

Registered number: 06342732

BALLYMORE (HAYES) LIMITED

Annual report and financial statements

For the Year Ended 31 March 2016

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BALLYMORE (HAYES) LIMITED

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BALLYMORE (HAYES) LIMITED

Company Information

Directors	D.Pearson J.Mulryan S.Mulryan
Company secretary	D.Pearson
Registered number	06342732
Registered office	4th Floor 161 Marsh Wall London E14 9SJ
Independent auditor	KPMG, Statutory Auditor Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland
Solicitors	Howard Kennedy No.1 London Bridge London SE1 9BG

BALLYMORE (HAYES) LIMITED

Strategic report For the Year Ended 31 March 2016

Introduction

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

Business review

The principal activity of the company is property development. There has been no significant change to this activity. During the year the company sold its remaining stock interests in its Hayes development.

Principal risks and uncertainties

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

Going concern

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

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

Financial risk

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

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

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

Economic risk

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

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

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

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

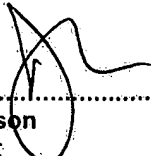
Market risk

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

BALLYMORE (HAYES) LIMITED

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

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


.....
D. Pearson
Director

BALLYMORE (HAYES) LIMITED

Directors' report For the Year Ended 31 March 2016

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

Directors' responsibilities statement

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

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

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

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

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

Results and dividends

The profit for the year, after taxation, amounted to £27,756,699 (2015 - loss £7,133,683).

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

Directors

The directors who served during the year were:

D.Pearson
J.Mulryan
S.Mulryan

Disclosure of information to auditor

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

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

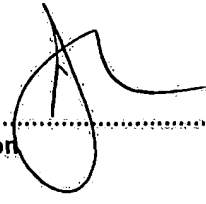
BALLYMORE (HAYES) LIMITED

**Directors' report
For the Year Ended 31 March 2016**

Auditors

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

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



.....
D. Pearson
Director



Independent auditor's report to the members of Ballymore (Hayes) Limited

We have audited the financial statements of Ballymore (Hayes) Limited for the year ended 31 March 2016, set out on pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

In our opinion the financial statements:

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

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

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

The company is a member of a group headed by Ballymore Properties ("the group"). At 31 March 2016 the company had net liabilities of £48,251,978 and is dependent for its working capital on funds provided to it by NAMA and by the group. The group is in turn dependent on the ongoing financial support of its lenders to continue as a going concern. These conditions, together with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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



Basis of our report, responsibilities and restrictions on use

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

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

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

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

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

C. Mullen (Senior statutory auditor)

for and on behalf of
KPMG, Statutory Auditor

Chartered Accountants

1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

31 August 2016

BALLYMORE (HAYES) LIMITED

Profit and loss account For the Year Ended 31 March 2016

		2016 £	2015 £
Turnover	3	35,646,971	1,512,391
Cost of sales		(9,313,228)	(533,351)
		<hr/>	<hr/>
Gross profit		26,333,743	979,040
Provision for impairment of stock		-	(8,153,630)
Administrative expenses		(30,886)	(93,208)
Other operating income	4	-	134,471
		<hr/>	<hr/>
Operating profit/(loss)	5	26,302,857	(7,133,327)
Profit on sale of assets		1,811,471	-
Interest receivable and similar income	7	560	(356)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before tax		28,114,888	(7,133,683)
Tax on profit/(loss) on ordinary activities	8	(358,189)	-
		<hr/>	<hr/>
Profit/(loss) for the year		27,756,699	(7,133,683)
		<hr/>	<hr/>

All amounts relate to continuing operations.

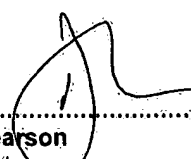
The company had no other comprehensive income in the financial year or the previous financial year and therefore, no statement of other comprehensive income is provided.

BALLYMORE (HAYES) LIMITED
Registered number: 06342732

Balance sheet
As at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Investment property	9	281,252	1,026,250
Current assets			
Stock	10	41,159,681	44,732,138
Debtors	11	1,528,590	111,626
Cash at bank		171,390	767,544
		<u>42,859,661</u>	<u>45,611,308</u>
Creditors: amounts falling due within one year	12	(91,392,891)	(109,406,392)
Net current liabilities		<u>(48,533,230)</u>	<u>(63,795,084)</u>
Creditors: amounts falling due after more than one year	13	-	(13,239,843)
Net liabilities		<u>(48,251,978)</u>	<u>(76,008,677)</u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account		(48,251,979)	(76,008,678)
Shareholders' deficit		<u>(48,251,978)</u>	<u>(76,008,677)</u>

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



D. Pearson
 Director

The notes on pages 11 to 20 form part of these financial statements.

BALLYMORE (HAYES) LIMITED

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

	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	1	(76,008,678)	(76,008,677)
Comprehensive income for the year			
Profit for the year	-	27,756,699	27,756,699
Total comprehensive income for the year	-	27,756,699	27,756,699
Total transactions with owners	-	-	-
At 31 March 2016	1	(48,251,979)	(48,251,978)

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

	Share capital £	Retained earnings £	Total equity £
At 1 April 2014	1	(68,874,995)	(68,874,994)
Comprehensive income for the year			
Loss for the year	-	(7,133,683)	(7,133,683)
Total comprehensive income for the year	-	(7,133,683)	(7,133,683)
Total transactions with owners	-	-	-
At 31 March 2015	1	(76,008,678)	(76,008,677)

BALLYMORE (HAYES) LIMITED

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

1. Accounting policies

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

Basis of preparation of financial statements

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

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

The company has taken advantage of the 'Fair value as deemed costs' transition exemption for investment properties as stated in Section 35 'Transition to this FRS' paragraph 35.10 (c).

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

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

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

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

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

Going concern

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

Notwithstanding having net liabilities of £48,251,978 at 31 March 2016, the financial statements of the company are prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The company is dependent on funds provided to it by the National Asset Management Agency ("NAMA") and by the group. The group has confirmed that it will continue to make available such funds as are needed by the company and in particular, will not seek repayment of amounts owed to it for at least 12 months from the date of approval of the financial statements. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

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

BALLYMORE (HAYES) LIMITED

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

1. Accounting policies (continued)

Going concern (continued)

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

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

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

Revenue

Revenue 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.

Expenditure

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

Investment property

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

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

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

BALLYMORE (HAYES) LIMITED

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

1. Accounting policies (continued)

Stock

Work in progress

Work in progress comprises properties currently being developed and is stated at the lower of cost and net realisable value. Costs include interest and finance fees which are capitalised from the date of commencement of development until the development is completed. Interest is calculated by reference to specific borrowings.

Net realisable value is defined as the estimated selling price of the completed development less all further costs to completion as estimated by the directors.

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

Profits on developments are not recognised until properties are structurally complete and legally transferred to the purchaser. Developments in progress and/or unsold at the balance sheet date are stated at the lower of cost and net realisable value.

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 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. 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.

Sales deposits

Deposits received by 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 of the individual apartments. Deposits paid by contracted purchasers of units, which are held in a solicitor's client account until legal transfer of ownership occurs are included within debtors on the balance sheet. The corresponding amount is recognised on the balance sheet as deferred income. Forfeited deposits are included in other income in the period in which the related contracts have been rescinded.

Debtors

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

Cash and cash equivalents

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

BALLYMORE (HAYES) LIMITED

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

1. Accounting policies (continued)

Creditors

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

Interest income

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

Borrowing costs

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

Taxation

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

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

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

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

In the process of applying the company's accounting policies, the key judgments made by management relate to going concern (see Note 1) and valuation of stocks (Note 10).

3. Analysis of turnover

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

	2016 £	2015 £
Sale of property	34,077,593	-
Rental income	1,569,378	1,512,391
	<u>35,646,971</u>	<u>1,512,391</u>

All turnover arose within the United Kingdom.

BALLYMORE (HAYES) LIMITED

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

4. Other operating income

	2016 £	2015 £
Forfeited deposits	-	134,471

5. Operating profit/(loss)

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

	2016 £	2015 £
Auditor's remuneration for the audit of these financial statements	14,000	15,500

During the year, no director received any emoluments (2015: £NIL).

During the current and prior year, central operating costs were recharged from another group company.

6. Employees

During the year the company underwent a restructuring which resulted in all of the company's employees at 30 April 2015 being transferred to a related party, Ballymore Asset Management Limited under the Transfer of Undertakings (Protection of Employment) Regulations ("TUPE"). At 30 April 2015 there were 5 (2015: average 5) staff employed. From 1 May 2015 the company has had no employees.

7. Interest receivable

	2016 £	2015 £
Other interest receivable	560	(356)

BALLYMORE (HAYES) LIMITED

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

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	358,189	-
Total current tax	<u>358,189</u>	<u>-</u>

Factors affecting tax charge for the year

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

	2016 £	2015 £
Profit / (loss) on ordinary activities before tax	28,114,888	(7,133,683)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	5,622,978	(1,498,073)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,209	10,652
Other timing differences leading to an increase (decrease) in taxation	-	3,441
Book profit on chargeable assets	(362,294)	-
Capital gains	358,189	-
Movement in deferred tax not recognised	(4,975,113)	-
Group relief	(288,780)	1,483,980
Total tax charge for the year	<u>358,189</u>	<u>-</u>

Factors that may affect future tax charges

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

At 31 March 2016 there is an unrecognised deferred tax asset of £8,265,279 (2015 £13,825,406) in respect of unutilised tax losses.

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

BALLYMORE (HAYES) LIMITED

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

9. Investment property

	Freehold investment property £
Cost or valuation	
At 1 April 2015	1,026,250
Transfer from stock	281,251
Disposals	(1,026,249)
At 31 March 2016	<u>281,252</u>
Net book value	
At 31 March 2016	<u>281,252</u>
At 31 March 2015	<u>1,026,250</u>

At 1 April 2015 the investment property comprised land interests generating ground rents which were previously classified in stocks. The right to receive ground rent income was sold during the year, the company retains the freehold.

During the year investment property comprising a commercial unit was transferred to freehold investment property from stock.

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

No revaluation has been applied. No independent valuation took place during the period.

During the year the company sold the leasehold of two hotels which were previously classified in stocks. The company retains the freehold of these assets and this has been transferred to freehold investment property from stock, at £1.

BALLYMORE (HAYES) LIMITED

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

10. Stock

	2016 £	2015 £
Work in progress at cost - (Hayes)	281,251	90,235,209
Provision for impairment	-	(84,644,123)
Development properties at cost	41,159,681	39,141,052
Transfer of land interest to investment properties	(281,251)	-
	<u>41,159,681</u>	<u>44,732,138</u>

Included in the cost of stock is £94,789 (2015: £33,877,343) in respect of capitalised borrowing costs. Borrowing costs capitalised during the year amounted to £6,233,856 (2015: £7,383,449).

Each year, the directors review the carrying value of the company's stock in the context of current market conditions, and, where necessary, restate these assets at the lower of cost and net realisable value. In determining the realisable value, the directors appraise the eventual financial outcome on each stock item. They consider the various risks associated with development, including planning risk, construction risk and finance risk. They also examine the prudence of the assumptions underlying an appraisal including the timeline to complete, future attributable costs to complete (including planning, construction, marketing and financial costs, where appropriate) and the eventual proceeds the company can expect to receive from the sale of the stock. On this basis during the prior year the directors provided for a diminution in the carrying value of work in progress of £8.2 million.

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 judgements in determining the carrying value of work in progress under development. During the year the company sold its remaining stock comprising 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.

During the year land interests comprising a commercial unit and two hotels freehold were transferred to investment properties.

11. Debtors

	2016 £	2015 £
Trade debtors	373,055	105,910
Other debtors	1,155,535	5,716
	<u>1,528,590</u>	<u>111,626</u>

BALLYMORE (HAYES) LIMITED

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

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	489,128	51,088
Amounts owed to group undertakings	87,238,253	107,906,947
Corporation tax	358,189	-
Other creditors	70,962	540,257
Accruals and deferred income	3,236,359	908,100
	<u>91,392,891</u>	<u>109,406,392</u>

Bank loans comprise amounts owed to NAMA.

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

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

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

	2016 £	2015 £
Accruals and deferred income	-	13,239,843
	<u>-</u>	<u>13,239,843</u>

14. Share capital

	2016 £	2015 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

BALLYMORE (HAYES) LIMITED

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

15. Controlling party and related party transactions

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

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

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

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

Ballymore Asset Management Limited acts as a managing agent for the collection of ground rents and administration of service charges on properties held by the company. In the period, ground rent collection fees paid to Ballymore Asset Management Limited amounted to £4,130. Ballymore Asset Management Limited is a related party of which Mr. David Pearson and Mr. John Mulryan are directors.

The company has entered into an agreement with Roundstone Development Management Limited, for the provision of professional services. Mr. David Pearson and Mr John Mulryan are directors of Roundstone Development Management Limited which is also controlled by Mr John Mulryan. During the year, Roundstone Development Management Limited charged £607,500 (2015: £nil) for services provided to the company. There were no amounts outstanding at year end.

The company has entered into an agreement with Roundstone Construction Services Limited for the provision of professional services. Mr. David Pearson and Mr John Mulryan are director of Roundstone Construction Services Limited which is also controlled by Mr John Mulryan. During the year, Roundstone Construction Services Limited charged £213 (2015: £nil) for services provided to the company. There were no amounts outstanding at year end.

16. Commitments and contingencies

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

17. Post balance sheet events

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