Registered number: 04151594

CLEARSTORM LIMITED

Annual report and financial statements

For the Year Ended 31 March 2016

CLEARSTORM LIMITED

Contents

CLEARSTORM LIMITED

Company Information

Directors	D.Pearson J.Mulryan S.Mulryan
Company secretary	D. Pearson
Registered number	04151594
Registered office	4th Floor 161 Marsh Wall London E14 9SJ
Independent auditor	KPMG, Statutory Auditor Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland
Solicitors	Howard Kennedy No. 1 London Bridge London SE1 9BG

Strategic report
For the Year Ended 31 March 2016

Introduction

The directors present their strategic report for the year ended 31 March 2016.

Business review

The principal activity of the company is that of property development. During the year the company sold its interest in the London City Island Phase 2 site. In the prior year the company commenced development of its London City Island Phase 1 site, on the Leamouth Peninsula, north of the O2 Arena on the River Thames in London. The development has planning for 457 private apartments, 104 affordable apartments and a small amount of commercial space. At the time of preparation of these financial statements, contracts had been exchanged to sell over 98% of the Phase 1 apartments off plan. Legal completions of these apartments is anticipated in 2016.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Going concern

The company's future performance in the markets in which it operates will be influenced by macro-economic, financial, credit and property industry conditions which are generally outside of the company's control.

The principal assumptions made by the directors in determining that the going concern basis is the correct basis of preparation of these financial statements is set out in Note 1.

Financial risk

The credit crisis and prevailing economic conditions have affected the availability of development and working capital finance in the property sector as well as impacting on prospective property purchasers. The directors are working closely with the company's key stakeholders in order to mitigate these factors.

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

Key performance indicators used by management include average sales price per foot, completion levels and project cashflow.

Economic risk

The house building industry is sensitive to the macroeconomic environment internationally, nationally and regionally such as interest rates and world-wide consumer confidence.

As such, the following represent the primary economic risks to the company:

The risk relating to the availability of finance, and ongoing liquidity and interest rate movements having an adverse impact on property markets.

The risk of unrealistic increases in development and operating costs impacting adversely on competitiveness of the group.

These risks are managed by due consideration of the interest rate environment, business planning and strict cost control.

Strategic report (continued)
For the Year Ended 31 March 2016

Principal risks and uncertainties (continued)

Market risk

The directors manage market risk through careful attention to residential and commercial property markets and through appropriate business planning and pricing.

This report was approved by the board on 31 August 2016 and signed on its behalf.

....

D.Pearson
Director

Directors' report
For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company is that of property development.

Results and dividends

The profit for the year, after taxation, amounted to £12,079,926 *(2015 - £17,793,507)*.

No dividends were declared for the year ended 31 March 2016 (*2015 - NIL*).

Directors

The directors who served during the year were:

D.Pearson
J.Mulryan
S.Mulryan

Directors' report
For the Year Ended 31 March 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Under Section 487(2) of the Companies Act 2006, KPMG, Statutory Auditor will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 31 August 2016 and signed on its behalf.

....

D.Pearson
Director

KPMG

Independent auditor's report to the members of Clearstorm Limited

We have audited the financial statements of Clearstorm Limited for the year ended 31 March 2016, set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2. Our opinion on the financial statements is accompanied by an emphasis of matter - going concern.

In forming our opinion on these financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 concerning material uncertainties affecting the company's ability to continue as a going concern.

The company is a member of a group headed by Ballymore Properties ("the group"). At 31 March 2016 the company had net liabilities of £58,386,798 and is dependent on funds provided to it by NAMA and by the group. The group is in turn dependent on the ongoing financial support of its lenders to continue as a going concern. These conditions, together with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

3. Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

4. We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in respect of the above responsibilities.

KPMG

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

C.Mullen

C.Mullen (Senior statutory auditor)

for and on behalf of
KPMG, Statutory Auditor

Chartered Accountants

1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

31 August 2016

CLEARSTORM LIMITED

Profit and loss account
For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	**73,884,675**	*32,700*
Cost of sales		**(56,403,684)**	*(251,505)*
Gross profit/(loss)		**17,480,991**	*(218,805)*
Provision for impairment of stock		**(18,000,000)**	*-*
Administrative expenses		**24,429,230**	*25,545,966*
Operating profit	4	**23,910,221**	*25,327,161*
Interest receivable and similar income	5	**10,573**	*159*
Interest payable and similar charges	6	**(11,635,690)**	*(11,637,383)*
Profit on ordinary activities before tax		**12,285,104**	*13,689,937*
Tax on profit on ordinary activities	7	**(205,178)**	*4,103,570*
Profit for the year		**12,079,926**	*17,793,507*

All amounts relate to continuing operations.

The company had no other comprehensive income in the financial year or the previous financial year and therefore, no statement of other comprehensive income is provided.

CLEARSTORM LIMITED
Registered number: 04151594

Balance sheet
As at 31 March 2016

	Note		2016 £		2015 £
Current assets					
Stocks	8	205,294,535		*168,893,753*	
Debtors: amounts falling due within one year	9	53,813,970		*40,372,866*	
Cash at bank and in hand		8,597,195		*23,537*	
		267,705,700		*209,290,156*	
Creditors: amounts falling due within one year	10	(227,645,629)		*(225,110,062)*	
Net current assets/(liabilities)			40,060,071		*(15,819,906)*
Total assets less current liabilities			40,060,071		*(15,819,906)*
Creditors: amounts falling due after more than one year	11		(98,446,869)		*(54,646,818)*
Net assets			(58,386,798)		*(70,466,724)*
Capital and reserves					
Called up share capital	13		1,000		*1,000*
Profit and loss account			(58,387,798)		*(70,467,724)*
			(58,386,798)		*(70,466,724)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 August 2016.

....

D.Pearson
Director

The notes on pages 11 to 18 form part of these financial statements.

Statement of changes in equity
For the Year Ended 31 March 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015	1,000	(70,467,724)	(70,466,724)
Comprehensive income for the year			
Profit for the year	-	12,079,926	12,079,926
Total comprehensive income for the year	-	12,079,926	12,079,926
Total transactions with owners	-	-	-
At 31 March 2016	1,000	(58,387,798)	(58,386,798)

Statement of changes in equity
For the Year Ended 31 March 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014	1,000	(88,261,231)	(88,260,231)
Comprehensive income for the year			
Profit for the year	-	17,793,507	17,793,507
Total comprehensive income for the year	-	17,793,507	17,793,507
Total transactions with owners	-	-	-
At 31 March 2015	1,000	(70,467,724)	(70,466,724)

1. Accounting policies

Clearstorm Limited is a company limited by shares and incorporated and domiciled in the UK.

Basis of preparation of financial statements

The financial statements have been prepared in UK Sterling and in accordance with the Companies Act 2006 and Financial Reporting Standard 102, *the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.*

In the transition to FRS 102 from old UK GAAP, the company made no measurement and recognition adjustments.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

the requirements of Section 7 Statement of Cash Flows;
the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
the requirements of Section 11 Basic Financial Instruments paragraph 11.41
the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of Ballymore Properties Holdings Limited as at 31 March 2016 and these financial statements may be obtained from 4th Floor, 161 Marsh Wall, London, E14 9SJ.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Going concern

The company is a member of a group headed by Ballymore Properties ("the group"), a company incorporated in the Republic of Ireland.

Notwithstanding having net liabilities of £58,386,798 at 31 March 2016, the financial statements of the company are prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The company is dependent on funds provided to it by the National Asset Managment Agency ("NAMA") and by the group. The group has confirmed that it will continue to make available such funds as are needed by the company and the directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

The Ballymore Properties group is in turn dependent on the ongoing financial support of its lenders to continue as a going concern. The group's principal lender is NAMA. NAMA is a special purpose vehicle that was established by the Irish government on a statutory basis in order to manage loans acquired from financial institutions with the aim of achieving the best possible return for the Irish taxpayer over a 7 to 10 year timetable.

1. Accounting policies (continued)

Going concern continued

In December 2012, the group entered into a Connection Management Agreement ("CMA") with NAMA. The CMA was in addition to a detailed business plan which set out the various conditions and key performance indicators that the group was required to achieve in order to ensure NAMA's continued support. The group has to date achieved its milestones agreed with NAMA and an amended CMA was signed in July 2015 with revised financial targets to recognise the milestones already achieved. Given that the various milestones continue to be achieved, it is expected that funding will continue to be available to this company and to the group.

As with any group company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these indications, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, this material uncertainty may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Revenue

Revenue from the sale of development property is recognised when legal completion of the sale of properties has occurred. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales.

Expenditure

Expenditure recorded in work in progress is expensed through cost of sales at the time of the related property sale. Operating expenditure in respect of goods and services acquired is recognised when supplied in accordance with contractual terms.

Stocks

Work in progress

Work in progress comprises properties currently being developed stated at the lower of cost and net realisable value. Costs include interest and finance fees which are capitalised from the date of commencement of development until the development is completed. Interest is calculated by reference to specific borrowings. Net realisable value is defined as the estimated selling price of the completed development less all further costs to completion as estimated by the directors.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1. Accounting policies (continued)

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at the present value of future payments discounted at a market rate of interest and are measured subsequently at amortised cost using the effective interest method.

Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

Borrowing costs

Interest costs which have not been capitalised are recognised in the profit and loss account in the year in which they are incurred.

Sales deposits, deferred income and forfeited deposits

Deposits received from contracted purchasers, where legal completion of the sale has not yet occurred, are recognised as deferred income in the balance sheet. This income is transferred to the profit and loss account on the date of legal transfer of ownership. Deposits paid by contracted purchasers, which are held in a solicitor's client account until legal transfer of ownership occurs are included within debtors on the balance sheet. The corresponding amount is recognised on the balance sheet as deferred income. Forfeited deposits are included in other income in the period in which the related contracts have been rescinded.

Current and deferred taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the process of applying the company's accounting policies, the key judgments made by management relate to going concern (see Note 1), valuation of stocks (Note 8) and recoverability of receivables (Note 9).

3. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2016 £	*2015 £*
Sale of development properties	**73,884,675**	*32,700*

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging/(crediting):

	2016 £	*2015 £*
Auditor 's remuneration for the audit of these financial statements	**14,000**	*15,500*
Reversal of provision against intercompany receivable	**(27,282,079)**	*(29,596,066)*
Foreign currency gain	**-**	*(249,518)*

During the year, no director received any emoluments (*2015 - £NIL*). The company has no employees (*2015 - none*).

5. Interest receivable

	2016 £	*2015 £*
Other interest receivable	**10,573**	*159*

6. Interest payable and similar charges

	2016 £	*2015 £*
On bank loans and overdrafts	**11,635,690**	*11,637,383*

Interest on bank loans comprises amounts owed to NAMA.

In addition to the charge above, interest of £17,023,161 *(2015: £12,570,041)* was capitalised during the year.

7. Taxation

	2016 £	*2015 £*
Deferred tax		
Origination and reversal of timing differences	-	*(4,103,570)*
Changes to tax rates	**205,178**	*-*
Taxation on profit/(loss) on ordinary activities	**205,178**	*(4,103,570)*

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2015 - lower than)* the standard rate of corporation tax in the UK of 20% *(2015 - 21%)*. The differences are explained below:

	2016 £	*2015 £*
Profit on ordinary activities before tax	**12,285,104**	*13,689,937*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	**2,457,021**	*2,874,887*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**(5,456,416)**	*(6,215,174)*
Other timing differences leading to an increase (decrease) in taxation	-	*(4,103,570)*
Impact of change in rates	**205,178**	-
Movement in deferred tax not recognised	**2,999,395**	-
Group relief	-	*3,340,287*
Total tax charge for the year	**205,178**	*(4,103,570)*

Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future tax charge accordingly.

At 31 March 2016 there is an unrecognised deferred tax asset of £2,279,540 (2015: £1,025,893) in respect of unutilised tax losses.

The deferred tax asset at the balance sheet date has been calculated based on the rate of 19% substantively enacted at the balance sheet date.

8. Stocks

	2016 £	2015 £
Work in progress	**223,294,535**	*168,893,753*
Provision for impairment	**(18,000,000)**	-
	205,294,535	*168,893,753*

Borrowing costs capitalised within stock during the year amounted to £17,023,161 *(2015: £12,570,041)*.

Each year, the directors review the carrying value of the company's stock in the context of current market conditions, and, where necessary, restate these assets at the lower of cost and net realisable value. In determining the realisable value, the directors appraise the eventual financial outcome on each stock item. They consider the various risks associated with development, including planning risk, construction risk and finance risk. They also examine the prudence of the assumptions underlying an appraisal including the timeline to complete, future attributable costs to complete (including planning, construction, marketing and financial costs, where appropriate) and the eventual proceeds the company can expect to receive from the sale of the stock.

Net realisable value includes significant estimates concerning the timing and quantum of developments, stimated realisable values for developed properties and the cost of construction. The underlying assumptions used in the estimates may be impacted by matters such as: the state of the general economy, the state of the UK and global property market, the availability of UK mortgage financing, the timing of future sales, the costs of completing the build programme which in turn may be impacted by UK and global raw materials costs and inflation rates.

Based on their assessment of net realisable value at 31 March 2016, an impairment provision of £18 million was recognised by the directors.

9. Debtors

	2016 £	2015 £
Trade debtors	**605,294**	*1,402*
Amounts owed by group undertakings	**23,504,930**	*23,682,940*
Other debtors	**18,477,795**	*11,016,613*
Prepayments and accrued income	**7,327,559**	*1,568,341*
Deferred taxation	**3,898,392**	*4,103,570*
	53,813,970	*40,372,866*

The amount of receivables from group undertakings is £23,504,930 (2015: £23,682,940) stated net of provisions. At 31 March 2016 the gross amount receivable from group undertakings was £29,231,133 (2015: £56,691,222). At 31 March 2016 provisions totalling £5,726,203 (2015: £33,008,282) have been made against such receivables.

Notes to the financial statements
For the Year Ended 31 March 2016

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	176,563,612	196,071,760
Accruals and deferred income	51,082,017	29,038,302
	227,645,629	225,110,062

Bank loans comprise amounts owed to NAMA and are repayable on demand.

The bank loans are secured by fixed and floating charges over the assets of the company.

11. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	98,446,869	21,246,653
Accruals and deferred income	-	33,400,165
	98,446,869	54,646,818

Bank loans comprise amounts owed to NAMA and are repayable in June 2017.

12. Deferred taxation

	2016 £	2015 £
At begining of year	4,103,570	-
Deferred tax asset recognised during year (P&L)	(205,178)	4,103,570
At end of year	3,898,392	4,103,570

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Tax losses carried forward	3,898,392	4,103,570

13. Share capital

	2016 £	2015 £
Authorised, allotted, called up and fully paid		
510 'A' ordinary shares of £1 each	510	510
490 'B' ordinary shares of £1 each	490	490
	1,000	1,000

14. Controlling party and related party transactions

The company is a wholly owned subsidiary of Ballymore Properties Limited. Ballymore Properties Limited is incorporated in England and Wales. That company's parent is Ballymore Limited, a company incorporated in England and Wales, whose parent is Ballymore Properties Holdings Limited, a company incorporated in England and Wales. The company's ultimate parent company is Ballymore Properties, a company incorporated in the Republic of Ireland. The company was controlled throughout the period by Mr S Mulryan.

The largest group in which the results of the company are consolidated is that headed by Ballymore Properties.

The smallest group in which the results of the company are consolidated is that headed by Ballymore Properties Limited. The consolidated financial statements of Ballymore Properties Limited are available from the company's registered office which is 4th Floor, 161 Marsh Wall, London, E14 9SJ.

The company has availed of the exemption available in FRS 102.33.1A from disclosing transactions with Ballymore Properties and its wholly owned subsidiary undertakings.

The company has entered into an agreement with Roundstone Development Management Limited, for the provision of professional services. Mr David Pearson and Mr John Mulryan are directors of Roundstone Development Management Limited which is also controlled by Mr John Mulryan. During the year, Roundstone Development Management Limited charged £2,168,764 (2015: £nil) for services provided to the company. There were no amounts outstanding at year end.

The company has entered into an agreement with Roundstone Construction Services Limited for the provision of professional services. Mr David Pearson and Mr John Mulryan are directors of Roundstone Construction Services Limited which is also controlled by Mr John Mulryan. During the year, Roundstone Construction Services Limited charged £1,866,415 (2015: £nil) for services provided to the company. There were no amounts outstanding at year end.

During the year the company sold its London City Island Phase 2 site to the Eco World – Ballymore group (EWB) for £73.9 million. The Eco World – Ballymore group is a joint venture between Eco World Ace Co Limited, part of the Malaysian property development group - Eco World Development Group Berhad and the Ballymore Properties group. Ballymore retains a 25% interest in the EWB group. The EWB group is now developing the Wardian site in Canary Wharf, the Embassy Gardens Phase 2 site next to the new United States Embassy at Nine Elms in Battersea and the London City Island Phase 2 site in London's Docklands.

15. Commitments and contingencies

The company is party to an agreement along with various companies in the group, of which the company is a member, whereby the group's funding institutions which are ultimately controlled by the National Asset Management Agency (NAMA) have cross guarantees over the company's assets. In the event that any of the companies subject to the guarantee are unable to repay amounts owed to NAMA then it may call on this company or any of the other companies party to the guarantee for repayment of amounts due.

16. Post balance sheet events

There are no significant post balance sheet events which would materially affect the financial statements.