

Registered number: 04936525

BALLYMORE LIMITED AND SUBSIDIARIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



BALLYMORE LIMITED AND SUBSIDIARIES

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BALLYMORE LIMITED AND SUBSIDIARIES

COMPANY INFORMATION

Directors	S. Mulryan J. Mulryan D. Pearson
Company secretary	D. Pearson
Registered number	04936525
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 Hogan Lovells International LLP 65 Holborn Viaduct London EC1A 2FG Gowling WLG (UK) LLP 3 Waterhouse Square 142 High Holborn London EC1N 2SW Bryan Cave Leighton Paisner LLP Governor's House 5 Laurence Pountney Hill London EC4R 0BR

BALLYMORE LIMITED AND SUBSIDIARIES

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The directors present their strategic report for Ballymore Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31 March 2020.

Business review

The Company is a holding company and the principal activities of its subsidiary undertakings continue to be that of property development and investment. The business conducted by the Group is principally the development and sale of residential properties in London.

Results and performance

This consolidated set of financial statements represents a subgroup of a significant property development group headed by the Irish company, Ballymore Properties Unlimited Company ("the Ballymore Group").

The Group headed by Ballymore Limited represents only part of the Ballymore Group's UK business activities.

Total revenues of the group headed by Ballymore Limited for the year were £111 million (2019 - £56 million). The increase in revenue is mainly due to the sale of a property to another company in the wider Ballymore group. The Group is now focusing on developing its remaining sites, many of which are advancing through the planning system.

The profit for the year before tax was £100 million (2019 – £80 million). This includes the reversal of provisions in relation to a joint venture of £27 million that the directors have concluded are no longer required. The 2019 results included the reversal of previous impairments in relation to stock of £31 million and an increased share of profits from associates arising from the restructuring of the Group's associate.

The UK, particularly London, where the group has a high concentration of assets, continues to be a highly competitive market. As a major global city, we believe there will be opportunities to create value in the coming years. Despite risks and uncertainties associated with Brexit and the Covid-19 pandemic, we continue to be positive on the long term outlook for London as a global city with continuing appeal to businesses and people wanting to live in a vibrant environment. The Group's development sites are mainly located within the London metropolitan area and are well placed to benefit from the positive long term outlook.

Mulryan family property groups

The Ballymore Group has a net asset value at 31 March 2020 in excess of £0.6 billion.

The Ballymore Group will continue to put placemaking at the centre of every development, establishing new places for people to live and work, delivering unparalleled experiences. The Ballymore Group has worked with a range of partners from semi-state bodies, institutional funds, family offices and publicly traded companies. Creating partnerships with similar ideals has become its core strategy.

The Ballymore Group is controlled by Sean Mulryan, who, with his family also has other property development management and construction management interests.

The Ballymore Group works closely with these other groups which are also wholly owned by the Mulryan family. The projected gross development value ("GDV") from active developments under management via the Mulryan family and joint ventures in which they have an interest is £5.4 billion from active residential developments and £700 million from active commercial developments.

BALLYMORE LIMITED AND SUBSIDIARIES

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties

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

Covid-19 and Brexit

The markets within which the Group operates have been impacted by the Covid-19 pandemic. The Group has been exposed to greater market uncertainty after the year-end as the impact of the pandemic lockdowns occurred after this date. As the Government response continues to evolve, the directors have stress tested cash flow projections, principally focusing on contracted positions, available bank funding lines and assessing debtor recoverability. The directors continue to monitor the Group's operations including development commitments, sales outcomes and funding lines and believe that the Group is appropriately funded and capitalised.

On 31 January 2020 the UK formally left the European Union and entered into a transition period which ends on 31 December 2020. During the transition period the UK has the same rights and obligations as during membership. The EU and UK are now in a process of negotiating trade agreements that are due to come into place before the end of the transition period. The Group does not currently anticipate that there will be any major issues which would have a material impact on the Group in the event that a formal trade agreement is not agreed prior to the end of the transition period.

Capital requirements risk – funding

The Group is largely funding its activities from working capital and from facilities with Allied Irish Banks plc and Investec plc. The Group is currently exploring further financing options including entering into joint venture arrangements and obtaining third party finance for other developments in the medium to longer term.

The principal finance risks to which the Group is exposed are liquidity risk, market risk, and interest rate risks. The Group has adopted a prudent approach to managing those risks through its treasury policy which is to maintain an appropriate capital structure and credit facilities to fund its operations. The Group funding is regularly monitored and assessed by the directors.

Other financial risk

Lack of suitable funding either from the Group or customer perspective may affect the availability of development and working capital finance in the property sector as well as impacting prospective property purchasers. The directors work closely with the group's key stakeholders in order to mitigate the impact of these factors on the group's financial position.

Each project in the Group 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 turnover, unit completions and profitability per unit.

Economic risk

The house building industry is sensitive to the macroeconomic environment internationally, nationally and regionally which impacts interest rates and world wide consumer confidence. Whilst the housing market in London, where the group has the largest concentration of its assets, continues to remain stable against regional and overseas markets, worldwide economic conditions including Brexit and the Covid-19 pandemic could impact further on the markets in which the Group operates.

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

- The risk relating to the available 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, strict cost control, and management of planning applications.

BALLYMORE LIMITED AND SUBSIDIARIES

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Regulatory risk

As the Group is engaged in property development, it is therefore subject to extensive and complex laws and regulations relating to planning, environment and health and safety. Non compliance can result in delays thereby incurring substantial cost, restricting land development and construction or damaging the Group's reputation.

The Group actively engages with local authorities and regulators with respect to planning policies to ensure that all regulatory compliance criteria are met. Before any third party subcontractors are used, there is due diligence undertaken into their health and safety records along with their best practices and adherence to environmental standards.

Statement by the directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006

The board of directors of Ballymore Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole (having regard to the stakeholders and matters set out in Section 172 (1) (a-f) of the Act) in the decisions taken during the year ended 31 March 2020. In particular, by reference to the approval of our business plan ('our plan');

- Our plan was designed to have a long-term beneficial impact on the Group and to contribute to its success in delivering good quality, mixed use commercial and residential property developments.
- Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations in the way we do business.
- Our duty is to provide a safe and secure working environment for all our employees and visitors to our sites. Our plan was informed by communicating and listening to our customers. We also aim to act responsibly and fairly in how we engage with our suppliers; our financiers; and co-operate with our regulators; all of whom are, integral to the successful delivery of our plan.
- Our plan took into account the impact of the Group's operations on the community and environment and our wider societal responsibilities.
- As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of the business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan, that reflects our responsible behaviour.
- As the Board of Directors, our intention is to behave responsibly towards our shareholders and treat them fairly so they too may benefit from the successful delivery of our plan.

This report was approved by the board on 17 December 2020 and signed on its behalf.


D. Pearson
Director

BALLYMORE LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland as applied in accordance with the provisions of Companies Act 2006.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £96,964,887 (2019 - £86,672,514).

Dividends of £15,000,000 were declared during the year (2019 - no dividends).

Business relationships

The way in which the directors foster the Group's business relationships with suppliers, customers and other stakeholders is covered in the Section 172(1) statement, which is contained within the Group strategic report.

Human rights and the Modern Slavery Act 2015

This report does not contain specific information on human rights issues as this is not considered necessary for an understanding of the development, performance or position of the Group's business. However, the Ballymore group as a whole is committed to respecting human rights and will look at the wider group for its supply chain policy approach to human rights.

With the Modern Slavery Act 2015 in force, the group is concentrating their efforts on transparency in the supply chain from its outsourcing model and will be looking at establishing clear ethical standards for itself and expectations from its suppliers to raise awareness of the legislation.

BALLYMORE LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Directors

The directors who served during the year were:

S. Mulryan
J. Mulryan
D. Pearson

Future developments

The Group has several developments which will be assessed on an on-going basis as to the development life cycle versus underlying economic conditions. These properties are currently stated at the lower of cost and net realisable value and it is anticipated that profits will be recognised at completion or disposal of the relevant assets.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption are as follows:

	2020	2019
Absolute emissions (KgCo2e)	2,745,627	5,383
Total energy use (kWh)	31,442	224,684

During the year, the Group's energy consumption reduced as a result of closing its marketing suite, but this is offset by an increase in CO2 emissions. This increase was largely due to the Group incurring business flight costs for its employees, which were previously incurred by a sister group, and taking a partial ownership interest in an aircraft during the year. The directors are aiming to reduce overall portfolio energy consumption.

Furthermore, as part of requirements of the Energy Savings Opportunity Scheme (ESOS), the Group is undertaking an in-depth audit at its head office to allow the directors to understand how to reduce energy consumption and align with the Group's net zero carbon ambition.

Our methodology:

For our SECR disclosure we have used the operational consolidation (control) method as this best reflects the Group's asset arrangements and its influence over energy consumption. We have also included emissions resulting from employee business travel using means of transport not owned or controlled by the Group. We have not included usage or emissions from sites that are let to tenants as these fall outside of the Group's operational control.

We have used DEFRA Environmental Reporting Guidelines and the Greenhouse Gas Protocol to calculate our emissions.

Matters covered in the strategic report

Information concerning risks and financial risk management objectives and policies are given in the Strategic report.

BALLYMORE LIMITED AND SUBSIDIARIES

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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 and the Group'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 and the Group's auditor is aware of that information.

Post balance sheet events

Subsequent to year end, as part of a group reorganisation, certain of the Group's investment properties were transferred to a newly incorporated group, which is also controlled by Mr S Mulryan.

There were no other post balance sheet events that would require adjustment to, or disclosure in, these financial statements.

Auditor

The auditor, KPMG, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 December 2020 and signed on its behalf.



D. Pearson
Director



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLYMORE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ballymore Limited ('the Company') and its subsidiaries (together 'the Group') for the year ended 31 March 2020 which comprise the consolidated profit and loss account, the consolidated balance sheet, the consolidated statement of changes in equity, the company balance sheet, the company statement of changes in equity, the consolidated statement of cash flows and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2020 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been properly 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 in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

We have nothing to report on going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Group and the Company's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Parent Company will continue in operation.



BALLYMORE LIMITED AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLYMORE LIMITED

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group and Parent Company or to cease operations, or have no realistic alternative but to do so.



BALLYMORE LIMITED AND SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLYMORE 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

Our 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

Date: 22 December 2020

BALLYMORE LIMITED AND SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	111,107,847	55,532,244
Cost of sales		(32,060,578)	(34,284,556)
Gross profit		79,047,269	21,247,688
Operating expenses		(8,493,755)	(1,984,238)
(Provision)/reversal of provision for impairment of stock		(3,161,326)	30,969,577
Other operating income	5	1,060,093	2,754,882
Operating profit	6	68,452,281	52,987,909
Group's share of profit of associates	22	-	21,322,016
Group's share of profit/(loss) of joint ventures	13,22	24,201,959	(1,211,369)
Loss on sale of investment properties		(34,925)	-
Interest receivable and similar income	9	7,164,835	7,216,620
Profit before tax		99,784,150	80,315,176
Tax on profit	10	(2,819,263)	6,357,338
Profit for the financial year		96,964,887	86,672,514
Profit for the year attributable to:			
Owners of the parent		96,964,887	86,672,514
		96,964,887	86,672,514

The notes on pages 17 to 41 form part of these financial statements.

All amounts relate to continuing operations.

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

BALLYMORE LIMITED AND SUBSIDIARIES
REGISTERED NUMBER: 04936525

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	425,425	114,958
Investments in joint ventures	13	-	820,182
Investment property	14	14,671,445	15,446,626
		<u>15,096,870</u>	<u>16,381,766</u>
Current assets			
Stocks	15	170,568,136	198,502,612
Debtors: amounts falling due within one year	16	447,736,543	309,243,045
Cash at bank and in hand	17	57,154,926	53,955,030
		<u>675,459,605</u>	<u>561,700,687</u>
Creditors: amounts falling due within one year	18	(428,278,499)	(380,931,138)
Net current assets		<u>247,181,106</u>	<u>180,769,549</u>
Total assets less current liabilities		<u>262,277,976</u>	<u>197,151,315</u>
Creditors: amounts falling due after more than one year	19	(58,063,915)	(49,880,000)
Provisions for liabilities			
Provisions for joint ventures	22	(6,324,613)	(31,346,754)
Net assets		<u>197,889,448</u>	<u>115,924,561</u>
Capital and reserves			
Called up share capital	23	100,000	100,000
Profit and loss account		197,789,448	115,824,561
Shareholders' funds		<u>197,889,448</u>	<u>115,924,561</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2020.


D. Pearson
 Director

The notes on pages 17 to 41 form part of these financial statements.

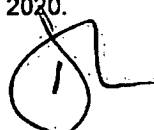
BALLYMORE LIMITED AND SUBSIDIARIES
REGISTERED NUMBER: 04936625

COMPANY BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	13	44,294,851	1,002
		<u>44,294,851</u>	<u>1,002</u>
Current assets			
Debtors: amounts falling due within one year	16	125,276,636	115,870,922
Cash at bank and in hand	17	10,548	10,584
		<u>125,287,184</u>	<u>115,881,506</u>
Creditors: amounts falling due within one year	18	(119,453,771)	(110,103,908)
Net current assets		<u>5,833,413</u>	<u>5,777,598</u>
Total assets less current liabilities		<u>50,128,264</u>	<u>5,778,600</u>
Net assets		<u>50,128,264</u>	<u>5,778,600</u>
Capital and reserves			
Called up share capital	23	100,000	100,000
Profit and loss account		50,028,264	5,678,600
		<u>50,128,264</u>	<u>5,778,600</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2020.

D. Pearson
Director



The notes on pages 17 to 41 form part of these financial statements.

BALLYMORE LIMITED AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 April 2019	100,000	115,824,561	115,924,561	115,924,561
Comprehensive income for the year				
Profit for the year	-	96,964,887	96,964,887	96,964,887
Total comprehensive income for the year	-	96,964,887	96,964,887	96,964,887
Dividends	-	(15,000,000)	(15,000,000)	(15,000,000)
At 31 March 2020	100,000	197,789,448	197,889,448	197,889,448

The notes on pages 17 to 41 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2018	100,000	21,652,047	21,752,047	7,500,000	29,252,047
Comprehensive income for the year					
Profit for the year	-	86,672,514	86,672,514	-	86,672,514
Total comprehensive income for the year	-	86,672,514	86,672,514	-	86,672,514
Acquisition of non-controlling interest	-	7,500,000	7,500,000	-	7,500,000
Elimination of non-controlling interest	-	-	-	(7,500,000)	(7,500,000)
At 31 March 2019	100,000	115,824,561	115,924,561	-	115,924,561

The notes on pages 17 to 41 form part of these financial statements.

BALLYMORE LIMITED AND SUBSIDIARIES

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	100,000	5,678,600	5,778,600
Comprehensive income for the year			
Profit for the year	-	59,349,664	59,349,664
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	59,349,664	59,349,664
Dividends	-	(15,000,000)	(15,000,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	100,000	50,028,264	50,128,264

The notes on pages 17 to 41 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	100,000	5,704,871	5,804,871
Comprehensive income for the year			
Loss for the year	-	(26,271)	(26,271)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(26,271)	(26,271)
	<hr/>	<hr/>	<hr/>
At 31 March 2019	100,000	5,678,600	5,778,600

The notes on pages 17 to 41 form part of these financial statements.

BALLYMORE LIMITED AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	96,964,887	86,672,514
Adjustments for:		
Depreciation of tangible assets	132,475	102,050
Impairments of stock	3,161,326	(30,969,577)
Interest income	(7,164,835)	(7,216,620)
Taxation charge	2,819,263	(6,357,338)
Decrease/(increase) in stocks	27,217,040	(55,258,101)
(Increase) in debtors	(133,500,238)	(41,964,691)
Increase in creditors	37,612,135	22,675,186
Share of profit in joint ventures and associates	(24,201,959)	(20,110,647)
Corporation tax received/(paid)	(3,362,664)	(7,969,773)
Net fair value gains recognised in P&L	(100,887)	(2,541,221)
Other non-cash items included in profit	-	(1,892,218)
Net cash (used in) operating activities	(423,457)	(64,830,436)
Cash flows from investing activities		
Purchase of tangible fixed assets	(446,192)	(116,209)
Sale of investment properties	844,393	-
Interest received	921,526	601,612
Transfer to deposit accounts > 90 days	(23,436,399)	(25,000,000)
Net cash (used in) investing activities	(22,116,672)	(24,514,597)
Cash flows from financing activities		
New secured loans	30,183,915	12,120,000
Repayment of loans	(2,000,000)	-
Interest paid	(2,443,890)	-
Net cash from financing activities	25,740,025	12,120,000
Net increase/(decrease) in cash and cash equivalents	3,199,896	(77,225,033)
Cash and cash equivalents at beginning of year	53,955,030	131,180,063
Cash and cash equivalents at the end of year	57,154,926	53,955,030
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	57,154,926	53,955,030
	57,154,926	53,955,030

The notes on pages 17 to 41 form part of these financial statements.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

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

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Group's and Company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

Parent company disclosure exemptions

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS102:

No cash flow statement has been presented for the parent company.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associate undertakings and joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate or joint venture.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

Going concern

The financial statements of the Group and 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 Group and Company and having undertaken this review, the directors have a reasonable expectation that the Group and Company have adequate resources to fund their 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

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue on property sales is recognised when the sale of a property is legally completed, while revenue from rental income and services rendered is recognised when the service is provided.

Amounts included in revenue but not invoiced by year end are included in accrued income. Where payment has been received in advance of the related service being provided, the amount is included in deferred income and recognised in turnover on provision of the service.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Interest in aircraft	- Over 3 years on a straight line basis to its estimated residual value
Fixtures and fittings	- Between 5% - 50% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties include land interests generating ground rents. The valuation of ground rents depends on the related future rental income stream. Investment properties are recognised initially at cost.

Subsequent to initial recognition, investment properties are held at fair value. Fair value is 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 specific asset.

Any gains or losses arising from changes in the fair value are recognised in the consolidated profit and loss account in the period that they arise, and no depreciation is provided in respect of investment properties applying the fair value model.

Profits and losses on the sale of investment properties included in the consolidated profit and loss account are calculated as the difference between the net sales proceeds and the carrying value.

Property under construction

Construction in progress comprising investment properties currently being developed, are stated initially at cost and then at fair value determined annually by the directors.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

Stock

Development properties

Development properties are properties acquired for future development and properties on which only initial development has commenced. These are stated at the lower of cost and net realisable value. Net realisable value is defined as the estimated selling price of the completed developments less all further costs to completion and selling costs as estimated by the directors. Cost comprises purchase price and development costs. Costs also includes interest and finance fees which are capitalised from the date of commencement of development until the development is complete. However capitalisation of interest is suspended during extended periods in which active development is interrupted. Interest is calculated by reference to specific borrowings.

Work in progress

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

Work in progress represents costs incurred, net of amounts transferred to cost of sales, less foreseeable losses.

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 estimated 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.

Sales 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. Forfeited deposits are included in other income in the period in which the related contracts have been rescinded.

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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest and finance fees may be capitalised in accordance with the Stock policy.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Interest income

Interest income is recognised in profit or loss using the effective interest method.

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 received is recognised when supplied in accordance with contractual terms.

Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

Current and deferred taxation

Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income, or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated based on the expected statutory tax rates, reliefs and allowances applicable in the jurisdictions in which the Group operates. Current tax for the current and prior years, to the extent that it is unpaid, is recognised as a liability in the balance sheet. There are many transactions and calculations during the ordinary course of business, for which the ultimate tax determination is uncertain and the complexity of the tax treatment may be such that the final tax charge may not be determined until a formal resolution has been reached with the relevant tax authority, which may take several years to conclude. The ultimate tax charge may, therefore, be different from that which initially is reflected in the Group's tax charge and provision and any such differences could have a material impact on the Group's income tax charge and consequently financial performance. The determination of the provision for income tax is based on the directors' understanding of the relevant tax law and judgment as to the appropriate tax charge, and the directors believe that all assumptions and estimates used are reasonable and reflective of current tax legislation. Where the final tax charge is different from the amounts that were initially recorded, such differences are recognised in the income tax provision in the period in which such determination is made.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Pension costs

The Group operates a defined contribution pension plan under which it pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated profit and loss account in the period during which services are rendered by employees.

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

In the process of applying the Group's accounting policies, the key judgments made by management relate to valuation of investment property (note 14), valuation of stock (note 15), recoverability of receivables due from group companies and related parties (note 16) and calculation of accruals (note 18).

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4. Turnover

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

	2020 £	2019 £
Sale of properties	67,000,000	6,383,000
Contracting income, management fees and costs recharged	39,669,020	45,278,075
Rental income	4,438,827	3,871,169
	<u>111,107,847</u>	<u>55,532,244</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Other operating income	<u>1,060,093</u>	<u>2,754,882</u>

Other income for the year ended 31 March 2020 mainly arose due to the reversal of accruals which the directors consider are no longer required.

Other income for the year ended 31 March 2019 mainly arose due to the revaluation of investment properties.

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	132,475	102,050
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	20,000	20,000
- The audit of subsidiaries of the Company	257,421	210,000
- Taxation compliance and advisory services	<u>444,318</u>	<u>541,262</u>

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Finance and administration	2	3
Operations and other	1	2
	3	5

	2020 £	2019 £
The aggregate payroll costs of employees were:		
Wages and salaries	2,369,198	1,500,920
Social security costs	309,676	179,410
Pension	24,567	24,464
	2,703,441	1,704,794

Company

The Company has no employees (2019 - none).

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	1,178,867	396,687

The highest paid director received remuneration of £978,867 (2019 - £200,000).

BALLYMORE LIMITED AND SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Interest receivable and similar income

	2020	2019
	£	£
Interest receivable from companies in the wider Ballymore Group	5,606,877	6,021,647
Interest receivable from related parties (a)	636,432	593,361
Bank interest	752,647	601,612
Other interest income	168,879	-
	7,164,835	7,216,620

	2020	2019
	£	£
(a) Interest on loans to related parties		
Bishopsgate Goodsyrd Regeneration Limited	636,432	593,361
	636,432	593,361

10. Taxation

	2020	2019
	£	£
Corporation tax		
Current tax on profits for the year	4,038,934	6,229,656
Adjustments in respect of previous periods	(1,248,948)	(12,586,994)
Total current tax	2,789,986	(6,357,338)
Deferred tax		
Origination and reversal of timing differences	29,277	-
Total deferred tax	29,277	-
Taxation charge/(credit) on profit on ordinary activities	2,819,263	(6,357,338)

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	99,784,150	80,315,176
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	18,958,989	15,259,883
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment / non-taxable income	(698,292)	(6,766,814)
Adjustments to tax charge in respect of prior periods	(1,248,948)	(12,586,994)
Other differences leading to an increase (decrease) in taxation	29,277	-
Book (profit)/loss on chargeable assets	(3,494,131)	3,242
Capital gains	2,498,479	-
Dividends from UK companies	(2,850,000)	-
Share of partnership profits	(32,156)	107,345
Movement in deferred tax not recognised	(6,444,544)	(2,337,117)
Other differences leading to an increase/(decrease) in the tax charge	-	11,781
Group relief	(4,480,904)	(55,948)
Transfer pricing adjustments	581,493	7,284
Total tax charge/(credit) for the year	2,819,263	(6,357,338)

Factors that may affect future tax charges

Finance Bill 2020 enacted on 17 March 2020 maintained the UK corporation tax rate at 19% for the years beginning 1 April 2020 and 1 April 2021 (reversing the previously enacted reduction from 19% to 17%).

Due to the uncertainty of the recoverability of the tax losses, a deferred tax asset of £54,037,113 (2019 - £52,309,440) has not been recognised. The unrecognised deferred tax asset at the balance sheet date has been calculated based on the rate of 19% substantively enacted at the balance sheet date.

There are no unprovided deferred tax liabilities.

BALLYMORE LIMITED AND SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Dividends

	2020	2019
	£	£
Ordinary dividend	15,000,000	-

During the year, a dividend of £15 million was declared in favour of the immediate parent, Trapol Limited.

12. Tangible fixed assets

Group

	Aircraft	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2019	-	385,844	385,844
Additions	442,942	-	442,942
At 31 March 2020	442,942	385,844	828,786
Depreciation			
At 1 April 2019	-	270,886	270,886
Charge for the year on owned assets	34,451	98,024	132,475
At 31 March 2020	34,451	368,910	403,361
Net book value			
At 31 March 2020	408,491	16,934	425,425
At 31 March 2019	-	114,958	114,958

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

13. Fixed asset investments

Group

	Investment in joint ventures £
Cost	
At 1 April 2019	820,182
Share of profit/(loss)	(820,182)
	<hr/>
At 31 March 2020	-
Net book value	
At 31 March 2020	<hr/> <hr/>
At 31 March 2019	<hr/> <hr/> 820,182

The Group's interest in joint ventures comprises the following:

(a) The Group owns 1 Ordinary share of £0.50 in Bishopsgate Goodsynd Regeneration Limited, a property development company, which represents 50% of the issued share capital. The Group's joint venture partner, Hammerson plc, holds the remaining 50% of the equity share capital. The registered office of Bishopsgate Goodsynd Regeneration Limited is King's Place, 90 York Way, London N1 9GE.

(b) The Group holds a 50% interest in Central Regeneration Limited Partnership, a property development entity. The Group's joint venture partner, Merepark, holds the remaining 50% interest and is acting as project manager on the development. The registered office of Central Regeneration Limited Partnership is Old Market Place, Altrincham, Cheshire WA14 4DF.

(c) The Group holds a 50% interest in West Hampstead Square LLP, a property development entity. The Group's joint venture partner, Network Rail Infrastructure Limited, holds the remaining 50% interest. The registered office of West Hampstead Square LLP is 4th Floor, 161 Marsh Wall, London E14 9SJ.

The activity of all the above entities is property development.

The Group has constructive obligations in relation to losses of certain of its joint ventures and therefore, where share of losses exceeds the cost of the investments, the Group has recognised corresponding provisions (note 22).

BALLYMORE LIMITED AND SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	184,410,002
At 31 March 2020	184,410,002
Impairment	
At 1 April 2019	184,409,000
Revaluations	(44,293,849)
At 31 March 2020	140,115,151
Net book value	
At 31 March 2020	44,294,851
At 31 March 2019	1,002

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company at year end:

Name	Principal activity	Proportion held by company	Proportion held by subsidiary
Ballymore (Battersea Park Road) Limited	Dormant		100%
Ballymore (Bow Paper) Limited	Property development		100%
Ballymore Developments Limited	Investment holding	100%	0%
Ballymore Fulham Limited	Dormant		100%
Ballymore (Hayes) Limited	Property investment and development		100%
Ballymore Investments Limited	Investment holding	100%	0%
Ballymore (London Arena) Limited	Property Development		100%
Ballymore Millharbour Limited	Property investment and development		100%
Ballymore Ontario Limited	Property Investment		100%
Ballymore Properties Limited	Investment holding and management services	100%	0%
Ballymore Properties Management Limited *	Property investment		100%
Ballymore Properties (Thames Royal) Limited	Property development		100%
Ballymore (Wapping) Limited	Property investment and development		100%
Boltdbury Limited	Dormant		100%
Clearstorm Limited	Property investment and development		100%
Domaine Developments Limited	Property investment and development		100%
Glossover Limited	Dormant		100%
Landor (Dundee Wharf) Limited	Property investment and development		100%
Landor Residential Limited	Property investment		100%
Milltop Limited	Dormant		100%
Monomind Limited	Property investment		100%
Pridebank Limited	Property investment and development		100%
Property Company 2007 Limited	Dormant		100%
RT Group Developments (Snow Hill) Limited	Management services		100%
WHS Developments Limited	Investment holding		100%

All companies were incorporated and operate in the UK having their registered office at 4th Floor, 161 Marsh Wall, London, E14 9SJ.

All shareholdings in subsidiary undertakings consist of ordinary shares.

On 24 September 2019 Arrowhead Commercial Limited was dissolved.

On 10 March 2020 Broadnote Limited was dissolved.

On 10 March 2020 Ballymore (Carmen Street) Limited was dissolved.

* Sold to a related party company subsequent to year end.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

14. Investment property

Group

	Freehold investment property £	Property under construc- tion £	Total £
Valuation			
At 1 April 2019	15,381,637	64,989	15,446,626
Additions at cost	-	3,250	3,250
Disposals	(879,318)	-	(879,318)
Surplus on revaluation	169,125	(68,238)	100,887
At 31 March 2020	14,671,444	1	14,671,445

At 1 April 2019 and 31 March 2020 investment property comprised residential and commercial units and ground rents. When the right to receive ground rent income is sold, the Group retains the freehold interest in the related properties which is recorded at a nominal value within investment property.

The investment properties were valued by the directors at a fair value of £14,671,444 on 31 March 2020. The fair value is derived from the current market rents and investment property yields for comparable real estate. No depreciation is provided.

Lease disclosures for the Group's investment properties are given in note 27.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

15. Stock

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Development properties	165,903,045	193,789,163	-	-
Properties held for resale	4,665,091	4,713,449	-	-
	<u>170,568,136</u>	<u>198,502,612</u>	<u>-</u>	<u>-</u>

Borrowing costs capitalised within stock during the year amounted to £2,443,890 (2019: £1,511,870).

Each year, the directors review the carrying value of the Group'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 Group can expect to receive from the sale of the stock. On this basis, during the current year the provision against the carrying value of the Group's stock was increased by £3,161,326 (2019 - reduction of £30,969,577).

Net realisable value includes significant estimates concerning the timing and quantum of developments, estimated realisable values for developed properties and the cost of construction. There are significant judgments in determining the carrying value of development property and work in progress.

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.

16. Debtors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	2,300,100	1,113,537	-	-
Bank deposits not accessible within 90 days (a)	48,436,399	25,000,000	-	-
Amounts owed by group undertakings (b)	369,681,629	257,955,049	123,863,171	114,514,808
Amounts owed by related parties (c)	2,509,628	1,698,087	1,413,465	1,356,114
Other debtors	3,744,513	2,119,619	-	-
Prepayments and accrued income	10,383,982	804,728	-	-
Corporation tax recoverable	10,680,292	20,552,025	-	-
	<u>447,736,543</u>	<u>309,243,045</u>	<u>125,276,636</u>	<u>115,870,922</u>

BALLYMORE LIMITED AND SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Debtors: amounts falling due within one year (continued)

(a) Amounts held on deposit at 31 March 2020 maturing after 90 days include £3.4 million to be used in carrying out remediation works on land owned by the Group.

(b) Amounts owed by group undertakings

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

Group

The amount of receivables due from undertakings in the wider Ballymore Group (stated net of provisions) at 31 March 2020 is £369,681,629 (2019 - £257,955,049). At 31 March 2020 the gross amount receivable from group undertakings was £373,156,705 (2019 - £264,493,245). Provisions have been made where recoverability of the receivables is doubtful. At 31 March 2020 provisions totalling £3,475,076 (2019 - £6,538,196) have been made against such receivables.

Company

The amount of receivables due from group undertakings (stated net of provisions) is £123,863,171 (2019 - £114,514,508). At 31 March 2020 the gross amount receivable from group undertakings was £123,863,171 (2019 - £114,514,508). Provisions have been made where recoverability of the receivables is doubtful. At 31 March 2020 provisions totalling £NIL (2019 - £NIL) have been made against such receivables.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
(c) Amounts owed by related parties (Group)		
Bishopsgate Goodsyrd Regeneration Limited (i)	38,642,746	36,702,999
Central Regeneration Limited Partnership (i)	4,800,142	4,800,142
Great Eastern Limited Partnership (ii)	464,059	-
West Hampstead Square LLP (i)	6,431	-
Eco World-Ballymore Holding Company Limited and its subsidiaries (ii)	63,099	2,436
Whistleglade Investments Limited and subsidiaries (iii)	621,396	312,537
Learnmouth Limited Partnership (ii)	12,363	27,000
Ballymore Deanston Limited (ii)	524	-
Johns & Co Real Estate (Services) Limited (iv)	2,940	-
Ballymore Ireland Investments Limited (iii)	1,413,465	1,356,114
Provisions against receivables due from related parties	(43,633,890)	(41,503,141)
Directors' loans - S. Mulryan	116,363	-
	<u>2,509,628</u>	<u>1,698,087</u>

(i) Joints ventures of the Group.

(ii) Joints ventures of the wider Ballymore group.

(iii) Whistleglade Investments Limited and Ballymore Ireland Investments Limited are controlled by Sean Mulryan.

(iv) Sean Mulryan has significant control over this entity.

Amounts due from related parties are unsecured and repayable on demand. Certain amounts due from related parties are interest bearing.

17. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	52,073,208	45,394,430	10,548	10,584
Restricted cash balances	5,081,718	8,560,600	-	-
	<u>57,154,926</u>	<u>53,955,030</u>	<u>10,548</u>	<u>10,584</u>

At 31 March 2020 restricted cash represents funds held in Escrow in respect of a cost overrun guarantee, which become releasable to the Group 12 months following delivery of the Snowhill project within specified cost parameters. At 31 March 2019 restricted cash also included amounts held on deposit to be used in carrying out remediation works on land owned by the Group and funds held in an interest reserve account.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

18. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	3,649,792	1,071,929	-	-
Amounts owed to group undertakings	336,643,479	292,206,165	119,452,271	110,102,145
Amounts owed to related parties (a)	5,250,235	1,521,174	-	-
Corporation and other taxes	169,054	10,328,234	1,500	1,763
VAT	3,834,922	-	-	-
Other creditors	3,250,891	3,429,067	-	-
Accruals and deferred income	75,480,126	72,374,569	-	-
	<u>428,278,499</u>	<u>380,931,138</u>	<u>119,453,771</u>	<u>110,103,908</u>

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

Accruals include the directors' best estimate of certain post-completion development obligations in respect of the construction of the Group's property developments that are expected to be incurred in the ordinary course of business. The accruals are based on historical experience of the Group's sites and current site - specific risk but are uncertain in terms of timing and quantity. The directors continually review the utilisation of the accruals bearing in mind that the risks of post-completion development obligations reduce over time.

	2020 £	2019 £
(a) Amounts owed to related parties (Group)		
Whistleglade Investments Limited and subsidiaries (i)	2,428,813	2,584
S. Mulryan	-	483
Central Regeneration Limited Partnership (ii)	1	1
Bishopsgate Goodsynd Regeneration Limited (ii)	2,757,230	1,453,915
Eco World - Ballymore joint venture (iii)	64,191	64,191
	<u>5,250,235</u>	<u>1,521,174</u>

(i) Whistleglade Investments Limited and subsidiaries are controlled by Sean Mulryan.

(ii) Joint ventures of the Group.

(iii) Joint venture of the wider Ballymore Group.

Amounts due to related parties are interest free, unsecured and repayable on demand.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

	Group 2020 £	Group 2019 £
Bank loans	58,063,915	29,880,000
Accruals and deferred income	-	20,000,000
	<u>58,063,915</u>	<u>49,880,000</u>

20. Loans

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due 2-5 years				
Bank loans	58,063,915	29,880,000	-	-
	<u>58,063,915</u>	<u>29,880,000</u>	<u>-</u>	<u>-</u>

Two of the Group's subsidiaries have entered into a loan finance agreement with Investec Bank Plc. The loan facility of £30 million is repayable on 1 October 2023 and is secured by fixed charges over the property assets of both subsidiaries and by floating charges over other assets, including rights in respect of rental income, contracts and intellectual property. Interest is charged at Libor + 3.9%.

In July 2019, the Group's subsidiary, Ballymore (London Arena) Limited, entered into a loan facility agreement with Allied Irish Banks Plc. The facility allows for funds of up to £30 million to be drawn and was due to terminate in July 2021. Subsequent to year end, the repayment date has been extended to July 2022. Interest is charged at Libor + 3.75%. Ballymore (London Arena) Limited granted fixed and floating charges in favour of Allied Irish Banks Plc in respect of this facility over all of its assets. The charge contains a negative pledge restricting the creation of security over, rights to or interest in the company's assets in favour of any other party.

BALLYMORE LIMITED AND SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

21. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>483,827,195</u>	<u>341,841,322</u>	<u>125,287,184</u>	<u>115,881,506</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>406,858,312</u>	<u>(420,482,904)</u>	<u>(119,452,271)</u>	<u>(110,102,145)</u>

22. Provisions

Group

	Provision for joint ventures £
At 1 April 2019	31,346,754
Charged to profit or loss	(25,022,141)
At 31 March 2020	<u>6,324,613</u>

The Group has constructive obligations in relation to losses of certain of its joint ventures and, therefore, where share of losses exceeds the cost of the investments, the Group has recognised corresponding provisions. At year end the joint venture liabilities relate to Bishopsgate Goodysard Regeneration Limited and West Hampstead Square LLP.

During the year, the Group released provisions of £27 million in relation to the Central Regeneration Limited Partnership joint venture that the directors have concluded are no longer required.

The total share of profit of joint ventures included in the consolidated profit and loss account may be analysed as follows:

	2020 £
Total share of joint venture profits/ (losses)	
Amounts recorded in provisions	(2,000,836)
Amounts recorded in investments (note 14)	(820,182)
Release of provision	27,022,977
	<u>24,201,959</u>

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100,000 (2019 - 100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

24. Minority interest

	2020 £	2019 £
At the beginning of the year	-	7,500,000
Settled during the year	-	(7,500,000)
At the end of the year	<u>-</u>	<u>-</u>

During the prior year, the Group acquired 7,500,000 £1 preference shares previously issued by a subsidiary of the Group. The preference shares were then cancelled.

25. Contingent liabilities

Provisions and accruals are recognised when an outflow of economic benefits for settlement is probable and the amount can be reliably estimated. It should be understood that, in light of possible future developments, such as: (a) potential notices; (b) possible future settlements; and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, we cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialise, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence. While the outcome of said notices, cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice and information received, that appropriate accruals and provisions have been recognised.

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

26. Commitments and contingencies

In addition to the details set out in notes 17 and 20, the Group has the following commitments and contingencies:

There are ongoing commitments under operating leases for the hire of plant and equipment. Such commitments rarely exceed one month.

One of the Group's subsidiaries, Domaine Developments Limited, has entered into an agreement whereby it guarantees certain obligations of another group company, WHS Developments Limited, in respect of that company's duties and obligations in relation to its interest in the West Hampstead Square LLP joint venture. In the event that WHS Developments Limited is unable to fulfil its responsibilities as a partner in West Hampstead Square LLP, then the partnership or the other partner in the LLP may call on Domaine Developments Limited for payment of any amounts due.

As overage may fall payable to the previous owner of the property of one of the Group's subsidiaries, Ballymore Properties (Thames Royal) Limited. At the current time no accrual has been made for any overage payable as the conditions required to trigger the overage have not been met.

The Group has provided a guarantee to Mount Street Mortgage Servicing Limited in respect of a £115m loan entered into by Ballymore One Embassy Gardens Limited.

27. Operating leases: Leases as lessor

Certain of the Group's investment properties are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	385,780	170,359
Later than 1 year and not later than 5 years	992,989	509,681
Later than 5 years	1,226,262	3,543,562
	<u>2,605,031</u>	<u>4,223,602</u>

28. Controlling party and related party transactions

The Company's immediate parent company is Trapol Limited, a company incorporated in Jersey, Channel Islands. The company's ultimate parent is Ballymore Properties Unlimited Company incorporated in the Republic of Ireland. The Company was controlled by Mr S. Mulryan throughout the year.

The smallest group in which the results of the Company and its subsidiary undertakings are consolidated is that headed by Trapol Limited.

The largest group in which the results of the Company and its subsidiary undertakings are consolidated is that headed by Ballymore Properties Unlimited Company.

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. To the extent not disclosed elsewhere in these financial statements, details of related party transactions and balances are set out below:

BALLYMORE LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

28. Controlling party and related party transactions (continued)

	2020 £	2019 £
Sales on normal trading terms to:		
West Hampstead Square LLP (i)	6,431	46,761
Eco World-Ballymore Holding Company Limited and its subsidiaries (ii)	300,875	587,718
Leamouth Limited Partnership (ii)	78,929	-
Whistleglade Investments Limited and subsidiaries (iii)	593,042	457,760
Great Eastern Limited Partnership (ii)	3,973,397	-
Johns & Co Real Estate (Services) Limited (iv)	95,414	68,516
	<u> </u>	<u> </u>

(i) Joint venture of the Group.

(ii) Joint ventures of the wider Ballymore group

(iii) Whistleglade Investments Limited is controlled by S. Mulryan.

(iv) S. Mulryan has significant control over this entity.

The Group has entered into an agreement with Ballymore Development Management Limited, Ballymore Construction Services Limited and Whistleglade Limited for the provision of professional services. These companies are subsidiaries of Whistleglade Investments Limited, a company controlled by S Mulryan. During the year, Ballymore Development Management Limited charged £4,799,934 (2019 - £1,520,993) and Ballymore Construction Services Limited charged £472,760 (2019 - £7,932) for services provided to the Group.

Johns & Co Real Estate (Services) Limited, a related part of which Mr S Mulryan is a shareholder, provides letting management services to the Group. In the period, management services charged to the Group amounted to £27,373 (2019 - £11,638).

During the year, one of the Group's residential units was let to a director and one was let to a director's family member. Rental income of £70,413 (2019 - £83,557) was recognised in respect of this .

The directors of the Company are considered to be key management personnel. Total compensation of key management personnel for services to the Group amounted to £1,178,867 (2019 - £396,687). Key management personnel compensation for services to the Company was £nil (2019 - £nil).

29. Post balance sheet events

Subsequent to year end, as part of a group reorganisation, certain of the Group's investment properties were transferred to a newly incorporated company, which is also controlled by Mr S Mulryan.

There were no other post balance sheet events that would require adjustment to, or disclosure in, these financial statements.