

# Balmoral International Land (UK) Limited

Directors' report and financial statements

**For the year ended 31 December 2012**

*Registered number 5839598*

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# Balmoral International Land (UK) Limited

## Directors' report and financial statements

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# Balmoral International Land (UK) Limited

## Directors and other information

**Directors** P Halpenny (Irish resident)  
R. Knox  
A White  
N Quigley (Irish resident)

**Secretary** N Quigley (Irish resident)

**Registered office** Fairbourne Drive  
Atterbury  
Milton Keynes  
MK7 8NL  
England

**Solicitors** Penningtons Solicitors LLP  
Abacus House  
33 Gutter Lane  
London  
EC2V 8AR  
United Kingdom

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

# Balmoral International Land (UK) Limited

## Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2012

### Principal activity, business review and future developments

The company provides administration support for Balmoral International Land Holdings Plc and its subsidiaries. The principal risk facing the company is cash flow risk. This risk is managed by the ultimate parent under policies approved by the board of directors. There are no particular key performance indicators utilised by the company.

### Results for the year

The results of the company are set out on page 8 of the financial statements. The directors do not recommend the payment of a dividend (2011 £nil).

### Political and charitable contributions

The company made no political or charitable donations during the financial year.

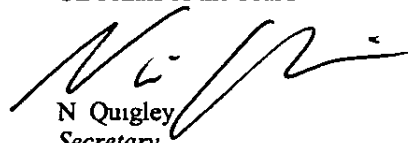
### Disclosure of information to auditor

The directors who held office at the date of approval of this director's report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed re-appointed and KPMG Chartered Accountants, will therefore continue in office.

On behalf of the board

  
N Qugley  
Secretary

20<sup>th</sup> September 2013

# Balmoral International Land (UK) Limited

## 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

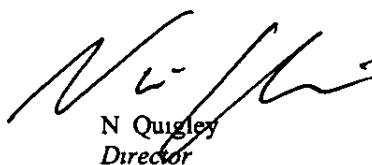
- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They 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

On behalf of the board



R. Knox  
Director



N. Quigley  
Director

26<sup>th</sup> September 2013



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

## **Independent auditor's report to the members of Balmoral International Land (UK) Limited**

We have audited the financial statements of Balmoral International Land (UK) Limited for the year ended 31 December 2012 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement set out page 3, the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies act 2006.



**Independent auditor's report to the members of Balmoral International Land (UK) Limited** *(continued)*

**Emphasis of matter**

In forming our opinion on these financial statements, which is not modified, we have considered the disclosures made in the basis of preparation note on page 6 relating to going concern, in particular in relation to financing. This indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

P Carroll  
**For and on behalf of**  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
*1 Stokes Place*  
*St Stephen's Green*  
*Dublin 2*

20 September 2013

# Balmoral International Land (UK) Limited

## Statement of accounting policies

for the year ended 31 December 2012

The following accounting policies have been applied consistently in dealing with items which are considered material to the company's financial statements

### 1. Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting standards in the United Kingdom under the historical cost accounting rules, and comply with financial reporting standards of the Accounting Standards Board

#### *Going concern*

The company incurred a loss during the current year and is in a shareholder deficit position and consequently is dependent on continued support from its parent undertaking, Balmoral International Land Limited ("Balmoral"). The wider Balmoral group is in on-going discussions with its lenders, the outcome of which is significant for the company. The fact that revised arrangements with other financiers and with then provider of the group's general corporate facility have not yet been agreed represents a material uncertainty which may cast doubt on the company's ability to continue as a going concern. Nonetheless, the directors have a reasonable expectation that an extension and restructuring of the group's general corporate facility will be agreed and therefore, the directors have reasonable expectation that the parent company will have adequate resources to continue in operational existence for the foreseeable future and consequently should be in a position to provide continued support to the company. The directors consider that the going concern basis is therefore appropriate.

### 2. Turnover

Turnover comprises of income, exclusive of value added tax, earned for services provided to its parent and group companies

### 3. Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write down the cost less the estimated residual value of tangible fixed assets by equal instalments over their expected useful economic lives as follows

Office equipment	3 years
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### 4. Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses

### 5. Trade and other payables

Trade and other payables are stated at cost



# Balmoral International Land (UK) Limited

Statement of accounting policies (*continued*)  
for the year ended 31 December 2012

## 6. Share capital

### *Ordinary share capital*

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.

### *Dividends*

Dividends on ordinary shares are recognised as a liability in the period in which they are declared and approved.

## 7. Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

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

## 8. Post retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

## 9. Cash flow statement

The company is exempt from the requirements of Financial Reporting Standard No. 1 'Cash Flow Statements' to include a cash flow statement as part of its financial statements because its ultimate parent company, Balmoral International Land Holdings plc, which is incorporated in the Republic of Ireland, has prepared consolidated accounts which include the results of the company for the year and which contain a cash flow statement.

# Balmoral International Land (UK) Limited

## Profit and loss account for the year ended 31 December 2012

	<i>Note</i>	2012 £	2011 £
Turnover	1	491,063	526,782
Administrative expenses		(711,228)	(816,225)
		<hr/>	<hr/>
Result from operating activities before tax	2, 3	(220,165)	(289,443)
Tax on result from operating activities	4	-	-
		<hr/>	<hr/>
Result for the financial year	10	(220,165)	(289,443)
		<hr/>	<hr/>

The company had no other gains or losses during the current or preceding financial year and accordingly, no statement of total recognised gains and losses is presented

On behalf of the board

  
R. Knox  
Director

  
N Ougley  
Director


# Balmoral International Land (UK) Limited

Balance sheet  
at 31 December 2012

	<i>Note</i>	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	5	-	69
<b>Current assets</b>			
Debtors	6	3,319,714	2,663,148
<b>Creditors: amounts falling due within one year</b>	7	<b>(5,414,038)</b>	<b>(4,537,376)</b>
<b>Net current liabilities</b>		<b>(2,094,324)</b>	<b>(1,874,228)</b>
<b>Net liabilities</b>		<b>(2,094,324)</b>	<b>(1,874,159)</b>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	<b>(2,094,325)</b>	<b>(1,874,160)</b>
<b>Shareholders' deficit</b>	10	<b>(2,094,324)</b>	<b>(1,874,159)</b>

On behalf of the board

  
R. Knox  
Director

  
N Quigley  
Director

# Balmoral International Land (UK) Limited

## Notes

*forming part of the financial statements*

### 1 Turnover

Turnover represents the value of management services, net of value added tax, provided by the company to its parent and other group companies

### 2 Statutory and other information

	2012	2011
	£	£
<i>Operating loss is stated after charging</i>		
Depreciation	69	277
Operating lease	29,118	27,626
Auditor's remuneration	500	500
Directors' remuneration		
- Other remuneration	290,248	340,248
- Pension costs (note 8)	35,050	35,050
	<u>          </u>	<u>          </u>

### 3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was 4 (2011 4)

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	543,534	598,953
Social welfare costs	75,002	79,944
Pension costs	53,344	53,315
	<u>          </u>	<u>          </u>
	<u>671,880</u>	<u>732,212</u>

# Balmoral International Land (UK) Limited

## Notes (continued)

### 4 Taxation

	2012 £	2011 £
Corporation tax charge	-	-
<i>Analysis of charge in year</i>		
Result from ordinary activities before tax	<b>(220,165)</b>	(289,443)
Current tax on result from ordinary activities at 24.5% (2011 26.49%)	<b>(53,940)</b>	(76,673)
<i>Tax effect of</i>		
Expenses not deductible for tax purposes	<b>1,255</b>	1,053
Capital allowances in excess of depreciation	17	73
Tax losses carried forward	-	75,475
Other	<b>480</b>	72
Group relief surrendered	<b>52,188</b>	-
<b>Total current tax</b>	<b>-</b>	-

The company has an unrecognised deferred tax asset of £209,424 (2011 £224,713) arising from losses carried forward by the company at the balance sheet date. The deferred tax asset has not been recognised as its recoverability is considered to be uncertain. The directors are not aware of any factors other than those described above that would have a significant effect on the future charge.

#### *Factors which may affect future tax charges*

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly. The deferred tax asset/liability at the balance sheet date has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset/liability accordingly.

# Balmoral International Land (UK) Limited

Notes (continued)

## 5 Tangible fixed assets

	Office equipment £	Total £
<i>Cost</i>		
At beginning and end of year	8,197	8,197
<i>Depreciation</i>		
At beginning of year	8,128	8,128
Charge for year	69	69
<b>At end of year</b>	<b>8,197</b>	<b>8,197</b>
<i>Net book value</i>		
<b>At 31 December 2012</b>	<b>-</b>	<b>-</b>
At 31 December 2011	69	69

## 6 Debtors

	2012 £	2011 £
Trade debtors	-	1,200
Prepayments	2,247	2,065
Amounts owed by group companies	3,312,879	2,659,391
VAT recoverable	4,588	492
	<b>3,319,714</b>	<b>2,663,148</b>

## 7 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	27	76
Amounts owed to group undertakings	5,238,874	4,480,208
Accruals and deferred income	38,779	41,611
Other creditors including social insurance	136,358	15,481
	<b>5,414,038</b>	<b>4,537,376</b>

# Balmoral International Land (UK) Limited

## Notes (continued)

### 8 Post retirement benefits

The company provides employee pension benefits under a defined contribution plan. The expense recognised in the profit and loss consists of the company's pension contribution for the year ended 31 December 2012. At the year end the company has a liability of £Nil (2011 £Nil) for contributions paid.

### 9 Called up share capital

#### Authorised and issued share capital

	2012 £	2011 £
<i>Authorised</i>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<u>          </u>	<u>          </u>
<i>Allotted, called up and fully paid</i>		
1 ordinary shares of £1 each	1	1
	<u>          </u>	<u>          </u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All shares rank equally with regard to the company's residual assets. No dividend was paid during the year.

### 10 Reserves

#### Reconciliation of movement in capital and reserves

#### Attributable to equity holders of the parent

	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2011	1	(1,584,717)	(1,584,716)
Result for the year	-	(289,443)	(289,443)
	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 1 January 2012	1	(1,874,160)	(1,874,159)
Result for the year	-	(220,165)	(220,165)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Balance at 31 December 2012</b>	<b>1</b>	<b>(2,094,325)</b>	<b>(2,094,324)</b>
	<u>          </u>	<u>          </u>	<u>          </u>

# Balmoral International Land (UK) Limited

Notes *(continued)*

## 11 Commitments

### *Operating leases*

Operating lease commitments falling payable during the next twelve months amount to £30,185 (2011 £34,326)

## 12 Related party transactions

The company has availed of the exemption available in Financial Reporting Standard No 8, "Related Party Disclosures", from the requirement to disclose details of transactions with group undertakings. Details of the availability of the group financial statements are given in note 13.

## 13 Group membership

The company is a wholly owned subsidiary of Balmoral International Land Limited, an Irish registered company. The ultimate parent company is Balmoral International Land Holdings plc, an Irish registered company.

The results of the company are consolidated into the financial statements of Balmoral International Land Holdings plc. The consolidated financial statements of Balmoral International Land Holdings plc are available at 29 North Anne Street, Dublin 7, Ireland.

## 14 Approval of financial statements

These financial statements were approved by the board of directors on 20<sup>th</sup> September 2013.