Registered number: 04936525

BALLYMORE LIMITED AND SUBSIDIARIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

COMPANY INFORMATION

Directors	S. Mulryan J. Mulryan P. Dalton
Company secretary	P. Dalton
Registered number	04936525
Registered office	4th Floor 161 Marsh Wall London E14 9SJ
Independent auditor	KPMG, Chartered Accountants, Statutory Audit Firm 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

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The directors present their strategic report for Ballymore Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31 March 2022.

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.

The Group's focus is on large-scale, brownfield regeneration projects within built up areas, usually delivered via mixed-use schemes which feature high-rise residential buildings. Assembling and unlocking these challenging and complex sites to bring well located land back into community use, release its potential and add value is a long-term, capital-intensive process, where each project runs through multiple housing market cycles.

Each scheme's masterplan and building designs are unique, informed by the site's location and heritage and shaped in partnership with local communities. A strong focus on placemaking before residents move in, and engagement with residents after they move in, reflects the Group's interest in, and commitment to, the long-term stewardship of their neighbourhoods. Hence, the Group operates an all-encompassing business model where once site development activities are completed, it predominantly remains invested in its schemes, as both freeholder and managing agent.

During the year, the Group's joint venture with Hammerson Plc completed the Section 106 agreement for the Bishopsgate Goodsyard site, unlocking a circa 1.7 million sq ft mixed-used regeneration area in Shoreditch, one of central London's most attractive commercial and residential locations. The Group also gained planning permission for Cuba Street, a new residential-led, mixed use development in London's Docklands.

This consolidated set of financial statements represents a UK based subgroup of a property development group headed by an Irish company, (the "Ballymore Group").

The profit and loss account for the year is set out on page 16.

Taking into account the impact of exceptional one-off items, the Group recorded a loss after tax of £34.3 million (*2021: profit after tax of £20 million*). The loss for the year included the following:

- Additional provisions of £36.9 million in relation to fire safety remedial works arising principally from changes to Government policy in response to historic fire safety issues in high rise-developments. These additional provisions were required following the withdrawal of the Consolidated Advice Note* in January 2022 and the subsequent entry into the Developers' Pledge**, which the Group signed in April 2022. The total provisions for costs to date relating to fire safety remedial works amounts to £65.8 million.

In 2022, as part of a group reorganisation, the Group acquired an asset management business, Ballymore Asset Management Limited, from a related party, also controlled by Mr. S. Mulryan.

The 2021 profit included a gain of £22.1 million recognised on the sale of investment properties to a related party.

** Consolidated Advice Note - The Consolidated Advice Note ("CAN") provided guidance on how to assess a building's external walls and smoke control systems and identified the types of short-term interim measures that could be put in place if significant risks to life safety were identified. CAN was withdrawn on 10 January 2022.*

*** Developers' Pledge - Most of the UK's biggest housebuilders have signed a pledge to address life-safety fire risk defects in buildings of 11 metres and over that they had a role in developing or refurbishing over the last 30 years. The Developers' Pledge outlines the principle that leaseholders should not have to pay for any costs associated with life-critical fire-safety remediation work.*

Business review (continued)

The construction sector is currently experiencing significant operating headwinds due to amongst other factors, a significant rise in utility costs, increases in interest rates, and other general inflationary factors including construction cost inflation as well as supply chain issues. The short-to-medium-term economic outlook for the sector remains uncertain with further rises to interest rates expected, likely leading to an overall drop in discretionary spending among some customers. Despite this challenging economic backdrop, the Group also holds a number of well located sites in London and the directors believe that the current environment may present opportunities to expand the Group's land bank at favourable prices. The Group's overall financial position is robust with low levels of leverage and the Group has available to it a range of flexible levers, if required, to meet its contracted obligations.

London remains an under-supplied market, with the number of private new-build developments commencing each year having significantly reduced since 2015, despite the long-term demand for high quality homes and places for people to live, underpinned by London's enduring status as a world-class city. The lack of supply of new quality homes is now starting to cause significant rental price inflation. Viability challenges around construction costs, mortgage availability at affordable rates, planning obligations and funding costs are making fewer sites viable for development. We believe that new development starts could be further reduced given the current operating headwinds, further exacerbating supply problems.

Principal risks and uncertainties

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

Economic risk

Property development is sensitive to the macroeconomic environment internationally and nationally. Some customers are also sensitive to changes in the pound sterling exchange rate, both in terms of their buying decisions and their ability to meet their obligations under contracts.

The near term outlook for the UK appears very challenging with growing uncertainty and the fear of a significant slow down in economic activity. Globally, there have been significant inflation pressures and increases in interest rates in the UK, the Eurozone area, and the US. Such changes may lead to falling demand or tightened mortgage availability, on which most of our customers are reliant, reducing the affordability of our homes.

The Ukraine war, including the stringent sanctions which followed the Russian invasion, has resulted in a major disruption to traditional worldwide supply chains which has caused a global supply shortage of key raw materials required by the Group. Should these shortages and consequent cost increases continue, the viability of future projects may be impacted. The Group has taken all necessary steps to mitigate the impact of these issues. Nevertheless the war has introduced global geopolitical and economic risks and uncertainties, the full impact of which is not yet clear.

These risks are managed by due consideration of the interest rate environment, business planning, strict cost control, and management of planning applications. Each project in the Group has budgetary and financial reporting procedures, supported by appropriate key performance indicators including turnover, unit completions and profitability per unit.

Finance risk

The Group is largely funding its activities from working capital and bank facilities. 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 risk. 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's funding is regularly monitored and assessed by the directors.

At 31 March 2022 the Group had net assets of £183.6 million with low levels of leverage.

Political outlook

Significant political events and changing policy landscape in the UK and overseas impact the Group's business through, for example, supply chain disruption, or the reluctance of customers to commit to purchases due to political uncertainty, or the introduction of policies and regulation that may directly impact the Group's business model.

Whilst we cannot directly influence political events, the risks are considered when setting the Group's business strategy and operating model, particularly regarding decisions on when specific sites are brought forward and the related scheme mix.

Principal risks and uncertainties (continued)

Government regulation and planning process

Changes in the regulatory environment may affect the conditions and time taken to obtain planning approval and technical requirements for example, changes to building regulations or environmental regulations may impact the Group's ability to meet its margin targets and site ROCE hurdle rates.

The Group has in-house technical and planning expertise (focused on regulations) and experience of achieving implementable planning consents that meet all local requirements, with robust and rigorous design standards for the homes and places we develop that exceed current and expected statutory requirements. Consultation with government agencies and membership of industry groups help to monitor, understand, and plan for proposed changes.

The Building Safety Act came into law on 28 June 2022, introducing major changes to the regulation of building safety in residential and mixed-use buildings. The impact of the Act will be wide ranging and significant for the industry. The major changes which came into force on 28 June included:

- Extension to limitation periods for actions under the Defective Premises Act 1972, s38 Building Act and against construction product manufacturers arising from breaches of the Construction Products Regulations.
- Changes to allow the recovery of the costs of remedial works for historic defects through the service charge provisions in leases.
- Provisions introducing Building Liability Orders to enforce the recovery of costs for remediation works on defective premises.

Cladding and fire safety remediation

In January 2022, the Secretary of State for the Department of Levelling Up, Housing and Communities communicated the UK Government's updated policy position and funding considerations for remedial works arising from the use of unsafe cladding and combustible materials in the construction of residential buildings. This culminated in the withdrawal of both the Consolidated Advice Note and the previously offered grant funding to assist with remediation costs.

The Group supports the actions of the UK Government both to ensure buildings are safe for habitation and to implement the recommendations of the 2018 Independent Review of Building Regulations and the Fire Safety Report at no cost to leaseholders. The Ballymore Group takes its obligations to remediate fire safety defects for which it is responsible very seriously and we were one of the early signatories to the Developers' Pledge. The Developers' Pledge supports leaseholders by funding or remediating life-critical fire safety works in buildings of over 11 metres which the Group has played a role in developing over the last 30 years, including the small minority no longer owned, or managed by, the Group.

In response to the changes in legislation and new guidance on building safety issued over the last number of years, the Group has, to date, amongst other actions: carried out a detailed review of buildings it has constructed or refurbished in the past 30 years, communicated regularly with affected leaseholders with progress updates on remedial works, retained professional advisors, made significant financial commitments, invested in a dedicated in-house project management team and carried out extensive remedial works on a number of buildings. We have ensured that none of our residential leaseholders have had to make any contribution towards any fire safety related remedial works or any temporary measures undertaken.

The amounts provided in these financial statements reflect the best estimate of the extent and costs of work required to perform the commitments in the Developers' Pledge, which will be updated as work progresses, or as government legislation or regulations develop. A dedicated Building Safety team has been set up to manage the remediation work and all assumptions on the estimated financial costs are tested, reviewed and challenged robustly.

Principal risks and uncertainties (continued)

Health and safety

The directors consider this to be an area of critical importance. Health and safety or environmental breaches can impact employees, sub-contractors and site visitors, and undermine the creation of a great place to work. They can also affect the wellbeing of our employees and result in reputational damage, criminal prosecution and civil litigation, and delays in construction or increased costs.

Dedicated health and safety teams are in place and procedures, training and reporting are all regularly reviewed to ensure that high standards are maintained. Comprehensive accident investigation procedures are in place. Insurance is held to cover the risks inherent in large scale construction projects.

People

It is critical that the Ballymore Group can attract, develop, engage and retain talented employees to deliver its strategic priorities.

Retaining key management allows the Group to maintain its organisational knowledge and competitive advantage. Investment in strategic talent management in the coming year will prioritise important activities around succession planning for key positions and a transparent career development framework to support its overall approach to retention.

The Ballymore Group continues to review its employee incentive schemes to promote long-term retention of its employees in areas of strategic importance. During the last year, a number of additional employee benefits were introduced to attract and retain employees. Remuneration packages are also regularly benchmarked against the industry to ensure they remain competitive.

Communication is central to the Group's People strategy. The Group adopts a variety of communications channels to engage with employees, from a group-wide roadshow to share its future direction and progress on strategy, a quarterly newsletter, intranet, face-to-face manager briefings and one-to-one conversations – whichever channel is most appropriate for the situation.

Many employees enjoy working for Ballymore because they are able to give back to society through their day jobs, building much-needed new homes, and through the support the Group gives them through the recently introduced Community framework. This includes opportunities to undertake pro bono work and volunteering in the communities where it operates, as well as match funding for individual employees who are undertaking charity challenges.

Sustainability

The Ballymore Group's sustainability efforts run across all aspects of strategy with a particular focus on three key areas: people, communities and resources. These pillars are underpinned by strong partnerships and communication, innovation, responsible construction practices and robust leadership and governance.

During the year, the Ballymore Group engaged with customers, clients, partners, investors and employees to further improve its understanding of the drivers of sustainability in the business and used their feedback to develop its Sustainability Vision and priorities.

Creating sustainable developments starts with good design. Design is not simply one phase of development; it starts well before land is purchased, carefully considering the lasting impact that a new community would have on an area and carries on through the life cycle of each project.

Considerations include focusing on individual customers, creating high-quality, enduring and inclusive places that support people's desired way of life; working closely with communities to help shape the communities where people feel they belong; and using science to understand the Ballymore Group's environmental impact on the environment.

Principal risks and uncertainties (continued)

Sustainability (continued)

This year the Ballymore Group rolled out mapping and tracking of carbon across all sites and offices gaining insight into its overall carbon footprint to enable targeting of carbon-intensive activity and decarbonising as efficiently as possible.

Sustainability and climate-related risks are considered through risk registers and on a regular basis by senior management, assessing the impact they may have on the Group's strategy, looking at short, medium and longer- term emerging risks which may arise as the area continues to evolve.

Securing sales

An inability to match supply to demand in terms of product, location and price could result in missed sales targets and/or high levels of finished stock which, in turn, could impact on the Group's liquidity and ability to deliver its corporate strategy.

The Group benefits from experienced sales teams, supplemented by market-leading agents. Detailed market demand assessments of each site are undertaken before acquisition and regularly during delivery of each scheme to ensure that supply is matched to demand on each project. Design, product type and product quality are comprehensively assessed to ensure that they meet the target market and customer aspirations in that location. Homes are forward sold where possible, to reduce the risk of the development cycle, and finished stock levels are reviewed regularly.

Product quality and customers

The Ballymore Group has a reputation for high standards of quality in its product. If the Group fails to deliver against these standards and its wider development obligations, it could be exposed to reputational damage, as well as reduced sales and increased costs.

Detailed reviews are undertaken of the product on each scheme throughout the build process to ensure that product quality is maintained. The Group has detailed quality assurance procedures in place surrounding both design and build to ensure the adequacy of build at each key stage of construction and, later, estate management. Regular customer satisfaction surveys are undertaken, and feedback incorporated into the specification, design and management of subsequent schemes.

The Group relies on an extensive network of recognised industry third-party subcontractors to deliver its projects. Before any such appointments are made, due diligence is undertaken into their health and safety records along with adherence to industry best practices and environmental standards.

Cyber and data risk

The Group places significant reliance upon the availability, accuracy and confidentiality of all of its information systems and the data contained therein.

A successful cyber-attack on, or failure of, any of the Group's key systems, particularly those for customer information, surveying and valuation, could restrict operations and disrupt progress on strategic priorities. Any breaches that lead to non-compliance with data regulations could incur significant financial penalties and reputational damage.

The Group has in place a series of protocols, processes and procedures over its information systems which seeks to protect its hardware, software and the data stored on its systems from cyber-attack and loss of functionality.

All Ballymore Group staff are required to take annual training in order to familiarise themselves with data protection regulations and the Group has engaged external professionals to advise on strategy and procedures to minimise the risk of data protection breaches.

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 2022. 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, and financiers, and how we 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 to ensure that management operate the business in a responsible manner. We believe that adopting a high standard of business conduct and governance will contribute to the delivery of our plan. The intention is to enhance our reputation, through the delivery of our plan.
• As the Board of Directors, our intention is to behave responsibly towards our stakeholders and treat them fairly so they too may benefit from the successful delivery of our plan.

This report was approved by the board on 25 November 2022 and signed on its behalf.

P. Dalton
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the directors' report and the Group and Company 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to £34,275,026 *(2021 - profit £19,958,928)*.

The profit and loss account for the year is set out on page 16 and further information is provided in the strategic report.

No dividends were declared during the year *(2021 - £Nil)*.

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 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 its efforts on transparency in the supply chain from its outsourcing model and has established clear ethical standards for itself and expectations from its suppliers to raise awareness of the legislation.

Directors

The directors who served during the year were:

S. Mulryan
J. Mulryan
P. Dalton
D. Pearson (resigned 1 April 2021)

Future developments

The Group has a number of developments which will be assessed on an on-going basis as to the development lifecycle 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:

	2022	*2021*
Absolute emissions (KgCo2e)	**1,431,658**	*2,136,190*
Total energy use (kWh)	**9,145**	-

As part of the Group's commitment to being a responsible developer, it continues to review and explore new ways of reducing its energy consumption.

Our methodology

For our Streamline Energy and Carbon Reporting ("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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Matters covered in the Group strategic report

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

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, the Group signed up to the Government's Developers' Pledge.

The Group has also repaid its £30 million loan from Allied Irish Banks Plc in full.

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 25 November 2022 and signed on its behalf.

Plur T Dalton

P. Dalton
Director

KPMG

KPMG
Audit
1 Stokes Place
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Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLYMORE LIMITED AND SUBSIDIARIES

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 2022, which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, 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 2022 and of the Group's loss 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 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").

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

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

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

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.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLYMORE LIMITED AND SUBSIDIARIES (continued)

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: building and health and safety regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLYMORE LIMITED AND SUBSIDIARIES (continued)

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 report 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 misstatement 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 has 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 in respect of the following matters 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 respect of these matters.

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 9 , 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'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 or to cease operations, or have no realistic alternative but to do so.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALLYMORE LIMITED AND SUBSIDIARIES (continued)

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, other irregularities 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.

Tom McEvoy

Tom McEvoy (Senior Statutory Auditor)
For and on behalf of
KPMG, Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

25 November 2022

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	*2021* *£*
Turnover	4	**8,829,274**	*40,708,093*
Cost of sales		**(5,226,459)**	*(23,205,210)*
Gross profit		**3,602,815**	*17,502,883*
Provision for impairment of stock	16	**(206,443)**	*(6,937,673)*
Other operating income	5	**811,125**	*6,464,146*
Operating expenses	5	**(3,569,547)**	*(17,311,208)*
Operating profit/(loss)	6	**637,950**	*(281,852)*
Exceptional costs	7/22	**(36,930,058)**	*-*
Group's share of (loss) of joint venture	22	**(519,875)**	*(5,255,315)*
Profit on sale of investment properties		**-**	*22,076,433*
Loss on sale of tangible fixed assets		**(220,540)**	*-*
Interest receivable and similar income	11	**783,157**	*5,715,551*
(Loss)/profit before tax		**(36,249,366)**	*22,254,817*
Tax on (loss)/profit	12	**1,974,340**	*(2,295,889)*
(Loss)/profit for the financial year		**(34,275,026)**	*19,958,928*
(Loss)/profit for the year attributable to:			
Owners of the parent		**(34,275,026)**	*19,958,928*
		(34,275,026)	*19,958,928*

The notes on pages 23 to 46 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 2022

	Note	2022 £	*2021 £*
Fixed assets			
Tangible assets	13	**1,075,651**	*305,138*
Investment property	15	**6,718,613**	*4,834,012*
		7,794,264	*5,139,150*
Current assets			
Stocks	16	**169,499,476**	*163,280,121*
Debtors: amounts falling due within one year	17	**415,874,685**	*409,029,861*
Cash at bank and in hand	18	**29,671,763**	*36,785,994*
		615,045,924	*609,095,976*
Creditors: amounts falling due within one year	19	**(323,750,161)**	*(319,488,048)*
Net current assets		**291,295,763**	*289,607,928*
Total assets less current liabilities		**299,090,027**	*294,747,078*
Creditors: amounts falling due after more than one year	20	**(28,000,000)**	*(64,600,000)*
Provisions for liabilities			
Deferred taxation	24	**(42,499)**	*(719,876)*
~~Provisions for joint ventures~~	~~22~~	~~**(12,098,701)**~~	~~*(11,578,826)*~~
Other provisions	22	**(75,375,477)**	-
Net assets		**183,573,350**	*217,848,376*
Capital and reserves			
Called up share capital	25	**100,000**	*100,000*
Profit and loss account		**183,473,350**	*217,748,376*
		183,573,350	*217,848,376*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 November 2022.

P. Dalton

P. Dalton
Director

The notes on pages 23 to 46 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	*2021* *£*
Fixed assets			
Investments	14	**65,123,488**	*2*
		65,123,488	*2*
Current assets			
Debtors: amounts falling due within one year	17	**125,198,271**	*125,206,374*
Cash at bank and in hand	18	**10,422**	*10,510*
		125,208,693	*125,216,884*
Creditors: amounts falling due within one year	19	**(119,453,420)**	*(119,453,417)*
Net current assets		**5,755,273**	*5,763,467*
Total assets less current liabilities		**70,878,761**	*5,763,469*
Net assets		**70,878,761**	*5,763,469*
Capital and reserves			
Called up share capital	25	**100,000**	*100,000*
Profit and loss account		**70,778,761**	*5,663,469*
		70,878,761	*5,763,469*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on November 2022.

Peter T Dalton

P. Dalton
Director

The notes on pages 23 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 April 2021	100,000	217,748,376	217,848,376	217,848,376
Comprehensive income for the year				
Loss for the year	-	(34,275,026)	(34,275,026)	(34,275,026)
Total comprehensive income for the year	-	(34,275,026)	(34,275,026)	(34,275,026)
At 31 March 2022	100,000	183,473,350	183,573,350	183,573,350

The notes on pages 23 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 April 2020	100,000	197,789,448	197,889,448	197,889,448
Comprehensive income for the year				
Profit for the year	-	19,958,928	19,958,928	19,958,928
Total comprehensive income for the year	-	19,958,928	19,958,928	19,958,928
At 31 March 2021	100,000	217,748,376	217,848,376	217,848,376

The notes on pages 23 to 46 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	100,000	5,663,469	5,763,469
Comprehensive income for the year			
Profit for the year (see note 14)	-	65,115,292	65,115,292
Total comprehensive income for the year	-	65,115,292	65,115,292
At 31 March 2022	100,000	70,778,761	70,878,761

The notes on pages 23 to 46 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	100,000	50,028,264	50,128,264
Comprehensive income for the year			
Loss for the year	-	(44,364,795)	(44,364,795)
Total comprehensive income for the year	-	(44,364,795)	(44,364,795)
At 31 March 2021	100,000	5,663,469	5,763,469

The notes on pages 23 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£	£
Cash flows from operating activities		
(Loss)/profit for the financial year	**(34,275,026)**	*19,958,928*
Adjustments for:		
Depreciation of tangible assets	**194,685**	*118,204*
Impairments of stock	**206,443**	*6,937,673*
Interest income	**(783,157)**	*(5,715,551)*
Taxation (credit)/charge	**(1,974,340)**	*2,295,889*
(Increase)/decrease in stocks	**(7,837,986)**	*7,288,015*
Decrease in debtors	**8,408,294**	*32,487,880*
(Decrease) in creditors and provisions	**(7,888,218)**	*(102,645,964)*
Share of loss in joint ventures	**519,875**	*5,255,315*
Corporation tax refunded	**4,655,188**	*5,408,661*
Movement in provisions against receivables	**(8,632,451)**	-
Exceptional provisions	**36,930,058**	-
Goodwill impairment	**1,502,630**	-
Loss/(profit) on sale of fixed asset/investment properties	**220,540**	*(22,076,433)*
Revaluation of investment property	-	*(4,512,203)*
Net cash used in operating activities	**(8,753,465)**	*(55,199,586)*
Cash flows from investing activities		
Interest received	**67,357**	*156,916*
Transfer from deposit account > 90 days	**1,915,244**	*39,878,096*
Acquisition of a subsidiary - cash acquired	**1,102,280**	-
Proceeds from sale of tangible assets and investment properties	**669,769**	-
Net cash from investing activities	**3,754,650**	*40,035,012*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	*2021* *£*
Cash flows from financing activities		
New secured loans	-	*101,850*
Interest paid	**(2,115,416)**	*(5,306,208)*
Net cash used in financing activities	**(2,115,416)**	*(5,204,358)*
Net (decrease) in cash and cash equivalents	**(7,114,231)**	*(20,368,932)*
Cash and cash equivalents at beginning of year	**36,785,994**	*57,154,926*
Cash and cash equivalents at the end of year	**29,671,763**	*36,785,994*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**29,671,763**	*36,785,994*

The notes on pages 23 to 46 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

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.

2. Accounting policies (continued)

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:

Plant & Machinery	- 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.

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.

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis over its useful life. It is tested for impairment in accordance with Section 27, *Impairment of assets*.

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.

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.

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.

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 15), valuation of stock (note 16), recoverability of receivables due from group companies and related parties (note 17) and calculation of accruals and provisions (notes 19 and 22).

4. Turnover

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

	2022 £	*2021 £*
Sale of properties	-	*27,009,000*
Contracting income, management fees and costs recharged	**3,549,705**	*8,867,155*
Rental income	**5,279,569**	*4,831,938*
	8,829,274	*40,708,093*

All turnover arose within the United Kingdom.

5. Operating expenses and other operating income

	2022 £	*2021 £*
Other operating income	**811,125**	*1,951,943*
Revaluation of investment properties	-	*4,512,203*
Operating expenses	**(3,569,547)**	*(17,311,208)*
	(2,758,422)	*(10,847,062)*

Other operating income in 2022 relates mainly to grant income and release of third party bad debt provisions. Other operating income in 2021 mainly arose due to the release of accruals made in prior periods which the directors considered were no longer required.

Operating expenses include wages and salaries, professional fees, development management fees, foreign exchange losses arising on euro denominated receivables, movements in provisions against group and related party debtors and write-off of goodwill arising on the purchase of Ballymore Asset Management Limited (see note 8).

6. Operating loss

The operating (loss) is stated after charging:

	2022 £	*2021 £*
Depreciation of tangible fixed assets	**194,685**	*118,204*
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	**104,072**	*100,054*
- Taxation compliance and advisory services	**450,062**	*789,168*

7. Exceptional costs

	2022 £	*2021 £*
Exceptional costs	**36,930,058**	-

Exceptional costs relate to provisions made in relation to fire-safety remediation works.

8. Acquisition of business

On 31 October 2021, the Group acquired 100% of the shares of Ballymore Asset Management Limited, an asset management company, from a related party, also controlled by Mr. S. Mulryan. The business contributed revenue of £2.1 million and a net loss of £1.3 million to the revenue and results for the year.

The acquisition had the following effect on the Group's assets and liabilities:

	2022 £
Acquiree's net assets at the acquisition date:	
Tangible fixed assets	**13,507**
Trade and other debtors	**11,467,832**
Cash	**1,102,280**
Trade and other creditors	**(8,607,931)**
Provisions	**(4,478,318)**
Net identifiable assets and liabilities	**(502,630)**

	£
Consideration paid (interest-free loan repayable on demand)	**1,000,000**

	£
Goodwill on acquisition	**1,502,630**

No fair value adjustments were made on acquisition. Therefore, there was no difference between the recognised values on acquisition and the book values of assets and liabilities acquired.

The goodwill that arose on acquisition was written off in full during the year following an impairment review performed at year end.

9. Employees

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

	2022 No.	*2021 No.*
Asset management	**37**	*-*
Finance and administration	**-**	*2*
Operations and other	**86**	*87*
	123	*89*

	2022 £	*2021 £*
The aggregate payroll costs of employees were:		
Wages and salaries	**4,405,987**	*4,920,341*
Social security costs	**467,496**	*247,457*
Pension	**115,763**	*73,701*
	4,989,246	*5,241,499*

Wages and salaries in the year to 31 March 2021 included amounts recharged from related parties.

On 1 April 2021, some of the Group's employees were transferred under TUPE to a related party. This included certain of the directors.

The increase in the average number of employees in the year to 31 March 2022 arose due to the acquisition of Ballymore Asset Management Limited on 31 October 2021.

The payroll costs of a number of employees of the Group in both years are administered by Ballymore Asset Management Limited and recognised in service charge costs.

Company

The Company has no employees *(2021 - none)*.

10. Directors' remuneration

	2022 £	*2021 £*
Directors' remuneration	**656,780**	*2,795,537*

The highest paid director received remuneration of £341,250 *(2021 - £2,483,962)*. The prior year amount *included termination payments arising on the resignation of a director.*

11. Interest receivable and similar income

	2022 £	2021 £
Interest receivable from companies in the wider Ballymore Group	-	1,794
Interest receivable from related parties (a)	715,800	2,712,851
Bank interest	77,834	203,993
Other interest income / interest income refunded	(10,477)	2,796,913
	783,157	5,715,551

(a) Interest on loans to related parties	2022 £	2021 £
Bishopsgate Goodsyard Regeneration Limited (i)	515,421	411,612
Ballymore Properties Management Limited (ii)	200,379	167,624
Leamouth European Capital Limited (ii)	-	2,133,615
	715,800	2,712,851

(i) Joint venture of the Group.

(ii) Companies controlled by Mr. S. Mulryan.

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	2,398,023
Adjustments in respect of previous periods	(1,296,963)	(792,733)
Total current tax (credit)/charge	(1,296,963)	1,605,290
Deferred tax		
Origination and reversal of timing differences	(890,184)	690,599
Effect of increased tax rates	212,807	-
Total deferred tax (credit)/charge	(677,377)	690,599
Taxation on (loss)/profit on ordinary activities	(1,974,340)	2,295,889

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2021 - lower than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022 £	*2021* *£*
(Loss)/profit on ordinary activities before tax	**(36,249,366)**	*22,254,817*
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**(6,887,380)**	*4,228,415*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**5,257,079**	*8,146,172*
Adjustments to tax charge in respect of prior periods	**(1,296,963)**	*(792,733)*
Other timing differences leading to a (decrease)/increase in taxation	**(5,957,489)**	*1,852,320*
Book loss/(profit) on chargeable assets	**41,903**	*(4,070,496)*
Share of partnership profits	**-**	*(906,109)*
Movement in deferred tax not recognised	**4,501,083**	*(2,267,369)*
Group relief	**2,125,550**	*(4,347,698)*
Impact of change in rates	**212,807**	*-*
Transfer pricing adjustments	**29,070**	*453,387*
Total tax (credit)/charge for the year	**(1,974,340)**	*2,295,889*

Factors that may affect future tax charges

In the 3 March 2021 Budget it was announced that the UK tax rate would increase to 25% with effect from 1 April 2023. This rate change was substantively enacted in May 2021 and will have a consequential effect on the Group's future tax charge.

There are no unprovided deferred tax liabilities.

At 31 March 2022 there is an unprovided deferred tax asset in relation to losses of £73.9 million (*2021: £52.6 million*).

13. Tangible fixed assets

Group

	Plant & machinery £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	442,942	148,876	591,818
Additions	1,063,170	122,812	1,185,982
Acquisition of subsidiary	-	13,507	13,507
Disposals	(442,942)	-	(442,942)
At 31 March 2022	1,063,170	285,195	1,348,365
Depreciation			
At 1 April 2021	137,804	148,876	286,680
Charge for the year on owned assets	182,308	12,377	194,685
Disposals	(208,651)	-	(208,651)
At 31 March 2022	111,461	161,253	272,714
Net book value			
At 31 March 2022	951,709	123,942	1,075,651
At 31 March 2021	*305,138*	-	*305,138*

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2021	184,410,002
Additions	3
At 31 March 2022	184,410,005
Impairment	
At 1 April 2021	184,410,000
Reversal of impairment losses	(65,123,483)
At 31 March 2022	119,286,517
Net book value	
At 31 March 2022	65,123,488
At 31 March 2021	*2*

During the year, as part of a group reorganisation, another group company transferred shares in subsidiary companies to the Company for market value of £1 each.

The provision for impairment held against the Company's investments in subsidiaries was partly released following a re-assessment of the estimated recoverable amounts of investments subsequent to the group reorganisation.

14. Fixed asset investments (continued)

Subsidiary undertakings

At the year end, the following were subsidiary undertakings of the Company:

Name	Principal activity	Proportion held by company	Proportion held by subsidiary
Ballymore Asset Management Limited	Estate management		100%
Ballymore (Battersea Park Road) Limited	Dormant		100%
Ballymore (Bow Paper) Limited	Property development		100%
Ballymore Developments Limited	Investment holding	100%	-%
Ballymore (Hayes) Limited	Property investment		100%
Ballymore Investments Limited	Investment holding	100%	-%
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%	-%
Ballymore Properties (Thames Royal) Limited	Property development		100%
Ballymore (Wapping) Limited	Property investment and development		100%
Ballymore (Suffolk) Limited	Dormant		100%
Boldbury 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%
London Residential Holdco Limited	Investment holding	100%	-%
Milltop Limited	Property investment	100%	-%
Monomind Limited	Property investment		100%
Pridebank Limited	Property investment and development		100%
Property Company 2007 Limited	Property investment		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.

15. Investment property

Group

	Freehold investment property £	Property under construction £	Total £
Valuation			
At 1 April 2021	**4,834,011**	**1**	**4,834,012**
Transferred from stock	**3,726,601**	**-**	**3,726,601**
Disposals	**(1,842,000)**	**-**	**(1,842,000)**
At 31 March 2022	**6,718,612**	**1**	**6,718,613**

At year end, the investment properties were valued by the directors at a fair value of £6,718,613. The fair value is derived from the current market rents and investment property yields and was determined by reference to external third party valuations where available.

16. Stock

	Group 2022 £	*Group 2021 £*
Development properties	**169,499,476**	*159,552,419*
Properties held for sale	**-**	*3,727,702*
	169,499,476	*163,280,121*

Borrowing costs capitalised within stock during the year amounted to £2,314,413 (*2021: £5,306,208*).

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 £206,443 (*2021 - £6,937,673*).

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.

17. Debtors: amounts falling due within one year

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Trade debtors	**3,837,884**	*24,397,338*	-	-
Amounts owed by group undertakings (a)	**255,694,457**	*196,988,857*	**125,198,271**	*123,861,670*
Amounts owed by related parties (b)	**144,862,976**	*169,106,218*	-	*1,344,704*
Other debtors	**1,409,526**	*4,911,363*	-	-
Corporation tax recoverable	**813,769**	*4,461,490*	-	-
VAT recoverable	**1,316,694**	-	-	-
Prepayments and accrued income	**1,296,320**	*606,292*	-	-
Bank deposits not accessible within 90 days (c)	**6,643,059**	*8,558,303*	-	-
	415,874,685	*409,029,861*	**125,198,271**	*125,206,374*

(a) 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 2022 is £255,694,457 (*2021 - £196,988,857*). At 31 March 2022 the gross amount receivable from group undertakings was £283,993,754 (*2021 - £234,770,558*). Provisions have been made where recoverability of the receivables is doubtful. At 31 March 2022 provisions totalling £28,299,297 (*2021 - £37,781,701*) have been made against such receivables.

Company

The amount of receivables due from group undertakings (stated net of provisions) is £125,198,271 (*2021 - £123,861,670*). At 31 March 2022 the gross amount receivable from group undertakings was £125,198,271 (*2021 - £123,861,670*). Provisions have been made where recoverability of the receivables is doubtful. At 31 March 2022 provisions totalling £Nil (*2021 - £Nil*) have been made against such receivables.

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

(b) Amounts owed by related parties (Group)

	2022 £	2021 £
Due from joint ventures of the Group	**40,066,058**	*39,443,397*
Due from entities controlled by Mr. S. Mulryan	**108,646,019**	*133,724,197*
Due from entities jointly controlled by Mr. S. Mulryan	**46,613**	*3,481,009*
Provisions against receivables due from related parties	**(3,895,714)**	*(7,542,385)*
	144,862,976	*169,106,218*

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

(c) Amounts held on deposit at 31 March 2021 maturing after 90 days included £1.9 million to be used in carrying out remediation works on land owned by the Group.

18. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	**29,671,763**	*36,785,994*	**10,422**	*10,510*

Cash at 31 March 2022 includes £1.9 million to be used in carrying out remediation works on land owned by the Group.

19. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans (Note 21)	30,198,997	-	-	-
Trade creditors	1,354,631	331,166	-	-
Amounts owed to group undertakings (a)	256,805,217	245,553,893	119,452,273	119,452,271
Amounts owed to related parties (b)	6,244,251	2,645,236	-	-
Corporation tax	-	289,496	1,147	1,146
Other taxes	625,657	1,115,948	-	-
Other creditors	510,785	872,820	-	-
Accruals and deferred income	28,010,623	68,679,489	-	-
	323,750,161	319,488,048	119,453,420	119,453,417

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

(b) Amounts owed to related parties (Group)

	2022 £	2021 £
Due to joint ventures of the Group	1,753,926	344,250
Due to entities controlled by Mr. S. Mulryan	4,489,528	2,236,795
Due to entities jointly controlled by Mr. S. Mulryan	797	64,191
	6,244,251	2,645,236

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

(c) Accruals at 31 March 2021 included the directors' best estimate of Section 106 liabilities and certain post-completion development obligations in respect of the construction of the Group's property developments. The estimated cost of post-completion development obligations has been reclassified to provisions at 31 March 2022 (note 22) as it is considered that this presentation is now more appropriate given the nature of the liabilities.

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

	Group 2022 £	Group 2021 £
Bank loans (Note 21)	28,000,000	58,000,000
Accruals (Note 19)	-	6,600,000
	28,000,000	64,600,000

21. Loans

	Group 2022 £	*Group 2021 £*
Amounts falling due within one year		
Bank loans	**30,198,997**	*-*
Amounts falling due 2-5 years		
Bank loans	**28,000,000**	*58,000,000*
	58,198,997	*58,000,000*

In July 2019, the Group's subsidiary, Ballymore (London Arena) Limited, entered into a loan facility agreement with Allied Irish Banks Plc. The facility allowed for funds of up to £30 million to be drawn. The repayment date was July 2022 and interest was charged at SONIA + 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 loan has been repaid in full since year end.

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 SONIA + 3.9%.

22. Provisions

Group

	Provision for joint ventures £	Other provisions £	Provision for fire safety remedial works £	Total £
At 1 April 2021	11,578,826	-	-	11,578,826
Charged to profit or loss	519,875	(1,127,982)	36,930,058	36,321,951
Reclassified from accruals	-	20,707,529	29,576,178	50,283,707
Acquisitions	-	4,478,318	-	4,478,318
Utilised during the year	-	(1,501,783)	(13,686,841)	(15,188,624)
At 31 March 2022	12,098,701	22,556,082	52,819,395	87,474,178

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

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

(a) The Group owns 1 Ordinary share of £0.50 in Bishopsgate Goodsyard 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 Goodsyard Regeneration Limited is King's Place, 90 York Way, London N1 9GE.

(b) 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.

(c) The Group previously held a 50% interest in Central Regeneration Limited Partnership. This limited partnership was dissolved during the year.

The activity of all the above entities is property development.

Other provisions include provisions for costs to complete and post completion development obligations in respect of the Group's property developments. Provisions for certain of these liabilities were included in accruals in prior year but have now been reclassified to provisions to better reflect the nature of the liabilities.

23. Financial instruments

	Group 2022 £	*Group 2021 £*	Company 2022 £	*Company 2021 £*
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**442,119,665**	*440,748,073*	**125,208,693**	*125,216,884*
Financial liabilities				
Financial liabilities measured at amortised cost	**(323,113,881)**	*(314,003,115)*	**(119,452,273)**	*(119,452,271)*

Financial assets measured at amortised cost comprise cash and receivables, excluding taxes receivable, prepayments and accrued income.

Financial liabilities measured at amortised cost comprise payables excluding tax liabilities, accruals and provisions.

24. Deferred taxation

Group

	2022 £
At beginning of year	**(719,876)**
Charged to profit or loss	**677,377**
At end of year	**(42,499)**

	Group 2022 £	*Group 2021 £*
Other timing differences	**(42,499)**	*(719,876)*
	(42,499)	*(719,876)*

25. Share capital

	2022 £	*2021 £*
Allotted, called up and fully paid		
100,000 *(2021 - 100,000)* Ordinary shares of £1.00 each	**100,000**	*100,000*

26. 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.

27. Commitments and contingencies

In addition to the details set out in note 21 and the commitments made under the Developers' Pledge noted in the Strategic report, 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.

28. Controlling party and related party transactions

The Company's immediate parent company is Trapol Limited, a company incorporated in Jersey, Channel Islands.

At 31 March 2021 the Company's ultimate parent was Ballymore Properties Limited incorporated in the Republic of Ireland. During the year the Company's ultimate parent changed to Eglinford Unlimited Company, a company incorporated in the Republic of Ireland. The Company was controlled throughout the period by Mr. S. Mulryan.

The largest group in which the results of the Company were consolidated at 31 March 2022 was that headed by Eglinford Unlimited Company.

The Company has availed itself of the exemption available in FRS 102.33.1A from disclosing transactions with Eglinford 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:

Professional services are provided to the Group by related parties controlled by Mr. S. Mulryan. During the year, charges for these services amounted to £6,562,495 (*2021: £3,582,211*).

Total compensation of key management personnel for services to the Group amounted to £656,780 (*2021: £2,795,537*). Key management personnel compensation for services to the Company was £Nil (*2021: £Nil*).

29. Post balance sheet events

Subsequent to year end, the Group signed up to the Government's Developers' Pledge.

The Group has also repaid its £30 million loan from Allied Irish Banks Plc in full.

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