

Registered number: 04549046

LANDOR RESIDENTIAL LIMITED

Annual report and financial statements

For the Year Ended 31 March 2017

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LANDOR RESIDENTIAL LIMITED

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LANDOR RESIDENTIAL LIMITED

Company Information

Directors	D.Pearson J.Mulryan S.Mulryan
Company secretary	D. Pearson
Registered number	04549046
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

LANDOR RESIDENTIAL LIMITED

Strategic report For the Year Ended 31 March 2017

Introduction

The directors present their strategic report for the year ended 31 March 2017.

Business review

The principal activity of the company is property development and investment. There has been no significant change to this activity during the year. The company sold its ground rent assets during the prior year at a profit. The company continues to receive rental income from its commercial units held at New Providence Wharf.

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 company.

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

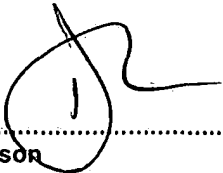
Market risk

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

LANDOR RESIDENTIAL LIMITED

**Strategic report
For the Year Ended 31 March 2017**

This report was approved by the board on 28 July 2017 and signed on its behalf.



.....
D. Pearson
Director

LANDOR RESIDENTIAL LIMITED

Directors' report For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

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;
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,128,543 (2016 - £4,226,672).

A dividend of £6.4m was declared for the year ended 31 March 2017 (2016 - £NIL).

The group's bank borrowings were historically provided by Irish, UK and European financial institutions with the majority of indebtedness with Irish banks. The Group's Irish bank loans were transferred to NAMA, business plans agreed, targets set and the control environment varied. The Group has settled principal debt, fees, interest and working capital across the various Ballymore connections, within NAMA with total cash paid to NAMA equating to some Euro 3.2bn.

Directors

The directors who served during the year were:

D.Pearson
J.Mulryan
S.Mulryan

LANDOR RESIDENTIAL LIMITED

Directors' report (continued) For the Year Ended 31 March 2017

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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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.

Auditor

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.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28 July 2017 and signed on its behalf.

D. Pearson
Director

A handwritten signature in black ink, consisting of a stylized 'D' with a vertical line through it and a horizontal line extending to the right.



Independent auditor's report to the members of Landor Residential Limited

We have audited the financial statements of Landor Residential Limited for the year ended 31 March 2017, 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 2017 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 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

3. 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.



Independent auditor's report to the members of Landor Residential Limited (continued)

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 (Senior statutory auditor)

for and on behalf of
KPMG. Statutory Auditor

Chartered Accountants

1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

28 July 2017

LANDOR RESIDENTIAL LIMITED

**Profit and loss account
For the Year Ended 31 March 2017**

	Note	2017 £	2016 £
Turnover	3	94,791	294,724
Cost of sales		16,538	(198,634)
Gross profit		111,329	96,090
Administrative expenses		(3,070)	(2,085)
Other operating income	4	-	97
Operating profit	5	108,259	94,102
Profit on disposal of fixed assets		-	5,152,055
Interest receivable and similar income	6	188	611
Profit before tax		108,447	5,246,768
Tax on profit on ordinary activities	7	1,020,096	(1,020,096)
Profit for the financial year		1,128,543	4,226,672

All amounts relate to continuing operations.

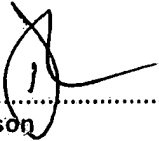
The company had no other comprehensive income in the financial year or the previous financial year and therefore, no statement of other comprehensive income is provided.

LANDOR RESIDENTIAL LIMITED
Registered number: 04549046

Balance sheet
As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	1,000	1,000
Investment property	10	523,501	1
		<u>524,501</u>	<u>1,001</u>
Current assets			
Stocks	11	-	523,500
Debtors	12	1,026,577	7,524,814
Cash at bank and in hand		45,948	51,802
		<u>1,072,525</u>	<u>8,100,116</u>
Creditors: amounts falling due within one year	13	(505,734)	(1,738,368)
Net current assets		<u>566,791</u>	<u>6,361,748</u>
Total assets less current liabilities		<u>1,091,292</u>	<u>6,362,749</u>
Net assets		<u><u>1,091,292</u></u>	<u><u>6,362,749</u></u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account		1,091,291	6,362,748
		<u>1,091,292</u>	<u>6,362,749</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 2017.



D. Pearson
 Director

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

LANDOR RESIDENTIAL LIMITED

**Statement of changes in equity
For the Year Ended 31 March 2017**

	Share capital £	Retained earnings £	Total equity £
At 1 April 2016	1	6,362,748	6,362,749
Comprehensive income for the year			
Profit for the year	-	1,128,543	1,128,543
Total comprehensive income for the year	-	1,128,543	1,128,543
Dividends: Equity capital	-	(6,400,000)	(6,400,000)
Total transactions with owners	-	(6,400,000)	(6,400,000)
At 31 March 2017	1	1,091,291	1,091,292

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

	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	1	2,136,076	2,136,077
Comprehensive income for the year			
Profit for the year	-	4,226,672	4,226,672
Total comprehensive income for the year	-	4,226,672	4,226,672
Total transactions with owners	-	-	-
At 31 March 2016	1	6,362,748	6,362,749

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

LANDOR RESIDENTIAL LIMITED

Notes to the financial statements For the Year Ended 31 March 2017

1. Accounting policies

Landor Residential 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 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*.

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 Limited as at 31 March 2017 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 financial statements of the company are prepared on the going concern basis, which the directors believe to be appropriate. The directors have assessed the financial and operational requirements of the company and having undertaken this review, the directors have a reasonable expectation that the company has adequate resources to fund its operations for the foreseeable future, and in particular for the period of at least 12 months from the date of approval of the financial statements, in line with the financial forecasts. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Revenue

Rental income is recognised in the profit and loss on an accruals basis.

Tangible fixed assets and depreciation

The company's tangible fixed assets comprise of works of art. Works of art are not depreciable assets. Tangible fixed assets are stated at cost less provisions for impairment.

LANDOR RESIDENTIAL LIMITED

Notes to the financial statements For the Year Ended 31 March 2017

1. Accounting policies (continued)

Investment property

Investment Properties comprise ground rents and commercial units which have been capitalised at their open market value.

The valuation of ground rents depends on the future rental income stream from a freehold interest in the land.

No depreciation or amortisation is provided against investment properties which may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. These properties are not however held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified. The accounting policy adopted is therefore necessary, in the directors' opinion, for the financial statements to give a true and fair view.

Stocks

Properties held for resale

Properties held for resale, on which no further development is required, are stated at the lower of cost and net realisable value. Net realisable value is defined as the current selling price less all further costs to completion and selling costs 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.

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.

LANDOR RESIDENTIAL LIMITED

Notes to the financial statements For the Year Ended 31 March 2017

1. Accounting policies (continued)

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, which are described above, management has not had to make any judgments that have a significant effect on the amounts recognised in the financial statements.

3. Turnover

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

	2017 £	2016 £
Ground rents	1,000	200,933
Rental income	93,791	93,791
	<u>94,791</u>	<u>294,724</u>

All turnover arose within the United Kingdom.

4. Other operating income

	2017 £	2016 £
Other income	-	97
	<u>-</u>	<u>97</u>

Other income comprises penalty charges in relation to late payment of services charges and ground rents.

LANDOR RESIDENTIAL LIMITED

Notes to the financial statements For the Year Ended 31 March 2017

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	3,000	2,000

During the year, no director received any emoluments (2016 - £NIL).

6. Interest receivable

	2017 £	2016 £
Other interest receivable	188	611

7. Taxation

	2017	2016
Current tax on profits for the year	(1,020,096)	1,020,096

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	108,447	5,246,768
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	21,689	1,049,354
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,546	-
Adjustments to tax charge in respect of prior periods	(1,020,096)	-
Book profit on chargeable assets	-	(1,030,411)
Capital gains	-	1,020,096
Movement in deferred tax not recognised	(5,871)	-
Group relief	(17,364)	(18,943)
Total tax charge for the year	(1,020,096)	1,020,096

LANDOR RESIDENTIAL LIMITED

Notes to the financial statements For the Year Ended 31 March 2017

7. Taxation (continued)

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. Finance Bill 2016 further reduced the 18% rate to 17% from 1 April 2020, following substantive enactment on 6 September 2016. This will reduce the company's future tax charge accordingly.

At 31 March 17 there is an unrecognised deferred tax asset of £128,056 (2016: £133,633) in respect of unutilised tax losses.

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

8. Dividends

	2017 £	2016 £
Dividends paid	6,400,000	-
	<u>6,400,000</u>	<u>-</u>

The company paid a dividend up to its immediate parent, Landor (Dundee Wharf) Limited.

9. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 April 2016	1,000
At 31 March 2017	<u>1,000</u>
Net book value	
At 31 March 2017	<u>1,000</u>
At 31 March 2016	<u>1,000</u>

The tangible fixed asset is a non depreciating asset.

LANDOR RESIDENTIAL LIMITED

**Notes to the financial statements
For the Year Ended 31 March 2017**

10. Investment property

	Freehold investment property £
Valuation	
At 1 April 2016	1
Transfer from stock	523,500
At 31 March 2017	523,501

The investment properties comprise land interests generating ground rents and commercial units. The right to receive ground rent income was sold during the previous year, the company retains the freehold.

During the year investment property comprising 6 commercial units was transferred to freehold investment property from stock.

The investment property is carried at fair value determined annually by the directors and is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specified asset. No depreciation is provided.

No revaluation has been applied as the assets were acquired during the period. No independent valuation took place during the period.

LANDOR RESIDENTIAL LIMITED

**Notes to the financial statements
For the Year Ended 31 March 2017**

11. Stocks

	2017 £	2016 £
Properties held for resale, stated at cost	-	2,212,380
Provision for impairment of stock	-	(1,688,880)
	<u>-</u>	<u>523,500</u>

Borrowing costs capitalised within stock during the year amounted to £nil (2016: £nil).

During the year investment property comprising 6 commercial units was transferred to freehold investment property from stock.

The carrying value of stock as at 31 March 2017 was £nil (2016: £0.5 million). Each year, the directors review the carrying values of stock in the context of current market conditions, and where necessary, restate these assets to the lower of cost and net realisable value. In determining the realisable value, the directors appraise the eventual financial outcome on the stock item. On this basis, the directors have valued the stock at its estimated net realisable value.

12. Debtors

	2017 £	2016 £
Trade debtors	30,062	6,624
Amounts owed by group undertakings	996,515	7,518,090
Other debtors	-	100
	<u>1,026,577</u>	<u>7,524,814</u>

Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	24,485	-
Corporation tax	-	1,020,096
Accruals and deferred income	481,249	718,272
	<u>505,734</u>	<u>1,738,368</u>

LANDOR RESIDENTIAL LIMITED

Notes to the financial statements For the Year Ended 31 March 2017

14. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

15. Controlling party and related party transactions

The company is a wholly owned subsidiary of Landor (Dundee Wharf) Limited, a company incorporated in England and Wales. The company's ultimate parent company is Ballymore Properties Unlimited 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 Unlimited Company. The smallest group in which the results of the company are consolidated is that headed by Ballymore Limited. The consolidated financial statements of Ballymore 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 Unlimited Company and its wholly owned subsidiary undertakings.

Ballymore Asset Management Limited acts as a managing agent for the collection of ground rents and administration of service charges on properties held by the company. In the period, ground rent collection fees paid to Ballymore Asset Management Limited amounted to £nil (2016: £10,315). Ballymore Asset Management Limited is a related party of which Mr David Pearson and Mr John Mulryan are directors.

16. Post balance sheet events

There are no significant post balance sheet events which require disclosure in the financial statements.