

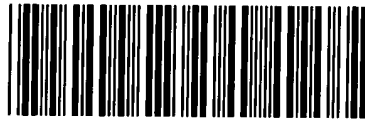
Registered number: 05892771

## **BALLYMORE (CARMEN STREET) LIMITED**

### **Directors' Report and Financial Statements**

**For the Year Ended 31 March 2017**

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# **BALLYMORE (CARMEN STREET) LIMITED**

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# **BALLYMORE (CARMEN STREET) LIMITED**

## **Company Information**

<b>Directors</b>	D. Pearson J. Mulryan S. Mulryan
<b>Company secretary</b>	D. Pearson
<b>Registered number</b>	05892771
<b>Registered office</b>	4th Floor 161 Marsh Wall London E14 9SJ
<b>Auditor</b>	KPMG, Statutory Auditor Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland
<b>Solicitors</b>	Howard Kennedy No. 1 London Bridge London SE1 9BG

## **BALLYMORE (CARMEN STREET) LIMITED**

### **Directors' Report For the Year Ended 31 March 2017**

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

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

#### **Principal activity**

The principal activity of the company is that of property development. During the year the company disposed of its development property for £20,950,000.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £4,820,306 (2016 - £7,095,386).

No dividends were declared for the year ended 31 March 2017 (2016 - £nil).

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

#### **Directors**

The directors who served during the year were:

D. Pearson  
J. Mulryan  
S. Mulryan

**BALLYMORE (CARMEN STREET) LIMITED**

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

**Exemption to preparation of strategic report**

The company has availed of the exemption available under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from implementing the strategic report requirements as the company qualifies as a small company for Company Law purposes.

**Disclosure of information to auditor**

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

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

**Auditor**

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

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

D. Pearson  
Director

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line extending to the right.



## **Independent auditor's report to the members of Ballymore (Carmen Street) Limited**

We have audited the financial statements of Ballymore (Carmen Street) Limited for the year ended 31 March 2017, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

### **Opinions and conclusions arising from our audit**

#### **1. Our opinion on the financial statements is unmodified**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

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



## Independent auditor's report to the members of Ballymore (Carmen Street) Limited (continued)

### Basis of our report, responsibilities and restrictions on use

As explained more fully in the 'Statement of Directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

C. Mullen (Senior Statutory Auditor)

for and on behalf of  
**KPMG, Statutory Auditor**

Chartered Accountants

1 Stokes Place  
St Stephen's Green  
Dublin 2  
Ireland

28 July 2017

# **BALLYMORE (CARMEN STREET) LIMITED**

## **Profit and Loss Account For the Year Ended 31 March 2017**

	Note	2017 £	2016 £
Turnover	3	20,950,000	-
Cost of sales		(16,099,019)	-
<b>Gross profit</b>		<b>4,850,981</b>	<b>-</b>
Reversal of impairment of stock		-	7,153,098
Administrative expenses		(30,931)	(57,712)
<b>Operating profit</b>	4	<b>4,820,050</b>	<b>7,095,386</b>
Interest receivable and similar income	5	256	-
<b>Profit before tax</b>		<b>4,820,306</b>	<b>7,095,386</b>
Tax on profit	6	-	-
<b>Profit for the year</b>		<b>4,820,306</b>	<b>7,095,386</b>

All amounts relate to continuing operations.

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

**BALLYMORE (CARMEN STREET) LIMITED**  
Registered number: 05892771

**Balance Sheet**  
**As at 31 March 2017**

	Note	2017 £	2016 £
<b>Current assets</b>			
Stocks	7	-	15,384,412
Debtors	8	3,969,678	2,105,001
Cash at bank and in hand		-	58
		<u>3,969,678</u>	<u>17,489,471</u>
Creditors: amounts falling due within one year	9	-	(18,340,099)
<b>Net current assets/(liabilities)</b>		<u>3,969,678</u>	<u>(850,628)</u>
<b>Net assets/(liabilities)</b>		<u>3,969,678</u>	<u>(850,628)</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account		3,969,677	(850,629)
		<u>3,969,678</u>	<u>(850,628)</u>

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

.....  
**D. Pearson**  
Director

The notes on pages 9 to 14 form part of these financial statements.

# **BALLYMORE (CARMEN STREET) LIMITED**

## **Statement of Changes in Equity For the Year Ended 31 March 2017**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2016	1	(850,629)	(850,628)
<b>Comprehensive income for the year</b>			
Profit for the year	-	4,820,306	4,820,306
<b>Total comprehensive income for the year</b>	-	4,820,306	4,820,306
<b>Total transactions with owners</b>	-	-	-
<b>At 31 March 2017</b>	<b>1</b>	<b>3,969,677</b>	<b>3,969,678</b>

## **Statement of Changes in Equity For the Year Ended 31 March 2016**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2015	1	(7,946,015)	(7,946,014)
<b>Comprehensive income for the year</b>			
Profit for the year	-	7,095,386	7,095,386
<b>Total comprehensive income for the year</b>	-	7,095,386	7,095,386
<b>Total transactions with owners</b>	-	-	-
<b>At 31 March 2016</b>	<b>1</b>	<b>(850,629)</b>	<b>(850,628)</b>

The notes on pages 9 to 14 form part of these financial statements.

## **BALLYMORE (CARMEN STREET) LIMITED**

### **Notes to the Financial Statements For the Year Ended 31 March 2017**

#### **1. Accounting policies**

Ballymore (Carmen Street) Limited is a company limited by shares and incorporated and domiciled in the UK.

##### **Basis of preparation of financial statements**

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

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

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

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

This information is included in the consolidated financial statements of Ballymore Limited as at 31 March 2017 and these financial statements may be obtained from 4th Floor, 161 Marsh Wall, London, E14 9SJ.

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

##### **Going concern**

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

##### **Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### **Stocks**

##### **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. Cost comprises purchase price and where initial planning and development work has commenced and is being progressed, development costs and interest. 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.

## **BALLYMORE (CARMEN STREET) LIMITED**

### **Notes to the Financial Statements For the Year Ended 31 March 2017**

#### **1. Accounting policies (continued)**

##### **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.

##### **Creditors**

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

##### **Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

##### **Borrowing costs**

Borrowing costs which have not been capitalised, are charged to the profit and loss account in the financial year in which they are incurred.

##### **Taxation**

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

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

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

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

In the process of applying the company's accounting policies, which are described above, management has not had to make any judgments that have a significant effect on the amounts recognised in the financial statements.

## BALLYMORE (CARMEN STREET) LIMITED

### Notes to the Financial Statements For the Year Ended 31 March 2017

#### 3. Turnover

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

	2017 £	2016 £
Sale of property	20,950,000	-
	<u>20,950,000</u>	<u>-</u>

All turnover arose within the United Kingdom.

#### 4. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's annual accounts	16,000	9,500
	<u>16,000</u>	<u>9,500</u>

During the year, no director received any emoluments (2016 - £Nil). The company had no employees (2016 - none).

#### 5. Interest receivable

	2017 £	2016 £
Other interest receivable	256	-
	<u>256</u>	<u>-</u>

# BALLYMORE (CARMEN STREET) LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 6. Taxation

2017	2016
£	£

#### Factors affecting tax charge for the year

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

	2017 £	2016 £
Profit on ordinary activities before tax	4,820,306	7,095,386
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	964,061	1,419,077
Effects of:		
Group relief	(964,061)	(116,370)
Movement in deferred tax not recognised	-	(1,302,707)
Total tax charge for the year	-	-

#### Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. Finance Bill 2016 further reduced the 18% rate to 17% from 1 April 2020, following substantive enactment on 6 September 2016. This will reduce the company's future tax charge accordingly.

At 31 March 2017 there is an unrecognised deferred tax asset of £nil (2016 - £nil) in respect of unutilised tax losses.

# BALLYMORE (CARMEN STREET) LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 7. Stocks

	2017 £	2016 £
Development properties at cost	-	15,384,412
	<u>-</u>	<u>15,384,412</u>

Interest capitalised within stock during the year amounted to £nil (2016: £218,682).

The company sold its development property during the year.

Each year, the directors review the carrying value of the company's stock in the context of current market conditions, and, where necessary, restate these assets at the lower of cost and net realisable value. During the prior year, costs previously capitalised in relation to these properties were written back as they were no longer payable. This reduced the original cost of the properties. On this basis during the prior year the directors released a provision for impairment of £7,153,098.

### 8. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	3,969,678	1
Deposits	-	2,105,000
	<u>3,969,678</u>	<u>2,105,001</u>

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

### 9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	-	1
Amounts owed to group undertakings	-	16,239,123
Accruals and deferred income	-	2,100,975
	<u>-</u>	<u>18,340,099</u>

# BALLYMORE (CARMEN STREET) LIMITED

## Notes to the Financial Statements For the Year Ended 31 March 2017

### 10. Share capital

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

### 11. Controlling party and related party transactions

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

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

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

The company has entered into an agreement with Whistleglade Unlimited Company and its subsidiary, Roundstone Development Management Limited, for the provision of professional services. Whistleglade Unlimited Company is registered in Ireland and its subsidiary is registered in the UK. Mr. John Mulryan is the ultimate beneficial owner of Whistleglade Unlimited Company. During the year, Roundstone Development Management Limited charged £60,003 (2016 £80,004) for services provided to the company.

### 12. Post balance sheet events

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