

Registered number: 04151594

CLEARSTORM LIMITED

Annual report and financial statements

For the Year Ended 31 March 2018



CLEARSTORM LIMITED

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CLEARSTORM LIMITED

Company Information

Directors	D. Pearson J. Mulryan S. Mulryan
Company secretary	D. Pearson
Registered number	04151594
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

CLEARSTORM LIMITED

Strategic report For the Year Ended 31 March 2018

Introduction

The directors present their strategic report for the year ended 31 March 2018.

Business review

The principal activity of the company is that of property development. The company has developed Phase 1 of the London City Island site on the Leamouth Peninsula, north of the O2 Arena on the River Thames in London. The development involved the building of 457 private apartments, 104 affordable apartments and a small amount of commercial space. The company completed the sale of the affordable and social housing units associated with the development as well as the sale of the majority of the private units. The legal sale of the remaining units is anticipated to occur in the next financial year.

Principal risks and uncertainties

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

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 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.

This report was approved by the board on 23 July 2018 and signed on its behalf.

.....

D. Pearson
Director

CLEARSTORM LIMITED

Directors' report For the Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

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;
- 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 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity and future developments

The principal activity of the company is that of property development.

Results and dividends

The profit for the year, after taxation, amounted to £2,949,142 (2017 - £81,767,911).

No dividends were declared during the year (2017 - £20,000,000).

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 company's business. However, the group as a whole is committed to respecting human rights and will look at the wider group for its supply chain policy approach to human rights.

With the Modern Slavery Act 2015 in force, the group is concentrating their 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.

CLEARSTORM LIMITED

**Directors' report (continued)
For the Year Ended 31 March 2018**

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 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 have been no significant events affecting the company since the year end.

Auditor

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

This report was approved by the board on 23 July 2018 and signed on its behalf.

D. Pearson
Director





Independent auditor's report to the members of Clearstorm Limited

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Clearstorm Limited ('the Company') for the year ended 31 March 2018, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity 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 2018 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 properly 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.

We have nothing to report on going concern

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.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report. 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.



Independent auditor's report to the members of Clearstorm Limited (continued)

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report¹ or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have 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 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 on these matters/in regard to 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 3, the directors are responsible for the preparation of the financial statements including being satisfied that they give a true and fair view. They are also responsible for: 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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



Independent auditor's report to the members of Clearstorm Limited (continued)

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.

A handwritten signature in black ink, appearing to read 'C. Mullen', written over a horizontal line.

~~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

24 July 2018

CLEARSTORM LIMITED

**Profit and loss account
For the Year Ended 31 March 2018**

	Note	2018 £	2017 £
Turnover	4	6,516,475	233,388,894
Cost of sales		(2,524,620)	(243,338,288)
Gross profit/(loss)		<u>3,991,855</u>	<u>(9,949,394)</u>
Provision for impairment of property assets		-	(8,699,999)
Administrative expenses		(1,214,916)	5,404,934
Other operating income	5	489,655	105,203,381
Operating profit	6	<u>3,266,594</u>	<u>91,958,922</u>
Loss on disposal of investment property		(162,911)	(216,913)
Interest receivable and similar income	7	963	114,710
Interest payable and similar expenses	8	-	(6,190,416)
Profit before tax		<u>3,104,646</u>	<u>85,666,303</u>
Tax on profit	9	(155,504)	(3,898,392)
Profit for the financial year		<u><u>2,949,142</u></u>	<u><u>81,767,911</u></u>

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.

CLEARSTORM LIMITED
Registered number: 04151594

Balance sheet
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Investment property	10	2	5,541,139
		<u>2</u>	<u>5,541,139</u>
Current assets			
Stock	11	642,357	6,480,831
Debtors	12	21,329,749	17,502,825
Cash at bank and in hand		7,429	1,937
		<u>21,979,535</u>	<u>23,985,593</u>
Creditors: amounts falling due within one year	13	(15,649,282)	(26,145,619)
Net current assets/(liabilities)		<u>6,330,253</u>	<u>(2,160,026)</u>
Total assets less current liabilities		<u>6,330,255</u>	<u>3,381,113</u>
Net assets		<u><u>6,330,255</u></u>	<u><u>3,381,113</u></u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account		6,329,255	3,380,113
		<u>6,330,255</u>	<u>3,381,113</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 July 2018.

.....
D. Pearson
Director

The notes on pages 11 to 21 form part of these financial statements.

CLEARSTORM LIMITED

**Statement of changes in equity
For the Year Ended 31 March 2018**

	Share capital £	Retained Earnings £	Total equity £
At 1 April 2017	1,000	3,380,113	3,381,113
Comprehensive income for the year			
Profit for the year	-	2,949,142	2,949,142
Total comprehensive income for the year	-	2,949,142	2,949,142
Total transactions with owners	-	-	-
At 31 March 2018	1,000	6,329,255	6,330,255

**Statement of changes in equity
For the Year Ended 31 March 2017**

	Share capital £	Retained Earnings £	Total equity £
At 1 April 2016	1,000	(58,387,798)	(58,386,798)
Comprehensive income for the year			
Profit for the year	-	81,767,911	81,767,911
Total comprehensive income for the year	-	81,767,911	81,767,911
Dividends	-	(20,000,000)	(20,000,000)
Total transactions with owners	-	(20,000,000)	(20,000,000)
At 31 March 2017	1,000	3,380,113	3,381,113

The notes on pages 11 to 21 form part of these financial statements.

CLEARSTORM LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

1. General information

Clearstorm Limited is a company limited by shares and incorporated and domiciled in the UK.

2. Accounting policies

Basis of preparation of financial statements

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

The company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Ballymore Limited as at 31 March 2018 and these financial statements may be obtained from 4th Floor, 161 Marsh Wall, London E14 9SJ.

Going concern

The financial statements of the company are prepared on the going concern basis, which the directors believe to be appropriate.

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

CLEARSTORM LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

2. Accounting policies (continued)

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. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Investment property

Investment properties comprise the reversionary interest in a ground rent portfolio and commercial units which have been capitalised at their open market value.

Investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise and no depreciation is provided.

Stock

Work in progress

Work in progress comprises properties currently being developed stated at the lower of cost and net realisable value. Net realisable value is defined as the current selling price of the completed development less all further costs to completion as estimated by the directors. Cost comprises purchase price and development costs. Costs also include interest and finance fees which are capitalised from the date of commencement of development until the development is completed. However capitalisation of interest is suspended during extended periods in which active development is interrupted. Interest is calculated by reference to specific borrowings.

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

Debtors

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

Sales deposits

Deposits received from contracted purchasers, where legal completion of the sale has not yet occurred, are recognised as deferred income in the balance sheet. This income is transferred to the profit and loss account on the date of legal transfer of ownership. Deposits paid by contracted purchasers, which are held in a solicitor's client account until legal transfer of ownership occurs are included within debtors on the balance sheet. Forfeited deposits are included in other income in the period in which the related contracts have been rescinded.

CLEARSTORM LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

2. Accounting policies (continued)

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.

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.

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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

CLEARSTORM LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

2. Accounting policies (continued)

Interest income

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

Expenditure

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

Borrowing costs

Borrowing costs not capitalised are recognised in the Profit and loss account using the effective interest method.

Taxation

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 investment properties (note 10) and valuation of stock (note 11).

CLEARSTORM LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

4. Turnover

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

	2018 £	2017 £
Sale of development properties	6,501,226	233,249,487
Rental income	15,249	139,407
	<u>6,516,475</u>	<u>233,388,894</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2018 £	2017 £
Other operating income	489,655	105,203,381

The other operating income in 2017 included forfeited deposits, the revaluation of investment properties and a gain arising on settlement of financial obligations following corporate restructuring and refinancing for future requirements by the Ballymore group.

6. Operating profit

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

	2018 £	2017 £
Provision against intercompany receivables released	-	(5,726,204)
Fees payable to the company's auditor for the audit of the company's annual financial statements	22,000	22,000

Directors' remuneration of £NIL (2017 - £NIL) was borne by another group company in respect of qualifying services. The company had no employees (2017 - none).

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

Positive administrative expenses arose in the prior year, this was due to the reversal of intercompany provisions.

CLEARSTORM LIMITED

**Notes to the financial statements
For the Year Ended 31 March 2018**

7. Interest receivable

	2018 £	2017 £
Interest on late completions	-	108,925
Other interest receivable	963	5,785
	963	114,710

8. Interest payable and similar charges

	2018 £	2017 £
On bank loans and overdrafts	-	6,190,416
	-	6,190,416

Interest on bank loans comprises amounts previously owed to NAMA.

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	155,504	-
Adjustments to tax charge in respect of prior periods	-	3,898,392
	155,504	3,898,392
Total current tax	155,504	3,898,392
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	155,504	3,898,392

CLEARSTORM LIMITED

**Notes to the financial statements
For the Year Ended 31 March 2018**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	3,104,646	85,666,303
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	589,883	17,133,261
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,179	(20,657,646)
Adjustments to tax charge in respect of prior periods	-	3,898,392
Book (profit) / loss on chargeable assets	30,953	-
Movement in deferred tax not recognised	(466,511)	-
Group relief	-	3,524,385
Total tax charge for the year	155,504	3,898,392

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.

Due to the uncertainty of the recoverability of the tax losses, a deferred tax asset of £3,942,638 (2017 - £6,984,369) has not been recognised. The unrecognised deferred tax asset at the balance sheet date has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

CLEARSTORM LIMITED

**Notes to the financial statements
For the Year Ended 31 March 2018**

10. Investment property

	Freehold investment property £
Valuation	
At 1 April 2017	5,541,139
Disposals	(5,541,137)
At 31 March 2018	<u><u>2</u></u>

During the prior year land interests comprising grounds rents and commercial units were transferred from stock. Investment property comprises reversionary rights to land interests in future years. The right to receive ground rent income was sold during the prior and current years, the company retains the freehold at £1.

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.

CLEARSTORM LIMITED

**Notes to the financial statements
For the Year Ended 31 March 2018**

11. Stock

	2018 £	2017 £
Work in progress	642,357	31,980,831
Provision for impairment	-	(25,500,000)
	642,357	6,480,831

Borrowing costs capitalised within stock during the year amounted to £NIL (2017 - £8,262,828).

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.

Net realisable value includes significant estimates concerning the timing and quantum of developments, estimated realisable values for developed properties and the cost of construction. There are significant judgments in determining the carrying value of 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.

The directors are satisfied that the carrying amount of stock is stated at the lower of cost and net realisable value.

During the prior year land interests comprising grounds rents and commercial units were transferred to investment properties.

12. Debtors

	2018 £	2017 £
Trade debtors	182,494	660,725
Amounts owed by group undertakings	20,904,740	16,425,454
Amounts owed by related parties	33,829	-
Other debtors	208,686	381,230
Prepayments and accrued income	-	35,416
	21,329,749	17,502,825

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

CLEARSTORM LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

13. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Corporation tax	155,504	-
Other creditors	500,000	500,000
Accruals and deferred income	14,993,778	25,645,619
	15,649,282	26,145,619
	15,649,282	26,145,619

14. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
510 'A' ordinary shares of £1 each	510	510
490 'B' ordinary shares of £1 each	490	490
	1,000	1,000
	1,000	1,000

15. Controlling party and related party transactions

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

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

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

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

The company has entered into an agreement with Ballymore Development Management Limited (formerly Roundstone Development Management Limited) and Ballymore Construction Services Limited (formerly Roundstone Construction Services Limited) for the provision of professional services. Mr D. Pearson and Mr J. Mulryan are directors of Ballymore Development Management Limited and Ballymore Construction Services Limited; which are also controlled by Mr J. Mulryan. During the year, Ballymore Development Management Limited charged £170 (2017 - £1,271,765) and Ballymore Construction Services Limited charged £5,828 (2017 - £1,017,371) for services provided to the company. At year end there were no amounts due to Ballymore Development Management Limited or Ballymore Construction Services Limited.

At 31 March 2018 £33,829 was due from Eco World-Ballymore London City Island Company Limited, a company incorporated in Jersey, Channel Islands, over which Ballymore Properties Unlimited Company has significant influence.

CLEARSTORM LIMITED

**Notes to the financial statements
For the Year Ended 31 March 2018**

16. Post balance sheet events

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