------|--------------------|------------|----------------------|-----------|
| Development land | 21,860,558 | 23,378,866 | - | - |

The Directors have performed an internal valuation and are of the opinion that the above valuations represent a prudent approximation of the open market value of the development land at 31 December 2023. The valuation of the development land at the date of the approval of the financial statements is subject to uncertainty.

15 Debtors

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|---|--------------------|-----------|----------------------|-----------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 222,559 | 67,087 | - | - |
| Amounts owed by related parties | 6,159,007 | 5,078,502 | - | - |
| Other debtors | 107,933 | 22,921 | - | - |
| Prepayments and accrued income | 1,436,808 | 62,194 | - | - |
| | 7,926,307 | 5,230,704 | - | - |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Debtors

(Continued)

All debtors are due within one year.

Amounts owed by related parties are unsecured, repayable on demand and earn interest of 20% per annum.

16 Creditors: amounts falling due within one year

| | | Group 2023 | 2022 | Company 2023 | 2022 |
|------------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
| | Notes | £ | £ | £ | £ |
| Bank loans | 18 | 140,000 | 140,000 | - | - |
| Trade creditors | | 120,672 | 83,931 | - | - |
| Amounts owed to group undertakings | | - | - | 3,631,218 | 3,631,218 |
| Amounts owed to related parties | | 31,728,733 | 31,737,593 | 7,700,000 | 7,700,000 |
| Other taxation and social security | | 173,691 | 175,403 | - | - |
| Deferred income | 21 | 115,684 | 100,037 | - | - |
| Other creditors | | 52,635 | 50,635 | 38,767 | 38,767 |
| Accruals | | 2,098,696 | 907,685 | - | - |
| | | <u>34,430,111</u> | <u>33,195,284</u> | <u>11,369,985</u> | <u>11,369,985</u> |

Details of any security held are included in note 17.

Amounts owed to group undertakings and related parties are unsecured, interest free and repayable on demand.

17 Creditors: amounts falling due after more than one year

| | | Group 2023 | 2022 | Company 2023 | 2022 |
|---------------------------------|-------|-------------------|-------------------|-----------------|----------|
| | Notes | £ | £ | £ | £ |
| Bank loans | 18 | 2,380,000 | 2,520,000 | - | - |
| Amounts owed to related parties | 18 | 19,008,634 | 20,334,513 | - | - |
| | | <u>21,388,634</u> | <u>22,854,513</u> | <u>-</u> | <u>-</u> |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Creditors: amounts falling due after more than one year

(Continued)

The following assets are held as security by Danske Bank whether or not formally charged to the Lender:

- An all monies debenture from the group to Danske Bank conferring on the Lender fixed and floating security over the property, assets, undertakings, rights and revenues (both present and future) of the group.
- Full cross intercompany guarantees between Titanic Properties Limited, Titanic Properties (Arc Management) Limited, Titanic Holdings Limited, Titanic Island Limited, Titanic Property Development Limited, and Titanic Trademark Limited, who had provided guarantees in relation to loan facilities between Danske Bank and the group.

The following assets are held as security by Realview Limited whether or not formally charged to the Lender:

- An all monies company guarantee in favour of the Lender from Titanic Quarter Limited.
- An all monies debenture from the company to Realview Limited conferring on the Lender fixed and floating security over the property, assets, undertakings, rights and revenues (both present and future) of the group.
- Full cross intercompany guarantees between Titanic Quarter Limited, Titanic Properties Limited, Titanic Properties (Arc Management) Limited, Titanic Holdings Limited, Titanic Island Limited, Titanic Property Development Limited, and Titanic Trademark Limited, who had provided guarantees in relation to loan facilities between Realview Limited and the company.

There are no other amounts included under 'creditors' in respect of which any security has been given by the group.

Amounts included above which fall due between 2-5 years are as follows:

| | Group | | Company | |
|-----------------------------------|--------------|--------------|----------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Payable other than by instalments | (19,008,634) | (20,334,513) | - | - |
| | ===== | ===== | ===== | ===== |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Loans

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|-------------------------|--------------------|-------------------|----------------------|-----------|
| Bank loans | 2,520,000 | 2,660,000 | - | - |
| Other loans | 19,008,634 | 20,334,513 | - | - |
| | <u>21,528,634</u> | <u>22,994,513</u> | <u>-</u> | <u>-</u> |
| Payable within one year | 140,000 | 140,000 | - | - |
| Payable after one year | <u>21,388,634</u> | <u>22,854,513</u> | <u>-</u> | <u>-</u> |

Details of security held are included in note 17.

19 Provisions for liabilities

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|------------------|--------------------|----------------|----------------------|-----------|
| Other provisions | <u>335,601</u> | <u>356,301</u> | <u>-</u> | <u>-</u> |

Movements on provisions:

| Group | Other provisions £ |
|--------------------------|-----------------------|
| At 1 January 2023 | 356,301 |
| Utilisation of provision | (20,700) |
| At 31 December 2023 | <u>335,601</u> |

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

| | Liabilities 2023 £ | Liabilities 2022 £ |
|--------------------------------|-----------------------------------|-----------------------------------|
| Group | | |
| Accelerated capital allowances | 292,326 | 292,245 |
| | <u> </u> | <u> </u> |

The company has no deferred tax assets or liabilities.

| | Group 2023 £ | Company 2023 £ |
|-------------------------------|-----------------------------|-------------------------------|
| Movements in the year: | | |
| Liability at 1 January 2023 | 292,245 | - |
| Charge to profit or loss | 81 | - |
| | <u> </u> | <u> </u> |
| Liability at 31 December 2023 | 292,326 | - |
| | <u> </u> | <u> </u> |

21 Deferred income

| | Group 2023 £ | 2022 £ | Company 2023 £ | 2022 £ |
|-----------------------|-----------------------------|-------------------|-------------------------------|-------------------|
| Other deferred income | 115,684 | 100,037 | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

22 Retirement benefit schemes

| | 2023 £ | 2022 £ |
|---|-------------------|-------------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 33,281 | 30,951 |
| | <u> </u> | <u> </u> |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Share capital

| Group and company | 2023 | 2022 | 2023 | 2022 |
|----------------------------|--------|--------|-------|-------|
| Ordinary share capital | Number | Number | £ | £ |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | 1,004 | 1,004 | 1,004 | 1,004 |
| | ===== | ===== | ===== | ===== |

24 Reserves

Profit and loss reserves

The profit and loss reserves account records retained earnings and accumulated losses.

25 Other services provided by auditors

In common with many other businesses of our size and nature the group uses its auditors to provide tax advice, prepare and submit returns to tax authorities and assist with the preparation of the financial statements.

26 Operating lease commitments

Lessee

The group has future operating lease commitments as a lessee of £959,990 (2022: £1,109,506).

The group has future operating lease commitments as a lessor of £3,715,575 (2022: £3,919,125).

The company has no operating lease commitments as a lessee or lessor.

27 Contingencies

On 15 February 2022, Titanic Properties Limited, Titanic Properties (Arc Management) Limited, Titanic Holdings Limited, Titanic Island Limited, Titanic Property Development Limited, and Titanic Trademark Limited, entered into a 5 year refinancing agreement with Danske Bank. As part of this arrangement the entities have entered into a full cross intercompany guarantee.

In addition, on 15 February 2022, Titanic Quarter Limited, Titanic Properties Limited, Titanic Properties (Arc Management) Limited, Titanic Holdings Limited, Titanic Island Limited, Titanic Property Development Limited, and Titanic Trademark Limited entered into a 5 year refinancing agreement with Realview Limited (a related party of the company) alongside Danske Bank.

There was in place at the year end an all monies debenture conferring on Realview Limited a fixed and floating security over the group's property and assets. As part of this arrangement the entities have also entered into a full cross intercompany guarantee.

Due to the various factors that may impact on the above guarantees it is not possible to quantify the amounts that could be involved or give any indication as to the timing of when a liability may arise.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Related party transactions

Remuneration of key management personnel

The key management personnel and the directors are the same. Therefore, the directors' remuneration disclosed in note 7 represents the total compensation paid to key management personnel.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102 para 33.2.

Group

The following amounts were outstanding at the reporting end date:

| | 2023 | 2022 |
|-------------|--------------|--------------|
| | £ | £ |
| Debtors | 6,159,007 | 5,078,502 |
| Creditors | (31,727,733) | (31,737,593) |
| Other loans | (19,008,634) | (20,334,513) |
| | ===== | ===== |
| Sales | 329,163 | 302,201 |
| Purchases | (25,431) | (23,704) |
| | ===== | ===== |

Within creditors of the group there is a balance of £31,727,733. This amount relates to loan balances owed to the related parties of the group, with £7,700,000 relating to Titanic Property Developments Limited and £24,027,733 relating to Titanic Quarter Limited.

The respective amounts payable are £3,520,346 to The Entice Limited Partnership, £225,000 to Dockside Investments Limited and £3,954,654 to Harcourt Developments in Titanic Property Developments Limited, and £8,751,957 to The Entice Limited Partnership, £9,831,694 to Harcourt Developments and £5,406,500 to Harcourt Construction (NI) Limited in Titanic Quarter Limited.

Within note 18, the other loans balance totalling £19,008,634, relates to amounts owed to Realview Limited, a related party of the company, which is ultimately beneficially owned by Mr D Desmond.

Company

Within creditors of the company there is a balance of £7,700,000. This amount relates to a loan balance owed to the related parties of the company, being £3,520,346 owed to The Entice Limited Partnership, £225,000 to Dockside Investments Limited and £3,954,654 to Harcourt Developments.

TITANIC PROPERTY DEVELOPMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

29 Controlling party

The results and business review of Titanic Property Development Limited and its subsidiaries are publicly available at Companies House, 32-38 Linenhall Street, Belfast.

The group is under the joint control of The Entice Limited Partnership which is ultimately beneficially owned by Mr D Desmond and Dockside Investments Limited which is under the control of the family of Mr P Doherty.

30 Cash generated from group operations

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Loss for the year after tax | (485,834) | (2,426,659) |
| Adjustments for: | | |
| Taxation charged | 81 | 6,654 |
| Finance costs | 3,842,745 | 3,696,473 |
| Investment income | (1,134,490) | (882,889) |
| Fair value gain on investment properties | - | (25,000) |
| Depreciation and impairment of tangible fixed assets | 62,966 | 70,188 |
| (Decrease)/increase in provisions | (20,700) | 24,494 |
| Movements in working capital: | | |
| Decrease in stocks | 1,518,308 | 894,452 |
| (Increase)/decrease in debtors | (1,615,098) | 214,146 |
| Increase/(decrease) in creditors | 1,228,040 | (459,389) |
| Increase in deferred income | 15,647 | 2,762 |
| Cash generated from operations | 3,411,665 | 1,115,232 |

31 Analysis of changes in net debt - group

| | 1 January 2023 £ | Cash flows £ | Market value movements £ | 31 December 2023 £ |
|---------------------------------|------------------------|--------------------|--------------------------------|--------------------------|
| Cash at bank and in hand | 5,114,578 | (1,856,182) | - | 3,258,396 |
| Borrowings excluding overdrafts | (22,994,513) | 140,000 | 1,325,879 | (21,528,634) |
| | <u>(17,879,935)</u> | <u>(1,716,182)</u> | <u>1,325,879</u> | <u>(18,270,238)</u> |

