

Registered number: 10752708

BALLYMORE ONE EMBASSY GARDENS LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 March 2019



BALLYMORE ONE EMBASSY GARDENS LIMITED

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BALLYMORE ONE EMBASSY GARDENS LIMITED

Company Information

Directors	S. Mulryan J. Mulryan D. Pearson
Company secretary	D. Pearson
Registered number	10752708
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 ONE EMBASSY GARDENS LIMITED

Directors' Report For the Year Ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019. The comparative information presented represents the period from incorporation on 3 May 2017 to 31 March 2018.

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

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

Directors

The directors who served during the year were:

S. Mulryan
J. Mulryan
D. Pearson

BALLYMORE ONE EMBASSY GARDENS LIMITED

**Directors' Report (continued)
For the Year Ended 31 March 2019**

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 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.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 September 2019 and signed on its behalf.


D. Pearson
Director



Independent auditor's report to the members of Ballymore One Embassy Gardens Limited

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ballymore One Embassy Gardens Limited ('the Company') for the year ended 31 March 2019, which comprise the Profit and loss account, the Balance sheet and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter – The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. Some of the uncertainties arising from Brexit may impact certain of the financial statement captions in the financial statements. The preparation of the financial statements on a going concern basis and the financial statement caption containing estimates all depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. No audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

We have nothing to report on going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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



Independent auditor's report to the members of Ballymore One Embassy Gardens Limited

Other information

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

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

Based solely on our work on the other information;

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, 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
- 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 these matters.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Ballymore One Embassy Gardens Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

C Mullen (Senior Statutory Auditor)
For and on behalf of
KPMG Statutory Auditor

Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

25 October 2019

BALLYMORE ONE EMBASSY GARDENS LIMITED

**Profit and Loss Account
For the Year Ended 31 March 2019**

		31 March 2019	<i>Period ended 31 March 2018</i>
	Note	£	£
Administrative expenses		(609,208)	(841,356)
Revaluation on investment property		7,082,365	-
Operating profit/(loss)	4	6,473,157	(841,356)
Profit/(loss) before tax		6,473,157	(841,356)
Tax on profit/(loss)	5	(1,424,384)	-
Profit/(loss) for the financial year		5,048,773	(841,356)

The notes on pages 9 to 17 form part of these financial statements.

All amounts relate to continuing operations.

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

BALLYMORE ONE EMBASSY GARDENS LIMITED
Registered number: 10752708

Balance Sheet
As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Investment property	6	100,000,000	53,170,699
		<u>100,000,000</u>	<u>53,170,699</u>
Current assets			
Debtors	7	1,136,852	1,000
Cash at bank and in hand		1,607,614	43,966
		<u>2,744,466</u>	<u>44,966</u>
Creditors: amounts falling due within one year	8	(56,765,199)	(54,056,021)
Net current liabilities		<u>(54,020,733)</u>	<u>(54,011,055)</u>
Total assets less current liabilities		<u>45,979,267</u>	<u>(840,356)</u>
Creditors: amounts falling due after more than one year	9	(40,346,466)	-
Provisions for liabilities			
Deferred tax		(1,424,384)	-
		<u>(1,424,384)</u>	<u>-</u>
Net assets/(liabilities)		<u><u>4,208,417</u></u>	<u><u>(840,356)</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		4,207,417	(841,356)
		<u><u>4,208,417</u></u>	<u><u>(840,356)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2019.


D. Pearson
Director

The notes on pages 9 to 17 form part of these financial statements.

BALLYMORE ONE EMBASSY GARDENS LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2019

1. General information

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

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 3).

The following principal accounting policies have been applied:

Going concern

The company had net assets of £4,208,417 at 31 March 2019 (net liabilities of £840,356 at 31 March 2018) and 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 operating 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.

Investment property

Construction in progress

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

Debtors

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

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 ONE EMBASSY GARDENS LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2019

2. Accounting policies (continued)

Financial instruments

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

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

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

BALLYMORE ONE EMBASSY GARDENS LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.1 Provisions for liabilities

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

Provisions are charged as an expense to the Profit and Loss Account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. 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 valuation of the investment property (note 6).

BALLYMORE ONE EMBASSY GARDENS LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2019

4. Operating profit /(loss)

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

	31 March 2019 £	Period ended 31 March 2018 £
Fee payable to the company's auditor for the audit of the company's financial statements	12,000	6,000

During the year no director received any emoluments. The company has no employees.

During the year central operating costs were recharged from another group company.

5. Taxation

	31 March 2019 £	Period ended 31 March 2018 £
Corporation tax		
Current tax on profits for the year	-	-
Deferred tax	1,424,384	-
Total tax charge	1,424,384	-

BALLYMORE ONE EMBASSY GARDENS LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2019

5. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	31 March 2019 £	Period ended 31 March 2018 £
Profit/(loss) on ordinary activities before tax	6,473,157	(841,356)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,229,900	(159,858)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1,178,984)	146,258
Other differences leading to an increase (decrease) in the tax charge	1,031,818	-
Group relief	341,650	13,600
Total tax charge for the year/period	1,424,384	-

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. Together this will reduce the company's future tax charge accordingly.

BALLYMORE ONE EMBASSY GARDENS LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2019

6. Investment property

	Freehold investment property £
Valuation	
At 1 April 2018	53,170,699
Additions at cost	39,746,936
Surplus on revaluation	7,082,365
At 31 March 2019	100,000,000

Investment property comprises an office building under construction.

The investment property is carried at its deemed fair value as determined by the directors.

The 2019 valuations were made by the directors on an open market value basis.

7. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	-	1,000
VAT recoverable	1,136,852	-
	1,136,852	1,000

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

BALLYMORE ONE EMBASSY GARDENS LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2019**

8. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	6,729,707	1,651,614
Amounts owed to group undertakings	45,785,088	47,445,298
Amounts owed to related parties (a)	1,896,086	590,263
Other creditors	1	-
Accruals and deferred income	2,354,317	4,368,846
	<u>56,765,199</u>	<u>54,056,021</u>

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

	2019	2018
	£	£
(a) Amounts owed to related parties		
Ballymore Development Management Limited	-	152,705
Ballymore Construction Services Limited	1,896,086	437,558
	<u>1,896,086</u>	<u>590,263</u>

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

	2019	2018
	£	£
Bank loans	40,346,466	-
	<u>40,346,466</u>	<u>-</u>

BALLYMORE ONE EMBASSY GARDENS LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2019

10. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due 1-2 years		
Bank loans	40,346,466	-
	<u>40,346,466</u>	<u>-</u>
	<u>40,346,466</u>	<u>-</u>

In December 2017 the company entered into a loan facility agreement with Lloyds Bank Plc. The facility allows for funds of up to £82 million to be drawn to fund the development of the property in note 6. The facility is due to terminate a maximum of 4 years from the date of the agreement. The company granted fixed and floating charges in favour of Lloyds Bank Plc in respect of this facility over all of its assets, including, but not limited to, the property itself and all fixtures and fittings thereon. The charge contains a negative pledge restricting the creation of security over, rights to or interest in the company's assets in favour of any other party. The facility is guaranteed by other group companies - Ballymore Properties Limited and Trapol Limited.

11. Deferred taxation

	2019 £
Charged to profit or loss	(1,424,384)
At end of year	<u><u>(1,424,384)</u></u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Origination/reversal of timing differences	(1,424,384)	-
	<u><u>(1,424,384)</u></u>	<u><u>-</u></u>

BALLYMORE ONE EMBASSY GARDENS LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2019

12. Controlling party and related party transactions

The company is a wholly owned subsidiary of Kimia Limited, a company incorporated in Jersey, Channel Islands. The ultimate controlling party 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 Trapol Limited, a company incorporated in Jersey, Channel Islands.

The company has availed itself of the exemption available in FRS 102.1AC.35 from disclosing transactions with Ballymore Properties Unlimited Company and its wholly owned subsidiary undertakings.

The company has entered into agreements with Ballymore Development Management Limited and Ballymore Construction Services Limited for the provision of professional services. Mr S. Mulryan controls both Ballymore Development Management Limited and Ballymore Construction Services Limited. During the year Ballymore Development Management Limited charged £1,272,538 (2018: £152,705) for services provided to the company, of which £nil (2018: £152,705) was due at year end, and Ballymore Construction Services Limited charged £5,469,480 (2018: £437,558) for services provided to the company, of which £1,896,086 (2018: £437,558) was due at year end. A further £491,886 (2018: £2.4m) has been included in accruals in relation to services provided by Ballymore Development Management Limited and Ballymore Construction Services Limited during the year.

13. Post balance sheet events

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