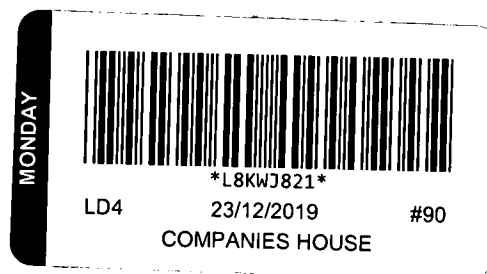


Registered number: 04151594

# CLEARSTORM LIMITED

Directors' report and financial statements

For the Year Ended 31 March 2019



**CLEARSTORM LIMITED**

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## **CLEARSTORM LIMITED**

### **Company Information**

<b>Directors</b>	D. Pearson J. Mulryan S. Mulryan
<b>Company secretary</b>	D. Pearson
<b>Registered number</b>	04151594
<b>Registered office</b>	4th Floor 161 Marsh Wall London E14 9SJ
<b>Independent auditor</b>	KPMG, Statutory Auditor Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland
<b>Solicitors</b>	Howard Kennedy No. 1 London Bridge London SE1 9BG

## CLEARSTORM 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.

#### **Statement of directors' responsibilities in respect of the director's 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 judgements 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 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.

#### **Principal activity and future developments**

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

#### **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.

**CLEARSTORM LIMITED**

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

**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.

**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.

A handwritten signature in black ink, appearing to be 'D. Pearson', written over a circular stamp or mark.

**D. Pearson**  
Director



## CLEARSTORM LIMITED

### 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 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 loss 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.

##### *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.



## CLEARSTORM LIMITED

### Independent auditor's report to the members of Clearstorm 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in respect of 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.



## CLEARSTORM LIMITED

### Independent auditor's report to the members of Clearstorm 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](http://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



**CLEARSTORM LIMITED**

**Profit and loss account  
For the Year Ended 31 March 2019**

	Note	2019 £	2018 £
Turnover	4	-	6,516,475
Cost of sales		<b>(27,080)</b>	<b>(2,524,620)</b>
<b>Gross (loss)/profit</b>		<b>(27,080)</b>	<b>3,991,855</b>
Administrative expenses		<b>(347,239)</b>	<b>(1,214,916)</b>
Other operating income	5	-	489,655
<b>Operating (loss)/profit</b>	6	<b>(374,319)</b>	<b>3,266,594</b>
Loss on disposal of investment property		-	<b>(162,911)</b>
Interest receivable and similar income	7	<b>723</b>	<b>963</b>
<b>(Loss)/profit before tax</b>		<b>(373,596)</b>	<b>3,104,646</b>
Tax on (loss)/profit	8	<b>(155,504)</b>	<b>(155,504)</b>
<b>(Loss)/profit for the financial year</b>		<b>(529,100)</b>	<b>2,949,142</b>

The notes on pages 9 to 15 form part of these financial statements.

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 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investment property	9	2	2
<hr/>			
<b>Current assets</b>			
Stocks	10	642,357	642,357
Debtors: amounts falling due within one year	11	20,561,713	21,329,749
Bank and cash balances		1,671	7,429
<hr/>			
		<b>21,205,741</b>	<b>21,979,535</b>
Creditors: amounts falling due within one year	12	<b>(15,404,588)</b>	<b>(15,649,282)</b>
<hr/>			
<b>Net current assets</b>		<b>5,801,153</b>	<b>6,330,253</b>
<hr/>			
<b>Total assets less current liabilities</b>		<b>5,801,155</b>	<b>6,330,255</b>
<hr/>			
<b>Net assets</b>		<b>5,801,155</b>	<b>6,330,255</b>
<hr/>			
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		5,800,155	6,329,255
<hr/>			
		<b>5,801,155</b>	<b>6,330,255</b>
<hr/>			

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 15 form part of these financial statements.

## CLEARSTORM LIMITED

### Notes to the financial statements For the Year Ended 31 March 2019

#### 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 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 Company's functional and presentational currency is GBP.

The following principal accounting policies have been applied:

##### Going concern

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

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

##### Revenue

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

## CLEARSTORM LIMITED

### Notes to the financial statements For the Year Ended 31 March 2019

#### 2. Accounting policies (continued)

##### **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.

Properties held for sale, on which no further development is anticipated, are stated at the lower of cost and net realisable value.

##### **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.

##### **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.

##### **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.

##### **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.

## CLEARSTORM LIMITED

### Notes to the financial statements For the Year Ended 31 March 2019

#### 2. Accounting policies (continued)

##### 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 9), the valuation of stock (note 10) and the calculation of accruals (note 12).

#### 4.

##### Turnover

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

	2019 £	2018 £
Sale of development properties	-	6,501,226
Rental income	-	15,249
	<u>-</u>	<u>6,516,475</u>

All turnover arose within the United Kingdom.

#### 5. Other operating income

	2019 £	2018 £
Forfeited deposits	-	489,655

**CLEARSTORM LIMITED**

**Notes to the financial statements  
For the Year Ended 31 March 2019**

**6. Operating (loss)/profit**

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

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>17,000</u>	<u>22,000</u>

Directors' remuneration of £3,967 (2018 - £nil) was borne by another group company in respect of qualifying services. The Company had no employees (2018 - none).

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

**7. Interest receivable and similar income**

	2019 £	2018 £
Bank interest receivable	<u>723</u>	<u>963</u>

**8. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax	<u>155,504</u>	<u>155,504</u>
<b>Total current tax</b>	<u>155,504</u>	<u>155,504</u>

**CLEARSTORM LIMITED**

**Notes to the financial statements  
For the Year Ended 31 March 2019**

**8. Taxation (continued)**

**Factors affecting tax charge for the year**

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

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<b>(373,596)</b>	<b>3,104,646</b>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>(70,983)</b>	<b>589,883</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>11,642</b>	<b>1,179</b>
Adjustments to tax charge in respect of prior periods	<b>155,504</b>	<b>-</b>
Book (profit) / loss on chargeable assets	<b>-</b>	<b>30,953</b>
Movement in deferred tax not recognised	<b>-</b>	<b>(466,511)</b>
Group relief	<b>59,341</b>	<b>-</b>
<b>Total tax charge for the year</b>	<b>155,504</b>	<b>155,504</b>

**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 £4,081,773 (2018 - £3,942,638) 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 2019**

**9. Investment property**

	<b>Freehold Investment property £</b>
<b>Valuation</b>	
At 1 April 2018	2
	2
<b>At 31 March 2019</b>	2

Investment property comprises reversionary rights to land interests in future years valued at £1 plus the commercial units fitted to shell and core state.

**10. Stocks**

	<b>2019 £</b>	<b>2018 £</b>
Property held for sale	642,357	642,357
	642,357	642,357
	642,357	642,357

Borrowing costs capitalised within stock during the year amounted to £nil (2018 - £nil).

Stock is stated at the lower of cost and net realisable value. Net realisable value includes significant estimates. 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 and the timing of future sales.

**11. Debtors: amounts falling due within one year**

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	177,791	182,494
Amounts owed by group undertakings	20,174,251	20,904,740
Amounts owed by related parties	985	33,829
Other debtors	180,273	208,686
Prepayments and accrued income	28,413	-
	20,561,713	21,329,749
	20,561,713	21,329,749

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 2019

#### 12. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	4,020	-
Corporation tax	311,008	155,504
Other creditors	132,707	500,000
Accruals and deferred income	14,956,853	14,993,778
	<u>15,404,588</u>	<u>15,649,282</u>

Accruals include the directors' best estimate of certain post-completion development obligations in respect of the construction of the company's properties which are expected to arise in the ordinary course of business. Most of the company's developed property was sold in previous years. The accruals are based on historical experience of the group's sites and site-specific risks but are uncertain in terms of timing or quantum. The directors continually review the utilisation of the accruals bearing in mind that the risk of post-completion development obligations reduces over time.

#### 13. 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 itself of the exemption available in FRS 102.33.1A from disclosing transactions with Ballymore Properties Unlimited Company and its wholly owned subsidiary undertakings.

At year end an amount of £985 (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.

Ballymore Asset Management Limited acts as a managing agent for the administration of service charge funds, held in trust on behalf of the residents, for properties held by the company. In the period, service charge costs paid into the estate administered by Ballymore Asset Management Limited amounted to £31,713 (2018 - £154,300). Ballymore Asset Management Limited is a related party of which Mr D. Pearson and Mr J. Mulryan are directors and Mr S. Mulryan is the ultimate beneficial owner.

#### 14. Post balance sheet events

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