

Registered number: 08874050

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Annual report and financial statements

For the year ended 31 March 2017

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ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

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ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Company Information

| | |
|----------------------------|--|
| Directors | J. Mulryan D. Pearson |
| Company secretary | D. Pearson |
| Registered number | 08874050 |
| Registered office | 4th Floor 161 Marsh Wall London E14 9SJ |
| Independent auditor | KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 |
| Bankers | Barclays Leicester LE87 2BB |
| Solicitors | Pinsent Masons LLP 30 Crown Place London EC2A 4ES |

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Group strategic report For the year ended 31 March 2017

Introduction

The directors present their strategic report for Roundstone Development Management Limited and its subsidiaries (together "the Group") for the year ended 31 March 2017.

Business review

The principal activities of the Group are the provision of management services to the property development industry.

The Group has had a very successful year and has continued to be awarded contracts that will be profitable over the next few years. The directors of the Company consider the outlook to be positive.

Principal risks and uncertainties

The Group's strategy is to identify risks and uncertainties in the course of its day to day operations and assess those risks with a view to minimising or mitigating where possible. The directors consider that the principal risks and uncertainties faced by the Group are in the following categories:

Economic risk

The construction industry is sensitive to the macro-economic environment nationally and regionally. The housing market in the UK, where the Group operates, continues to remain strong. The primary economic risk to the Group is the risk of unrealistic increases in construction and operating costs impacting adversely on competitiveness of the Group.

These risks are managed by careful selection of contracts, focusing on appropriate pricing in negotiations, strict cost control and detailed monitoring of projects against expectations and budgets

Regulatory risk

As the Group is engaged in development management services, it is therefore subject to extensive and complex laws and regulations relating to employment, environment and health and safety. Non-compliance can result in delays thereby incurring substantial costs, restrictions and/or delays on construction or damage to the Group's reputation.

The Group actively engages with professionals to ensure that all regulatory and legal compliance criteria are met.

This report was approved by the board on 7 SEPTEMBER 2017 and signed on its behalf.

.....
D. Pearson
Director

ROUNDSTONE DEVELOPMENT MANAGEMENT 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. Consolidated financial statements of the Company and its subsidiaries are prepared this year for the first time as the Group now meets the size criteria requiring the preparation of group accounts.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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 Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group 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 £12,164,166 (2016 - £9,789,034).

Dividends of £100,000 per share held were declared and paid to a value of £10,000,000 for the year ended 31 March 2017 (2016 - £nil).

Directors

The directors who served during the year were:

J. Mulryan
D. Pearson

Future developments

The directors consider that the Group has built upon its contract base during this financial year and is considering other contract opportunities which will allow the Group to continue to be profitable over the next few years. The Group will strive to win further appointments and continue to grow into the foreseeable future.

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Directors' report (continued) For the year ended 31 March 2017

Employee involvement

The Group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the group.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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 is committed to respecting human rights and will look at 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 will be looking at establishing clear ethical standards for itself and expectations from its suppliers to raise awareness of the legislation.

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.

Post balance sheet events

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

Auditor

Under section 487(2) of the Companies Act 2006, KPMG 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 **7 SEPTEMBER 2017** and signed on its behalf.



.....
D. Pearson
Director



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

Independent auditor's report to the members of Roundstone Development Management Limited

We have audited the financial statements of Roundstone Development Management Limited and subsidiaries for the year ended 31 March 2017, set out on pages 7 to 26. 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 and Group's affairs as at 31 March 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

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

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

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

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



**Independent auditor's report to the members of Roundstone Development Management 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 3, 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

for and on behalf of
KPMG, Statutory Auditor

Chartered Accountants

1 Stokes Place
St. Stephen's Green
Dublin 2

Date: 7 SEPTEMBER 2017

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Consolidated profit and loss account For the year ended 31 March 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-------------------|-------------------|
| Turnover | 3 | 51,606,231 | 38,813,266 |
| Cost of sales | | (23,798,615) | (20,169,096) |
| Gross profit | | 27,807,616 | 18,644,170 |
| Administrative expenses | | (12,532,910) | (6,391,657) |
| Operating profit | 4 | 15,274,706 | 12,252,513 |
| Interest receivable and similar income | 7 | 51,526 | 3,503 |
| Profit before tax | | 15,326,232 | 12,256,016 |
| Tax on profit | 8 | (3,162,066) | (2,466,982) |
| Profit for the financial year | | 12,164,166 | 9,789,034 |
| Profit for the year attributable to: | | | |
| Owners of the parent | | 12,164,166 | 9,789,034 |

The notes on pages 13 to 26 form part of these financial statements.

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.

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED
Registered number: 08874050

Consolidated balance sheet
As at 31 March 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 930,350 | 992,726 |
| | | <u>930,350</u> | <u>992,726</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 12 | 19,057,363 | 17,282,288 |
| Cash at bank and in hand | 13 | 42,871,514 | 16,232,238 |
| | | <u>61,928,877</u> | <u>33,514,526</u> |
| Creditors: amounts falling due within one year | 14 | (13,394,845) | (13,692,957) |
| Net current assets | | <u>48,534,032</u> | <u>19,821,569</u> |
| Creditors: amounts falling due after more than one year | 15 | (36,161,542) | (9,675,621) |
| Net assets | | <u>13,302,840</u> | <u>11,138,674</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 100 | 100 |
| Profit and loss account | | 13,302,740 | 11,138,574 |
| | | <u>13,302,840</u> | <u>11,138,674</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
7 September 2017

.....
D. Pearson
Director

The notes on pages 13 to 26 form part of these financial statements.

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED
Registered number: 08874050

Company balance sheet
As at 31 March 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 875,603 | 991,076 |
| Investments | 11 | 501,001 | 501,001 |
| | | <u>1,376,604</u> | <u>1,492,077</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 12 | 7,612,883 | 13,375,771 |
| Cash at bank and in hand | 13 | 9,372,354 | 6,848,862 |
| | | <u>16,985,237</u> | <u>20,224,633</u> |
| Creditors: amounts falling due within one year | 14 | (8,186,977) | (10,976,114) |
| Net current assets | | <u>8,798,260</u> | <u>9,248,519</u> |
| Provisions for liabilities | | | |
| Deferred taxation | 16 | (28,288) | - |
| Net assets | | <u>10,146,576</u> | <u>10,740,596</u> |
| Capital and reserves | | | |
| Called up share capital | 17 | 100 | 100 |
| Profit and loss account | | 10,146,476 | 10,740,496 |
| | | <u>10,146,576</u> | <u>10,740,596</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
7 September 2017

.....
D. Pearson
Director

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

**Consolidated statement of changes in equity
For the year ended 31 March 2017**

| | Called up share capital | Profit and loss account | Equity attributable to owners of parent Company | Total equity |
|-------------------------|------------------------------------|------------------------------------|--|---------------------|
| | £ | £ | £ | £ |
| At 1 April 2016 | 100 | 11,138,574 | 11,138,674 | 11,138,674 |
| Profit for the year | - | 12,164,166 | 12,164,166 | 12,164,166 |
| Dividends paid | - | (10,000,000) | (10,000,000) | (10,000,000) |
| At 31 March 2017 | 100 | 13,302,740 | 13,302,840 | 13,302,840 |

**Consolidated statement of changes in equity
For the year ended 31 March 2016**

| | Called up share capital | Profit and loss account | Equity attributable to owners of parent Company | Total equity |
|-------------------------|------------------------------------|------------------------------------|--|---------------------|
| | £ | £ | £ | £ |
| At 1 April 2015 | 100 | 1,349,540 | 1,349,640 | 1,349,640 |
| Profit for the year | - | 9,789,034 | 9,789,034 | 9,789,034 |
| At 31 March 2016 | 100 | 11,138,574 | 11,138,674 | 11,138,674 |

The notes on pages 13 to 26 form part of these financial statements.

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Company statement of changes in equity For the year ended 31 March 2017

| | Called up share capital | Profit and loss account | Total equity |
|-------------------------|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 April 2016 | 100 | 10,740,496 | 10,740,596 |
| Profit for the year | - | 9,405,980 | 9,405,980 |
| Dividends paid | - | (10,000,000) | (10,000,000) |
| At 31 March 2017 | 100 | 10,146,476 | 10,146,576 |

Company statement of changes in equity For the year ended 31 March 2016

| | Called up share capital | Profit and loss account | Total equity |
|-------------------------|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 April 2015 | 100 | 334,139 | 334,239 |
| Profit for the year | - | 10,406,357 | 10,406,357 |
| At 31 March 2016 | 100 | 10,740,496 | 10,740,596 |

The notes on pages 13 to 26 form part of these financial statements.

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

**Consolidated statement of cash flows
For the year ended 31 March 2017**

| | 2017 £ | 2016 £ |
|---|--------------------------|--------------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 12,164,166 | 9,789,034 |
| Adjustments for: | | |
| Depreciation of tangible assets | 354,107 | 423,115 |
| Interest income | (51,526) | (3,503) |
| Taxation charge | 3,162,066 | 2,466,982 |
| (Increase) in debtors | (1,720,508) | (14,545,698) |
| Increase in creditors | 26,508,991 | 17,912,935 |
| Corporation tax (paid) | (3,537,815) | (597,601) |
| Net cash generated from operating activities | <u>36,879,481</u> | <u>15,445,264</u> |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (291,731) | (1,415,842) |
| Purchase of fixed asset investments | - | 1 |
| Interest income | 51,526 | 3,503 |
| Net cash from investing activities | <u>(240,205)</u> | <u>(1,412,338)</u> |
| Cash flows from financing activities | | |
| Dividends paid | (10,000,000) | - |
| Net cash used in financing activities | <u>(10,000,000)</u> | <u>-</u> |
| Net increase in cash and cash equivalents | <u>26,639,276</u> | <u>14,032,926</u> |
| Cash and cash equivalents at beginning of year | 16,232,238 | 2,199,312 |
| Cash and cash equivalents at the end of year | <u><u>42,871,514</u></u> | <u><u>16,232,238</u></u> |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | <u><u>42,871,514</u></u> | <u><u>16,232,238</u></u> |

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

1. Accounting policies

Basis of preparation of financial statements

Roundstone Development Management Limited is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company 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 parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included a second time.

The preparation of financial statements in compliance with FRS 102 requires management to exercise judgment in applying the Group's accounting policies (see note 2).

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

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.

A subsidiary is an entity that is controlled by the parent. The consolidated financial statements incorporate the results of subsidiaries in the Consolidated profit and loss account from the date on which control is obtained until the date control ceases.

Going concern

The Group has a significant cash balance, is in a net asset position and has contracts for services for at least three years. Current management information suggests that the Group will remain profitable for the duration of these contracts. Therefore, the financial statements have been prepared on a going concern basis, which the directors deem appropriate.

Further information regarding the Group's business activities, together with the factors likely to affect its future development, performance and position is set out in the Group Strategic Report and Directors' Report.

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

1. Accounting policies (continued)

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

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:

| | | |
|-----------------------|---|------|
| Motor vehicles | - | 25% |
| Fixtures and fittings | - | 20% |
| Office equipment | - | 33% |
| Computer equipment | - | 100% |

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 the Consolidated profit and loss account.

Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated profit and loss account 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.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

ROUNDSTONE DEVELOPMENT MANAGEMENT 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.

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 and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured initially at the transaction price and subsequently at amortised cost using the effective interest method.

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Exchange differences are dealt with in the profit and loss account.

Dividends

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

Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Interest income

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

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

1. Accounting policies (continued)

Current and deferred 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.

Impairment

Financial and non-financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Impairment losses are recognised in profit or loss.

Long term contracts and deferred income

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. No profit is recognised until the outcome of a long term contract can be assessed with reasonable certainty.

The amount by which recorded turnover is in excess of payments on account of individual contracts is classified as amounts recoverable on contracts and included within debtors. The balance of payments received on account of individual contracts in excess of amounts matched with turnover are classified as deferred income and included within creditors. The amount by which the provision for foreseeable losses exceeds the costs incurred after transfers to cost of sales is included within provisions for liabilities and charges.

Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

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

In the process of applying the Group's and Company's accounting policies, which are described above, the most significant judgements made by management relate to revenue recognition and specifically determining the stage of completion of the relevant contracts. The stage of completion is determined by estimating the period over which the contract services will be delivered.

ROUNDSTONE DEVELOPMENT MANAGEMENT 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 £ |
|---|-------------------|-------------------|
| Management fees | 49,330,632 | 37,024,388 |
| Homecare and management fees | 1,961,778 | 1,469,111 |
| Administration and solicitors costs recoverable | 160,451 | 213,006 |
| Other income | 153,370 | 106,761 |
| | <u>51,606,231</u> | <u>38,813,266</u> |

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets | 354,107 | 423,115 |
| Auditor's remuneration - for the audit of these financial statements | 56,840 | 38,250 |
| Auditor's remuneration - tax compliance and advisory services | 1,500 | - |
| Exchange differences | 308 | 813 |
| Operating lease cost | 403,065 | 140,413 |
| Defined contribution pension cost | 352,202 | 133,804 |

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

5. Employees

Staff costs, including directors' remuneration, were as follows:

| | 2017 £ | 2016 £ |
|-------------------------------------|-------------------|-------------------|
| Wages and salaries | 21,220,520 | 15,083,748 |
| Social security costs | 2,446,641 | 1,493,433 |
| Cost of defined contribution scheme | 352,202 | 133,804 |
| | <u>24,019,363</u> | <u>16,710,985</u> |

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

| | 2017 No. | 2016 No. |
|-------------------------------------|-------------|-------------|
| Development Management | 33 | 33 |
| Construction Management | 202 | 128 |
| Finance | 24 | 24 |
| Legal & Human Resources | 13 | 7 |
| Building Services | 6 | 2 |
| Sales & Marketing and Customer Care | 33 | 28 |
| Administration | 3 | 3 |
| | <u>314</u> | <u>225</u> |

6. Directors' remuneration

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Directors' emoluments | 140,000 | 115,220 |
| Company contributions to defined contribution pension schemes | 3,000 | 2,645 |
| | <u>143,000</u> | <u>117,865</u> |

7. Interest receivable

| | 2017 £ | 2016 £ |
|--------------------------|-----------|-----------|
| Bank interest receivable | 51,526 | 3,503 |

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

8. Taxation

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Corporation tax | | |
| Current tax on profits for the year | 3,225,386 | 2,505,013 |
| Adjustments in respect of previous periods | (8,753) | (31) |
| Total current tax | 3,216,633 | 2,504,982 |
| Deferred tax | | |
| Origination and reversal of timing differences | (105,953) | (40,000) |
| Changes to tax rates | 5,298 | 2,000 |
| Adjustment in respect of previous years | 46,088 | - |
| Total deferred tax | (54,567) | (38,000) |
| Taxation on profit on ordinary activities | 3,162,066 | 2,466,982 |

Factors affecting tax charge for the year

The tax assessed for the year is higher 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 | 15,326,232 | 12,256,016 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%) | 3,065,246 | 2,591,204 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 26,937 | 8,250 |
| Adjustments to tax charge in respect of prior periods | 37,335 | (31) |
| Transfer pricing adjustment | 31,859 | - |
| Other timing differences leading to an increase (decrease) in taxation | 5,298 | 2,000 |
| Non-taxable income | - | 5,559 |
| Dividends from UK companies | - | (140,000) |
| Movement in deferred tax not recognised | (4,609) | - |
| Total tax charge for the year | 3,162,066 | 2,466,982 |

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

8. Taxation (continued)

Factors that may affect future tax charges

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

9. Dividends

| | 2017 £ | 2016 £ |
|----------------|-------------------|-----------|
| Dividends paid | <u>10,000,000</u> | <u>-</u> |

On 10 February 2017, the Company declared a dividend of £100,000 per ordinary share.

10. Tangible fixed assets

Group

| | Motor vehicles £ | Fixtures and fittings £ | Office equipment £ | Computer equipment £ | Total £ |
|--------------------------|------------------------|-------------------------------|--------------------------|----------------------------|------------------|
| Cost or valuation | | | | | |
| At 1 April 2016 | - | 1,048,849 | 207,977 | 305,141 | 1,561,967 |
| Additions | 59,124 | - | 128,104 | 104,503 | 291,731 |
| At 31 March 2017 | <u>59,124</u> | <u>1,048,849</u> | <u>336,081</u> | <u>409,644</u> | <u>1,853,698</u> |
| Depreciation | | | | | |
| At 1 April 2016 | - | 253,198 | 72,607 | 243,436 | 569,241 |
| Charge for the year | 4,927 | 82,499 | 100,473 | 166,208 | 354,107 |
| At 31 March 2017 | <u>4,927</u> | <u>335,697</u> | <u>173,080</u> | <u>409,644</u> | <u>923,348</u> |
| Net book value | | | | | |
| At 31 March 2017 | <u>54,197</u> | <u>713,152</u> | <u>163,001</u> | <u>-</u> | <u>930,350</u> |
| At 31 March 2016 | <u>-</u> | <u>795,651</u> | <u>135,370</u> | <u>61,705</u> | <u>992,726</u> |

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

**Notes to the financial statements
For the year ended 31 March 2017**

10. Tangible fixed assets (continued)

Company

| | Fixtures and fittings £ | Office equipment £ | Computer equipment £ | Total £ |
|--------------------------|-------------------------------|--------------------------|----------------------------|------------------|
| Cost or valuation | | | | |
| At 1 April 2016 | 1,048,849 | 200,570 | 92,498 | 1,341,917 |
| Additions | - | 128,104 | 25,387 | 153,491 |
| At 31 March 2017 | <u>1,048,849</u> | <u>328,674</u> | <u>117,885</u> | <u>1,495,408</u> |
| Depreciation | | | | |
| At 1 April 2016 | 253,198 | 66,850 | 30,793 | 350,841 |
| Charge for the year | 82,499 | 99,373 | 87,092 | 268,964 |
| At 31 March 2017 | <u>335,697</u> | <u>166,223</u> | <u>117,885</u> | <u>619,805</u> |
| Net book value | | | | |
| At 31 March 2017 | <u>713,152</u> | <u>162,451</u> | <u>-</u> | <u>875,603</u> |
| At 31 March 2016 | <u>795,651</u> | <u>133,720</u> | <u>61,705</u> | <u>991,076</u> |

11. Fixed asset investments

Subsidiary undertakings

The following are subsidiary undertakings of the Company:

| Name | Class of shares | Holding | Principal activity |
|--|--------------------|---------|----------------------------------|
| Roundstone Construction Services Limited | Ordinary | 100 % | Construction Management Services |
| Ballymore Asset Management Limited | Ordinary | 100 % | Property Management Services |

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

11. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|--|--|----------------------------|
| Roundstone Construction Services Limited | 3,246,633 | 2,683,195 |
| Ballymore Asset Management Limited | 410,632 | 74,991 |
| Company | | |

| | Investments in subsidiary companies £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 April 2016 | 501,001 |
| At 31 March 2017 | 501,001 |
| Net book value | |
| At 31 March 2017 | 501,001 |
| At 31 March 2016 | 501,001 |

On 30 July 2015 the Company acquired 100% of Ballymore Asset Management Limited for £1.

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

12. Debtors

| | Group 2017 £ | Group 2016 £ | Company 2017 £ | Company 2016 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors | 4,804,165 | 2,304,694 | 59,089 | 87,139 |
| Amounts owed by group undertakings | 3,581,277 | 11,181,272 | 5,897,511 | 12,512,480 |
| Amounts owed by related parties | 10,148,578 | 3,618,472 | 1,641,670 | 762,088 |
| Other debtors | 32,024 | 61,444 | 14,613 | 14,064 |
| Prepayments and accrued income | 398,752 | 78,406 | - | - |
| Deferred taxation | 92,567 | 38,000 | - | - |
| | 19,057,363 | 17,282,288 | 7,612,883 | 13,375,771 |

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

13. Cash and cash equivalents

| | Group 2017 £ | Group 2016 £ | Company 2017 £ | Company 2016 £ |
|--------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash at bank and in hand | 42,871,514 | 16,232,238 | 9,372,354 | 6,848,862 |

The Company has a restricted cash balance of £658,975 (2016: £nil).

14. Creditors: Amounts falling due within one year

| | Group 2017 £ | Group 2016 £ | Company 2017 £ | Company 2016 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 296,058 | 191,746 | 112,909 | 111,250 |
| Amounts owed to group undertakings | - | 966,933 | 625,001 | 625,001 |
| Amounts owed to related parties | 694,190 | 4,023,096 | 658,975 | 4,023,096 |
| Corporation tax | 1,675,695 | 1,996,877 | 1,424,571 | 1,940,512 |
| Other taxation and social security | 3,644,658 | 1,500,213 | 2,770,871 | 1,125,311 |
| Other creditors | 131,791 | 133,900 | 28,966 | 13,215 |
| Accruals and deferred income | 6,952,453 | 4,880,192 | 2,565,684 | 3,137,729 |
| | 13,394,845 | 13,692,957 | 8,186,977 | 10,976,114 |

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

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

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

| | Group 2017 £ | Group 2016 £ | Company 2017 £ | Company 2016 £ |
|------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Accruals and deferred income | 36,161,542 | 9,675,621 | - | - |
| | <u>36,161,542</u> | <u>9,675,621</u> | <u>-</u> | <u>-</u> |

16. Deferred taxation

Group

| | 2017 £ | 2016 £ |
|-------------------------------------|----------------------|-------------------|
| At beginning of year | 38,000 | - |
| Credited to profit and loss account | 54,567 | 38,000 |
| At end of year | <u>92,567</u> | <u>38,000</u> |

Company

| | 2017 £ |
|------------------------------------|------------------------|
| At beginning of year | - |
| Charged to profit and loss account | (28,288) |
| At end of year | <u>(28,288)</u> |

The deferred tax asset is made up as follows:

| | Group 2017 £ | Group 2016 £ | Company 2017 £ |
|--|-----------------------------|-----------------------------|-------------------------------|
| Origination/(reversal) of timing differences | 145,953 | 40,000 | (9,243) |
| Effect of decreased tax rate | (7,298) | (2,000) | 462 |
| Adjustment in respect of previous years | (46,088) | - | (19,507) |
| | <u>92,567</u> | <u>38,000</u> | <u>(28,288)</u> |

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

17. Share capital

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | 100 | 100 |

18. Financial instruments

| | Group 2017 £ | Group 2016 £ | Company 2017 £ | Company 2016 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Financial assets | | | | |
| Financial assets measured at amortised cost | 61,821,823 | 33,436,233 | 16,985,237 | 20,224,633 |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | (5,392,818) | (9,852,210) | (3,991,535) | (7,925,449) |

19. Commitments under operating leases

At 31 March 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2017 £ | Group 2016 £ | Company 2017 £ | Company 2016 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Not later than 1 year | 609,740 | 414,620 | 414,620 | 414,620 |
| Later than 1 year and not later than 5 years | 1,948,274 | 2,074,237 | 1,659,617 | 2,074,237 |
| Later than 5 years | 1,498,313 | 1,498,313 | 1,498,313 | 1,498,313 |
| | 4,056,327 | 3,987,170 | 3,572,550 | 3,987,170 |

20. Controlling party

The Company is a wholly owned subsidiary of Whistleglade Unlimited Company, a company incorporated in the Republic of Ireland. The Company's ultimate parent undertaking is Whistleglade Investments Limited, a company incorporated in Jersey. The Company was indirectly controlled throughout the year by Mr J Mulryan.

ROUNDSTONE DEVELOPMENT MANAGEMENT LIMITED

Notes to the financial statements For the year ended 31 March 2017

21. Related party transactions

The Group has availed of the exemption available in FRS 102.33.1A from disclosing transactions with Whistleglade Investments Limited and its wholly owned subsidiary undertakings.

Details of transactions and balances with other related parties (comprising the Ballymore Properties group and joint ventures of the Ballymore Properties group) and the nature of those relationships are set out below:

| | 2017 £ | 2016 £ |
|---|------------|-------------|
| Transactions with related companies | | |
| Sales | 22,405,518 | 23,403,545 |
| Costs paid on behalf of related parties and recharged | 204,742 | 13,024 |
| Costs paid to related parties | (622,097) | (581,557) |
| | <hr/> | <hr/> |
| Balances with related companies | | |
| Amounts owed from related parties | 10,148,578 | 3,618,472 |
| Amounts owed to related parties | (694,190) | (4,023,096) |
| | <hr/> | <hr/> |
| Key management personnel | | |
| Key management compensation | 140,000 | 115,220 |
| | <hr/> | <hr/> |

During the previous year the Company acquired 100% of Ballymore Asset Management Limited from a related party, Ballymore Development Management Services Limited, for its deemed fair value of £1.

The Group has entered into transactions with related parties which have common key management personnel and/or directors, as well as entities controlled or jointly controlled by close family members of persons with significant influence over the Group.

All of the transactions are considered to be at arm's length.

Outstanding amounts owed from related parties are unsecured, interest free and cash settlement is expected within 60 days of invoice.

22. Post balance sheet events

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