

# Balmoral International Land Holdings plc

## Annual Report 2021

<i>Contents</i>	<i>Page</i>
Shareholder information	2
Chairman's statement	3
Operating and financial review	4
Directors and secretary	8
Financial statements	9
Five year summary of group results	88

# Balmoral International Land Holdings plc

## Shareholder Information

### Investor relations

Investors requiring further information on the group are invited to contact:

*Niall Quigley*  
*Balmoral International Land Holdings plc*  
*29 North Anne Street*  
*Dublin 7*  
*Ireland*  
*Telephone: (01) 887 2788*  
*Email: nquigley@bilplc.com*

### Registrar

Administrative queries about holdings of Balmoral International Land Holdings plc shares can be directed to the company's registrar:

*Computershare Investor Services (Ireland) Limited*  
*3100 Lake Drive*  
*Citywest Business Campus*  
*Dublin 24*  
*D24 AK82*  
*Ireland*  
*Telephone: ROI (01) 247 5694*  
*UK +353 1 2475694*  
*Facsimile: ROI (01) 447 5572*  
*Email: WebCorres@computershare.co.uk*

### Website

Further information on Balmoral is available at [www.bilplc.com](http://www.bilplc.com).

### Amalgamation of financial statements

Shareholders receiving multiple copies of company mailings as a result of a number of accounts being maintained in their name should write to the company's registrar, at the above address, to request that their accounts be amalgamated.

### Electronic communications

The company's Articles of Association allow Balmoral to distribute all shareholder communications electronically except where documents are specifically requested in physical form.

### Share trading

Trading in the group's shares, which are unlisted, is less efficient than before Brexit. In June 2021 the UK based Crest System ceased to hold regulatory permission to operate in the EU and this change has unfortunately resulted in changes to the system for share dealings so that it is no longer electronic. While stockbrokers are in a position to continue buying and selling Balmoral shares, the paper-based system is slower and more cumbersome.

# Balmoral International Land Holdings plc

## Chairman's Statement

Balmoral International Land Holdings plc is pleased to report another satisfactory year of progress in 2021. Covid-19 continued to cause disruption, but in spite of this, the group's property values generally increased both in Ireland and the UK. We are also pleased that the group has recorded a significant further increase in net assets in 2021.

Group net assets at 31 December 2021 were €127.7 million, an increase of €21.4 million on the previous year, which equates to net asset per share of 16.33 cent at 31 December 2021.

In March 2022, a legal action by Everyday Finance against our subsidiary Balmoral International Land Limited in respect of its general corporate debt facility was settled.

The general corporate facility was refinanced mainly from a new debt facility of €44 million from Bank of Ireland and gives rise to a gain after all costs of €9 million.

The group remains focussed on optimising the value of its portfolio and has a number of capital projects which it intends to progress over the coming year. We will also keep the group's assets under review and may choose to sell properties and reinvest in some new ones.

Whilst the market for property assets remains positive and market participants may look forward with some more confidence, it is worth noting that values have risen steadily since 2013. They will at some point in the future decline as well as increase. The appalling events in Ukraine and the enormous tragedy there will also impact economies and could affect property values.

The Board acknowledges and thanks the group's first-class team for their exceptional contribution this year and every year and for rising to the challenges they have faced.

**Carl McCann**

Chairman

22 April 2022

# Balmoral International Land Holdings plc

## Operating and Financial Review

### Operating review

#### Developments during the year

Net asset value per share of 16.33 cent at 31 December 2021 was up from 13.60 cent at 31 December 2020.

Developments during the year included:

- At December 2021, the group had debt of €57.5 million (2020: €62.4 million) and net assets of €127.7 million (2020: €106.3 million).
- The group's net borrowings at 31 December 2021 amounted to €33.7 million (2020: €36.6 million).
- The group improved its net debt to gross property asset ratio from 24.4% to 20.0%.
- The sale of an industrial building in Scotland.
- Property values increased in Ireland and the UK primarily as a result of an improvement in demand for logistics and warehousing.

#### Investment property

Total investment property assets at 31 December 2021 amounted to €162.6 million compared to €143.6 million at the start of the year. The movements in values, analysed geographically, were as follows:

	<b>Ireland €'m</b>	<b>UK €'m</b>	<b>Total €'m</b>
Value at 1 January 2020	91.2	52.4	143.6
Investments during year	0.8	0.2	1.0
Disposal in year	-	(3.9)	(3.9)
Fair value adjustments	13.1	5.4	18.5
Translation of sterling denominated properties	-	3.4	3.4
<b>Value at 31 December 2021</b>	<b>105.1</b>	<b>57.5</b>	<b>162.6</b>

# Balmoral International Land Holdings plc

## Analysis of property assets by geography and sector

In reviewing the group's investment property portfolio, it is useful to consider the following geographic and sectoral analysis:

	<b>Ireland</b>	<b>UK</b>	<b>Total</b>
<b>At 31 December 2021</b>	<b>€'m</b>	<b>€'m</b>	<b>€'m</b>
Industrial/warehouse	81.7	29.4	111.1
Office	9.0	16.3	25.3
Mixed use land	14.4	11.8	26.2
<b>Total</b>	<b>105.1</b>	<b>57.5</b>	<b>162.6</b>
<b>Percentage</b>	<b>65%</b>	<b>35%</b>	<b>100%</b>

The group's property portfolio at 31 December 2021 by value comprised 68% industrial/warehouse, 16% office and 16% mixed use land. In Ireland, 78% was weighted to industrial/warehouse, 14% to mixed use land and 8% to office. In the UK, it is 21% mixed use land, 51% industrial/warehouse and 28% office.

## Analysis of gross rental income and related income by geography

The group's gross rental and related income of €8.8 million in the year ended 31 December 2021 was derived 60% from Ireland and 40% from the UK.

## Impact of foreign exchange on movement in net assets

The net impact of foreign exchange on the group's net assets for the year was an increase of €2.3 million. The movement in the value of the group's UK property assets includes an increase of €3.4 million arising from the strengthening of the euro against sterling during the year. This was offset by a net €1.1 million decrease in net assets arising on the translation of loans and cash denominated in sterling and other movements.

The translation effect of foreign exchange on the value of the group's equity accounted investees has been accounted for through Other Comprehensive Income within the Consolidated Statement of Comprehensive Income. The other translation effects have been dealt with through the Consolidated Income Statement.

## Post balance sheet events

In March 2022, Balmoral International Land Limited concluded a settlement of legal proceedings with its principal lender, Everyday Finance DAC. At the date of settlement Balmoral International Land Limited owed €33.4 million and £20.2 million to Everyday Finance DAC on the terms described in note 17 of the consolidated financial statements. Balmoral made payments of €48 million inclusive of all costs in full and final settlement of the debt. The settlement was funded from cash and a new term loan facility agreement comprising €29.4 million and £12.4 million from Bank of Ireland. The facility, secured over certain assets of the group, is for 3 years with an annual repayment obligation of €2 million plus interest based on interbank market rates and an agreed margin. As a result of this settlement, on 23 March 2022 the legal proceedings with Everyday Finance DAC were struck out. This is a non-adjusting event in the 2021 financial statements and the financial impact of the settlement will be reflected in the 2022 financial statements.

# Balmoral International Land Holdings plc

## Financial review

### Future plans

The group will continue working to enhance the value of its assets through the pursuit of improved designations, while at the same time seeking to maximise income opportunities and minimise property outgoings and operating costs and to avail of opportunities to sell properties as they arise.

### Finance

In January 2020, Everyday Finance DAC (“Everyday”) completed the acquisition of the Balmoral International Land Limited general corporate facilities from AIB. In December 2020, on foot of a letter of demand from Everyday, legal proceedings were issued against Balmoral International Land Limited and its nominated subsidiaries. The proceedings related to Everyday’s claim that an event of default had occurred as a result of Balmoral International Land Limited allegedly not meeting its full loan repayment obligation by 31 December 2019. However, the alleged repayment obligation does not exist within the Facility Agreement. These proceedings were fully defended by Balmoral International Land Limited and, in March 2022, Balmoral International Land Limited concluded a settlement with Everyday Finance DAC. See notes 17 and 31 to the consolidated financial statements for further details.

The Belgium-based equity accounted investee, with an investment property valued at €29.1 million at the year end, has a facility of €17.8 million with Belfius Bank.

### International Financial Reporting Standards

The group’s annual statutory financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

### Net rental income

Gross rental and related income for the year was €8.9 million (2020: €9.4 million). Property outgoings were €2.7 million (2020: €2.5 million), giving net rental income of €6.2 million (2020: €6.8 million). Net rental income is lower in 2021 than in 2020 due to the decrease in income in Continental Europe as a result of the disposal of the Belgian subsidiary in July 2020 and the loss of a tenant in the UK in August off-set by a new tenant in Ireland in September.

### Net property valuation movement

Total net property valuation gain for the year was €21.4 million (2020: €8.8 million) comprising a fair value movement on properties in Ireland of €13.1 million (2020: €6.5 million) and in the UK of €5.3 million (2020: €5.1million), a foreign currency exchange gain on UK properties of €3.4 million (2020: loss of €2.7 million) less disposal costs of €0.1 million (2020: €Nil) and an inflationary adjustment on the EPA provision (see note 20 to the consolidated financial statements for further details) of €0.3 million (2020: €Nil).

### Administrative expenses

Total administrative expenses for the year were €4.2 million (2020: €4.7 million) comprising continuing administrative expenses of €4.0 million (2020: €3.5 million) with €0.2 million non-recurring expenses (2020: €1.2 million).

# Balmoral International Land Holdings plc

## Net finance expense

Net finance expense was €1.1 million (2020: net finance income of €1.1 million), comprising a net loss on translation of sterling loans and other monetary assets and liabilities of €1.7 million (2020: a net gain of €1.6 million) off-set by a gain on translation of cash and cash equivalents of €0.6 million (2020: a loss of €0.5 million) and in 2020 interest and related charges incurred on bank and other borrowings of €0.1 million. See note 9 to the consolidated financial statements for further details.

## Taxation

The net tax balance for the year was a charge of €0.6 million (2020: €0.3 million), comprising an income tax charge of €0.4 million (2020: €0.2 million) and a deferred tax charge of €0.2 million (2020: deferred tax charge of €0.1million). Deferred tax has been accounted for in accordance with IAS 12 and, accordingly, includes full provision for any tax that might arise in the event that the group disposes of a property for the amount stated in the balance sheet.

## Results per share

Basic result per share for the year was €0.0273 (2020: €0.0175) and diluted result per share for the year was €0.0262 (2019: €0.0168).

## Dividend

Consistent with the stated distribution policy of the company, no dividend has been declared for the year (2020: €Nil).

## Total equity attributable to shareholders

Total equity attributable to shareholders at 31 December 2021 amounted to €127.7 million (2020: €106.3 million), resulting in a net asset value per share of €0.1633 (2020: €0.1360).

## Borrowings

The group's net borrowings at 31 December 2021 amounted to €33.7 million (2020: €36.6 million). This figure comprised gross borrowings of €57.5 million (2020: €62.4 million) less cash balances of €23.8 million (2020: €25.7 million).

## Conclusion

The group continues to build its net asset value, to pursue progress with its development assets, to maximise rental income from its portfolio and to focus on acquisitions in Ireland and the UK.

**22 April 2022**

# Balmoral International Land Holdings plc

## Directors and Secretary

**Carl McCann, BBS, MA, FCA, age 68, Chairman**, is also chairman of Dole plc. He is a director of a number of other companies. He previously held the role of chairman of Fyffes plc until 2006. He joined that group in 1980.

**Robert Knox, age 58, Chief Executive, HD Estate Management**, graduated in estate management in the UK in 1983. He has worked in general practice as an estate agent and valuer and managed mixed portfolios of office, retail and industrial property for a number of public companies. He joined Balmoral in May 2006.

**Catherine Ghose, B.Comm, Dip in Prof. Acc, FCA, Diploma in Company Direction, age 59, Finance Director**, was appointed finance director of the group on 1 October 2012. She is managing director of Charles McCann Investments Limited, an independent member of the Audit and Risk Management Committee of University College Dublin, a former member of the board of the National Maternity Hospital and a member of the Institute of Directors.

**Tom Neasy, age 73, Executive Director**, became a director of the group in June 2007. He has had a long career in the property business and has a wealth of experience in project design and management, working with a number of companies in Ireland and other countries. He is a property consultant and an advisor to a number of investors.

**Philip Halpenny, BBS, FCA, age 69, Non-Executive Director**, was finance director and chief operating officer of Balmoral until he retired from his executive roles in September 2012. He remains on the board and continues to provide consultancy services to the group. He is chairman of the audit committee.

**Andrew Kelliher, B.Comm, age 71, Non-Executive Director**, was appointed to the board in 2006. He has over 30 years' experience in finance and accounting and currently holds a consultative position with a firm of chartered accountants. He is a member of the audit committee and a member of the remuneration committee.

**Declan McCourt, age 76, Non-Executive** was appointed to the board in 2006. He is group chief executive and partner in the OHM Group, a leading distributor of automobiles and commercial vehicles. He is a director of a number of companies and chairman of the President's Advisory Board and the Law School Development Council of University College Dublin. He is a former director of Fyffes plc and Bank of Ireland and former chairman of the Mater Foundation. He is chairman of the Balmoral remuneration committee.

**Niall Quigley, FCA, age 56, Company Secretary**, trained as a chartered accountant with Grant Thornton. He joined the Fyffes group in 1989, where he held a variety of senior financial positions based in the UK and in a number of Latin American countries. In May 2006, he joined Balmoral as company secretary and financial controller.



# Balmoral International Land Holdings plc

## Financial statements

Corporate profile	10
Directors' report	11 - 16
Corporate governance statement	17 - 24
Statement of directors' responsibilities in respect of the annual report and the consolidated financial statements	25
Independent auditor's report	26 - 28
Consolidated income statement	29
Consolidated statement of comprehensive income	30
Consolidated statement of changes in equity	31
Consolidated balance sheet	32
Consolidated statement of cash flows	33
Notes to the consolidated financial statements	34 - 82
Company statement of changes in equity	83
Company balance sheet	84
Company statement of cash flows	85
Notes to the company financial statements	86 - 87

# Balmoral International Land Holdings plc

## Corporate profile

### Directors

C. McCann (Chairman)  
R. Knox (Chief Executive) (British)  
C. Ghose  
P. Halpenny  
A. Kelliher  
D. McCourt  
T. Neasy

### Company Secretary

N. Quigley

### Registered Office

1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

### Solicitors

Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

### Auditor

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

### Registrar

Computershare Investor Services (Ireland) Limited  
3100 Lake Drive  
Citywest Business Campus  
Dublin 24  
D24 AK82  
Ireland

### Stockbrokers

Davy  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

### Registered number

501110

# Balmoral International Land Holdings plc

## Directors' report

The directors present their annual report to the shareholders, together with the audited financial statements, for the year ended 31 December 2021.

### Principal activities and business review

Balmoral International Land Holdings plc ("Balmoral") is a public limited company incorporated in Ireland. Balmoral is an international property business focused on optimising its existing asset base and identifying development opportunities. A detailed business review, together with particulars of any important events affecting the company which have occurred since the end of the year, is included in the operating and financial review on pages 4 to 7.

### Result for the year

Details of the result for the year ended 31 December 2021 are set out in the consolidated income statement on page 29.

### Dividend

Consistent with the stated distribution policy of the company, no dividend has been declared for the year.

### Future developments

A review of future developments in the business is included in the operating and financial review on pages 4 to 7.

### Directors and secretary

In accordance with the Articles of Association of the company, C.Ghose, C.McCann and A.Kelliher offer themselves for re-election at the AGM.

### Interests of directors and secretary

The directors and secretary who held office at 31 December 2021 have the following interests in the shares of the company or group companies.

	Nature of Interest	Ordinary shares held at 31 December 2021	Ordinary shares held at 31 December 2020
<b>Directors</b>			
C. McCann	Ordinary shares	69,556,777 <sup>1</sup>	<sup>1</sup> 69,556,777
R. Knox	Ordinary shares	3,879,236	3,879,236
C. Ghose	Ordinary shares	5,000,000	5,000,000
T. Neasy	Ordinary shares	3,439,068	3,439,068
P. Halpenny	Ordinary shares	2,521,318	2,521,318
A. Kelliher	Ordinary shares	80,000	80,000
D. McCourt	Ordinary shares	5,778,068	5,778,068
<b>Company Secretary</b>			
N. Quigley	Ordinary shares	12,820	12,820

<sup>1</sup>C.McCann is also deemed to be interested in the Huntroyde shares per section 1054 of the Companies Act, 2014. See Substantial holdings below for details.

# Balmoral International Land Holdings plc

## Directors' report *(continued)*

### Interests of directors and secretary *(continued)*

The directors and company secretary who held office at 31 December 2021 also had beneficial interests, in options over the company's ordinary shares. See Directors' Remuneration in the corporate governance statement on pages 22 to 24 for more information.

### Substantial holdings

As of 31 December 2021, the company has been notified of the following significant interests and ownerships relating to the ordinary share capital of the company.

	<b>Number of Ordinary Shares</b>	<b>Percentage</b>
Huntroyde Ltd (i)	258,998,613	33.12%
C. McCann	69,556,777	8.90%
D. McCann	50,508,060	6.46%
Balkan Investment Unlimited Company & related parties (ii)	82,479,982	10.55%
T. Murphy	66,959,127	8.56%

- (i) C. McCann, D. McCann and M. Dempsey are deemed to be interested in the Huntroyde shares per section 1054 of the Companies Act, 2014.
- (ii) The Balkan Investment Unlimited Company notification includes a notification from Scott Limited, which owns 5.79% of the issued share capital of the company and is a related party of Balkan Investment Unlimited Company.

The board has not been notified of any other holdings of 3% or more of the issued ordinary share capital of the company.

### Share capital

Details of shares issued are set out in note 16 to the consolidated financial statements.

### Directors' interests in contracts

None of the directors had a beneficial interest in any material contract to which the company or any subsidiary was a party during the year.

### Key performance indicators (KPIs)

The group considers the following measures as being important indicators of the underlying performance of the business:

- *Net asset value*  
The key long term financial objective for the group is growth in its net asset value per share.

# Balmoral International Land Holdings plc

## Directors' report *(continued)*

### Key performance indicators (KPIs) *(continued)*

- *Net debt to gross property assets*  
A second important financial objective of the group is to establish and maintain an appropriate balance sheet structure that provides it with adequate funding to fulfil its medium to long term objectives while at the same time maintaining a prudent ratio of net debt to gross property assets. The consolidated net debt to gross property assets of the group at 31 December 2021 was 20.0% (2020: 24.4%).
- *Returns from properties*  
Another important financial objective is to optimise returns from the group's property portfolio. This is achieved by pro-active asset management to maximise net rental yields and through obtaining beneficial re-designations and planning permissions.

### Financial risk management

The group's activities expose it to a variety of financial risks including liquidity, credit, foreign currency and interest rate risks. These financial risks are managed by the group under policies approved by the board, as described in note 25 to the consolidated financial statements.

### Principal risks and uncertainties

Under section 327(1)(a) of the Companies Act 2014, the company is required to give a description of the principal risks and uncertainties which it faces. The principal risks and uncertainties that the group faces are:

- *Re-financing, development and related funding*  
The group's ability to realise its business strategy is dependent on management's ability to source finance to enable it to exploit opportunities as required. The board has mitigated these risks by the appointment of a suitably qualified management team, professional advisors and by continuing to negotiate appropriate financing arrangements to fund its plans.
- *Management of principal banking facility.*  
The group's principal banking facility is subject to financial information and authorisation covenants and other undertakings. The risk of breaching the requirements of this facility agreement is mitigated by regular calculation and projection of compliance with those financial covenants and authorisation procedures. The requirements of the key facility obligations are communicated to senior management and short and medium term strategies for achieving compliance with facility requirements are implemented and regularly reviewed.

# Balmoral International Land Holdings plc

## Directors' report *(continued)*

### Principal risks and uncertainties *(continued)*

- *Property values*

The performance of the group is determined principally by the values of its property assets, which, in turn, are dependent on a variety of factors applying in the markets in which Balmoral operates, including:

- Local economic conditions, generally and in the property sector in particular, as affected inter alia by government policy, legislation, economic growth, interest rates and inflation.
- Supply of and demand for property, and its impact on rental levels.
- The volume, timeliness and relevance of comparable market transactions.
- The quality of tenants.
- Energy ratings of properties

The values of individual properties are determined by their specific usage and locations, the quality of their tenants and the rents paid by them and by their potential for alternative usage or redevelopment. The board mitigates the risks associated with declines in the performance factors above by the employment of an expert professional management team and by adopting appropriate strategic objectives to be pursued (including sectoral and geographic diversification).

The group seeks to attract and maintain good quality tenants across the portfolio by means of a pro-active asset management approach to retaining these tenants, including early planning for potential voids.

- *Liquidity risk*

Property assets are relatively illiquid. Such illiquidity may affect the group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices. The board mitigates this risk by constantly monitoring and reviewing its cash flow and funding needs and by closely controlling its administration expenditure.

- *Currency*

The group presents its financial information in euro. A significant proportion of its property portfolio is located in the UK and, consequently, a significant part of its rental income and of its property assets are denominated in sterling. The board has mitigated this risk with sterling based financing arrangements.

- *Environmental*

The group has mitigated the risk of financial loss or reputational damage as a result of environmental issues by the use of experienced environmental consultants and prudent accounting for potential expenditure arising from legal requirements.

# Balmoral International Land Holdings plc

## **Directors' report** *(continued)*

### **Going concern**

In preparing the financial statements, the directors are required to make an assessment of the group's ability to continue in operational existence as a going concern. In carrying out this assessment, the directors have considered the current financial position of the group, its liquidity and solvency, financial and operating risks, post balance sheet events and contingent liabilities.

The directors have concluded that there is a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. As a result the financial statements are prepared on the going concern basis.

### **Accounting records**

The directors believe that they have complied with the requirements of Chapter 2 Part 6 of the Companies Act 2014, with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at 29 North Anne Street, Dublin 7, Ireland.

### **Political donations**

The group and the company did not make any donations during the year and prior year, disclosable in accordance with the Electoral Act, 1997.

### **Post balance sheet events**

Details of important events affecting the group and company which have taken place since the end of the year are given in note 31 to the consolidated financial statements.

### **Relevant audit information**

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the group's statutory auditors are unaware.

### **Directors' compliance statement**

It is the policy of the company to comply with its relevant obligations (as defined in section 225 of the Companies Act 2014).

The directors have drawn up a compliance policy statement as defined in section 225(3)(a) of the Companies Act 2014. Arrangements and structures have been put in place that are, in the directors' opinion, designed to secure material compliance with the company's relevant obligations. These arrangements and structures were reviewed by the directors for the financial year.

As required by section 225(2) of the Companies Act 2014, the directors acknowledge that they are responsible for the company's compliance with the relevant obligations. In discharging their responsibilities under section 225, the directors relied on the advice of persons who, the directors believe, have the requisite knowledge and experience to advise the company on compliance with its relevant obligations.

# Balmoral International Land Holdings plc

## **Directors' report** *(continued)*

### **Auditor**

In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

### **Subsidiaries and equity accounted investees**

Information on the group's significant subsidiaries and equity accounted investees is set out in note 30 to the consolidated financial statements.

### **Notice of Annual General Meeting**

Notice of the AGM of the company will be sent to shareholders under separate cover.

### **On behalf of the board**

**Carl McCann**  
Chairman

**Catherine Ghose**  
Finance Director

22 April 2022



# Balmoral International Land Holdings plc

## Corporate governance statement

The directors of Balmoral are committed to maintaining high standards of corporate governance and have implemented the following corporate governance procedures.

### The board

While day to day responsibility for the conduct of the group's operations is delegated to the executive management team within predefined authority limits, the board is ultimately responsible for the leadership and control of the group.

The board agrees a schedule of regular meetings to be held in each calendar year and also meets on other occasions as necessary. There is a schedule of matters specifically reserved for decision at board meetings, which include:

- approval of strategic plans for the group
- approval of annual statutory financial statements and annual budget
- review of operational and financial performance
- approval of major property acquisitions, investments and disposals
- review of the group's internal controls and risk management processes
- appointments of senior members of the management team
- approval of the financing arrangements of the group.

The board has delegated authority to management for decisions taken in the normal course of business, subject to specified authority limits. During 2021, the board comprised four executive directors and three non-executive directors. Biographical details of the directors are set out on page 8.

The board considers that between them, the directors bring the range of skills, knowledge and experience necessary to lead the group.

### Operation of the board

The board meets regularly throughout the year. The directors receive quarterly management accounts, full board papers are sent to each member on a timely basis prior to each board meeting to enable them to discharge their duties and regular contact is maintained with board members.

# Balmoral International Land Holdings plc

## Corporate governance statement *(continued)*

**Attendance at scheduled board and relevant committee meetings of the group's parent company during the year ended 31 December 2021 was as follows:**

<b>Number of meetings</b>	<b>Board</b>	<b>Audit</b>	<b>Remuneration</b>
C. McCann	<b>5</b>	<b>n/a</b>	<b>n/a</b>
R. Knox	<b>5</b>	<b>n/a</b>	<b>n/a</b>
C. Ghose	<b>5</b>	<b>2*</b>	<b>n/a</b>
T. Neasy	<b>5</b>	<b>n/a</b>	<b>n/a</b>
P. Halpenny	<b>5</b>	<b>2</b>	<b>n/a</b>
A. Kelliher	<b>5</b>	<b>2</b>	<b>1</b>
D. McCourt	<b>5</b>	<b>n/a</b>	<b>1</b>

*\* In attendance only*

### **Terms of appointment**

Non-executive directors have been invited to join the board for a three year period, subject to re-election by shareholders as provided for in the company's Articles of Association.

Insurance cover is in place to protect board members and officers against liability arising from legal actions taken against them in the course of their duties.

Effective governance is achieved by the separation of the roles of the chairman and the chief executive, as this division of responsibilities at the head of the group ensures a balance of power and authority. The chairman has overall responsibility for ensuring that the group achieves a satisfactory return on investment for shareholders; he oversees the orderly operation of the board and ensures appropriate interaction between it, executive management and the company's shareholders. The chief executive is responsible for developing and delivering the group's strategy and is accountable for its overall performance and day to day management.

The appointment and removal of the company secretary is a matter for the board. All directors have access to the advice and services of the company secretary.

# Balmoral International Land Holdings plc

## **Corporate governance statement** *(continued)*

### **Independence of directors**

All the directors bring independent judgement to bear in the performance of their duties. The board has determined that each of the non-executive directors is independent and that they discharge their duties in a proper and consistently independent manner and constructively and appropriately challenge the executive directors and the board.

### **Evaluation of the performance of the board, its committees and individual directors**

In November 2021, as part of an annual process, the board undertook an evaluation of its own performance, and that of its committees and of each director throughout the year.

In assessing the performance of the board, the directors considered such matters as the appropriateness of its composition, its effectiveness in developing group strategy, its contribution to managing the group's business and operational risks, its response to developing issues and its communications with the group's stakeholders.

In assessing the performance of the committees of the board, the directors considered the appropriateness of their composition and terms of reference, their effectiveness in fulfilling their roles and their interactions with the board.

The assessment of the performance of individual directors included consideration of their contribution to the effective functioning of the board, the appropriateness of their knowledge, skill and experience levels and their commitment to their roles.

The chairman summarised the results of these evaluation processes and reported them to the board. Following consideration of the results of these processes, the directors concluded that the performance of the board, its committees and individual directors were satisfactory throughout the year.

### **Board committees**

The board has established two committees, an audit committee and a remuneration committee, to assist it in the execution of its duties.

#### **Audit committee**

During 2021, the audit committee comprised of two non-executive directors, A. Kelliher and P. Halpenny (chairman of the committee), both of whom are considered independent by the board.

The purpose of the audit committee is to oversee the financial reporting processes and internal control systems of Balmoral. The committee held two meetings during the year which were attended by all members.

The board believes that P. Halpenny has the requisite recent relevant financial experience to chair the audit committee. It is also satisfied that A. Kelliher is sufficiently knowledgeable in relevant financial matters to enable him to fulfil his responsibilities on the committee.

# Balmoral International Land Holdings plc

## Corporate governance statement *(continued)*

### Audit committee *(continued)*

In the course of its meetings, the audit committee reviewed the accounting policies adopted by the company, the annual financial statements and the report of the external auditor. The committee also evaluated the need for an internal audit function in the group. The committee has reviewed the group's system of financial risk management and internal controls and determined that these operated effectively during the reporting year.

The audit committee also satisfied itself that employees can raise concerns about possible improprieties in matters of financial reporting or other matters in confidence.

It also reviewed the external auditor's independence and the effectiveness of its planning for audit.

The audit committee has adopted appropriate policies regarding the provision of non-audit services by the external auditor. The auditor is permitted to provide non-audit services that are not in conflict with auditor independence where they are considered by the committee to be the most appropriate to provide the services in the best interests of the group. The engagement of the auditor to perform non-audit services is authorised by the committee or pre-approved in accordance with policies and procedures established by the committee.

The external auditor has full and unrestricted access to the audit committee.

### Remuneration committee

The remuneration committee comprises two non-executive directors, D. McCourt (chairman) and A. Kelliher, both of whom are considered independent by the board.

The objective of the committee is to ensure that individuals are rewarded appropriately relative to their responsibility, experience and value to the group. Remuneration policy reflects the need to ensure that the group can attract, retain and motivate executives to perform at the highest levels of expectation. The committee met once during the year to determine the emoluments of executive directors and senior management, including basic salaries, the parameters for any possible additional payments and the issue of options under the Long Term Incentive Plan.

The Long Term Incentive Plan (LTIP) was approved by the shareholders on 21 October 2015.

The committee approved the award of share options under LTIP effective 28 October 2015. This entitles executive directors and management to purchase shares in Balmoral International Land Holdings plc in accordance with the terms of the LTIP. The options granted in 2015 were for 22,435,896 shares at an exercise price of €0.0234 per share, with an expiry date of 28 October 2022.

The share options granted only vest when the Net Asset Value per Share of the company as shown in the company's audited financial statements for financial year ending 31 December 2018 or in any of the three subsequent years, equals or exceeds €0.05 per share. The options could not be exercised before 1 May 2019 (see note 16 for options exercised to date).

The committee approved the award of share options under the Long Term Incentive Plan (LTIP) effective 16 December 2019. This entitles executive directors and management to purchase shares in Balmoral International Land Holdings plc in accordance with the terms of the LTIP. The options granted were for 13,666,668 shares at an exercise price of €0.06 per share, with an expiry date of 16 December 2026.

# Balmoral International Land Holdings plc

## **Corporate governance statement** *(continued)*

The share options granted only vest after the later of the 3<sup>rd</sup> anniversary of the grant of the options or the publication of the annual audited financial statements showing NAV of €0.15 per share or greater. To date, none of these options have vested.

### **Nominations**

The board plans for its own succession and that of management. In view of the current size of the company, the board has not established a nominations committee. Directorships and senior management appointments are considered and recommended by the full board.

### **Internal controls**

The board has overall responsibility for the group's systems of internal control and for monitoring its effectiveness. The systems of internal control applied by the group are designed to allow reasonable but not absolute assurance against material misstatement or loss. The board has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

The board routinely reviews the effectiveness of the group's systems of internal controls, covering all material controls, including financial, operational and compliance controls and risk management systems.

On a regular basis, the board receives reports on the key risks facing the business and the steps taken to manage such risks. It further considers whether those risks are being identified, evaluated and appropriately managed, having regard to the balance of risk, cost and opportunity.

The audit committee regularly meets with and receives reports from the external auditor. The chairman of the audit committee reports to the board on all significant issues considered by the committee and the minutes of its meetings are circulated to all directors.

### **Communications with shareholders**

The company's Annual General Meeting affords individual shareholders the opportunity to question the chairman and members of the board. Notice of the Annual General Meeting is sent to shareholders at least 21 clear days before the meeting. At the meeting, after each resolution has been dealt with, details are given of the proxy voting in respect of each resolution.

Reports and press releases are available on the company's website [www.bilplc.com](http://www.bilplc.com).

### **Accountability and audit**

The contents of the Operating and Financial Review, the Directors' Report and the Financial Statements have been reviewed by the board in order to ensure a balanced presentation so that the group's financial position and results may be properly appreciated by shareholders.

A summary of directors' responsibilities in respect of the annual report and financial statements is given on page 25. The system of internal controls and risk management established to safeguard the company's assets is set out above. The audit committee, whose composition and functions are described on pages 19 and 20, has considered, and discussed with the external auditor, the accounting policies adopted in the financial statements and has evaluated the internal controls that have been established within the group.

# Balmoral International Land Holdings plc

## Corporate governance statement *(continued)*

### Directors' remuneration

2021	Salary and fees €'000	Other benefits & payments €'000	Total €'000
<i>Executive directors</i>			
C. McCann	189	-	189
R. Knox	612	3	615
C. Ghose	-	328	328
T. Neasy	274	-	274
	1,075	331	1,406
<i>Non-executive directors</i>			
P. Halpenny	-	63	63
A. Kelliher	40	-	40
D. McCourt	40	-	40
	80	63	143
	Share-based payment charge		65
	<b>Total directors' remuneration</b>		<b>1,614</b>

2020	Salary and fees €'000	Other benefits & payments €'000	Total €'000
<i>Executive directors</i>			
C. McCann	189	-	189
R. Knox	534	4	538
C. Ghose	-	301	301
T. Neasy	254	-	254
	977	305	1,282
<i>Non-executive directors</i>			
P. Halpenny	-	63	63
A. Kelliher	40	-	40
D. McCourt	40	-	40
	80	63	143
	Share-based payment charge		76
	<b>Total directors' remuneration</b>		<b>1,501</b>

# Balmoral International Land Holdings plc

## Corporate governance statement *(continued)*

### Directors' remuneration *(continued)*

C. McCann, chairman of Balmoral, was also chairman of Total Produce plc throughout 2020 and 2021. In 2021 his remuneration was €189,000 (2020: €189,000).

R. Knox is UK based and his salary and other benefits are agreed and paid in sterling and were €615,000 in 2021 (2020: €538,000).

C. Ghose was finance director of Balmoral and was also managing director of Charles McCann Investments Limited throughout 2020 and 2021. In accordance with an agreement between the parties, another company in the Charles McCann Investments Limited Group, Balkan Investment Unlimited Company, charges an agreed portion of C. Ghose's employment costs to Balmoral to reflect the allocation of her time between these two roles. In 2021, the portion of her costs amounted to €328,000 (2020: €301,000).

T. Neasy's remuneration in 2021 was €274,000 (2020: €254,000).

P. Halpenny is a member of the board and provides consultancy services to the company. Fees paid to him under this arrangement amounted to €63,000 in 2021 (2020: €63,000).

The directors and company secretary who held office at 31 December 2021 had the following beneficial interests in options over the company's ordinary shares:

	Options held at 31 December 2020 €	Granted during the year €	Exercised during the year €	Options held at 31 December 2021 €	Exercise Price €	Date first exercisable Date	Expiry date Date
<b><i>Directors</i></b>							
C. McCann	150,000	-		150,000	0.0600	16/12/22	16/12/26
R. Knox	100,000	-	-	100,000	0.0234	01/05/19	28/10/22
	165,000	-	-	165,000	0.0600	16/12/22	16/12/26
C. Ghose	100,000	-	-	100,000	0.0234	01/05/19	28/10/22
	135,000	-	-	135,000	0.0600	16/12/22	16/12/26
T. Neasy	75,000	-	-	75,000	0.0234	01/05/19	28/10/22
	120,000	-	-	120,000	0.0600	16/12/22	16/12/26
<b><i>Company Secretary</i></b>							
N. Quigley	50,000	-	-	50,000	0.0234	01/05/19	28/10/22
	100,000	-	-	100,000	0.0600	16/12/22	16/12/26

# Balmoral International Land Holdings plc

## **Corporate governance statement** *(continued)*

### **Directors' remuneration** *(continued)*

There has been no movement in the share interests, as outlined on page 11, and interests in the share options of the directors and company secretary, as outlined above, between 31 December 2021 and 22 April 2022.

The directors' remuneration disclosures above are intended to satisfy the requirements of the Companies Act 2014 (see note 7 to the consolidated financial statements). These details are subject to audit.

### **Service contracts and letters of appointment**

No service contracts exist between the company or any subsidiary and any executive or non-executive director.

Fees for non-executive directors are determined by the board on an annual basis.



# Balmoral International Land Holdings plc

## **Statement of directors' responsibilities in respect of the annual 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 they have elected to prepare the group and company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

Under company law, the directors must not approve the group and company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the group and company and of the group's profit or loss for that year. In preparing each of the group and company 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 group and parent 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 group or parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the parent company and which enable them to ensure that the financial statements of the group and parent company are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **On behalf of the board**

**Carl McCann**  
Chairman

**Catherine Ghose**  
Finance Director

22 April 2022

# Balmoral International Land Holdings plc

## **Independent auditor's report to the members of Balmoral International Land Holdings plc**

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of Balmoral International Land Holdings plc ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2021 set out on pages 29 to 87, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and company Statement of Changes in Equity, Consolidated and company Balance Sheet, Consolidated and company Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

# Balmoral International Land Holdings plc

## **Independent auditor's report to the members of Balmoral International Land Holdings plc** *(continued)*

### ***Conclusions relating to going concern***

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### ***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, corporate governance statement, chairman's statement and operating and financial review. 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 undertaken during the course of the audit, we report that:

- 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 2014.

### ***Opinions on other matters prescribed by the Companies Act 2014***

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

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

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

# Balmoral International Land Holdings plc

## ***Independent auditor's report to the members of Balmoral International Land Holdings plc (continued)***

### **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 25, 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 Group and 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 Group and 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 (Ireland) 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 IAASA's website at <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for>.

#### ***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 Section 391 of the Companies Act 2014. 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.

22 April 2022

**Cliona Mullen**  
**for and on behalf of**  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
*1 Stokes Place*  
*St. Stephen's Green*  
*Dublin 2*

# Balmoral International Land Holdings plc

## Consolidated income statement

for the year ended 31 December 2021

		2021 €'000	2020 €'000
<b>Continuing operations</b>	<i>Notes</i>		
<b>Gross rental and related income</b>	3	8,883	9,370
Property outgoings	4	(2,717)	(2,535)
<b>Net rental and related income</b>		6,166	6,835
Net property valuation movement	5	21,386	8,828
<b>Net property and related income</b>		27,552	15,663
Administrative expenses	6	(4,210)	(4,690)
<b>Result from operating activities</b>	7	23,342	10,973
Share of result of equity accounted investees	13	(247)	(638)
Profit on disposal of subsidiary	8	3	2,922
Finance income	9	545	1,650
Finance expense	9	(1,692)	(558)
Net finance (expense)/income		(1,147)	1,092
<b>Result before tax</b>		21,951	14,349
Income tax expense			
- current	10	(377)	(165)
- deferred	10	(270)	(151)
Net income tax expense		(647)	(316)
<b>Result for the year</b>		21,304	14,033
Attributable to:			
Equity shareholders of the company		21,325	13,674
Non-controlling interest		(21)	359
<b>Result for the year</b>		21,304	14,033
Basic result per share (euro cent)	22	2.73	1.75
Diluted result per share (euro cent)	22	2.62	1.68

# Balmoral International Land Holdings plc

## Consolidated statement of comprehensive income

for the year ended 31 December 2021

	2021 €'000	2020 €'000
<b>Result for the year</b>	<b>21,304</b>	14,033
<b>Other comprehensive income</b>		
<i>Items that will or may be reclassified to profit or loss:</i>		
Foreign currency translation (loss)/gain on equity accounted investees	-	-
<b>Total comprehensive income for the year</b>	<b>21,304</b>	14,033
<b>Attributable to:</b>		
Shareholders of the company	<b>21,325</b>	13,674
Non-controlling interest	<b>(21)</b>	359
<b>Total comprehensive income for the year</b>	<b>21,304</b>	14,033

# Balmoral International Land Holdings plc

## Consolidated statement of changes in equity

for the year ended 31 December 2021

	31 December 2021						
	Attributable to equity holders of the parent						
	Share capital €'000	Share premium €'000	Retained earnings €'000	Share-based payment reserve €'000	Reorganisation reserve €'000	Total €'000	Non-controlling interest €'000
Balance at 31 December 2020	41	7,875	(108,707)	230	206,879	106,318	520
Total comprehensive income	-	-	21,325	-	-	21,325	(21)
Share-based payment charge	-	-	-	65	-	65	-
Balance at 31 December 2021	41	7,875	(87,382)	295	206,879	127,708	499

	31 December 2020						
	Attributable to equity holders of the parent						
	Share capital €'000	Share premium €'000	Retained earnings €'000	Share-based payment reserve €'000	Reorganisation reserve €'000	Total €'000	Non-controlling interest €'000
Balance at 31 December 2019	41	7,875	(122,381)	154	206,879	92,568	162
Total comprehensive income	-	-	13,674	-	-	13,674	358
Share-based payment charge	-	-	-	76	-	76	-
Balance at 31 December 2020	41	7,875	(108,707)	230	206,879	106,318	520

# Balmoral International Land Holdings plc

## Consolidated balance sheet

As at 31 December 2021

	Notes	2021 €'000	2020 €'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	11	162,555	139,717
Property, plant and equipment	12	38	8
Investments in equity accounted investees	13	6,176	6,415
Deferred tax assets	21	70	36
<b>Total non-current assets</b>		<b>168,839</b>	<b>146,176</b>
<b>Current assets</b>			
Investment property	11	-	3,893
Trade and other receivables	14	3,132	3,359
Cash and cash equivalents	15	23,789	25,737
<b>Total current assets</b>		<b>26,921</b>	<b>32,989</b>
<b>Total assets</b>		<b>195,760</b>	<b>179,165</b>
<b>Equity</b>			
Issued share capital	16	41	41
Share premium	16	7,875	7,875
Other reserves	16	119,792	98,402
Total equity attributable to equity shareholders of the company		127,708	106,318
Non-controlling interest		499	520
<b>Total equity</b>		<b>128,207</b>	<b>106,838</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	17	55,497	55,888
Provisions	20	3,800	3,458
Deferred tax liabilities	21	482	178
<b>Total non-current liabilities</b>		<b>59,779</b>	<b>59,524</b>
<b>Current liabilities</b>			
Trade and other payables	19	5,810	6,317
Loans and borrowings	17	1,964	6,486
<b>Total current liabilities</b>		<b>7,774</b>	<b>12,803</b>
<b>Total liabilities</b>		<b>67,553</b>	<b>72,327</b>
<b>Total liabilities and equity</b>		<b>195,760</b>	<b>179,165</b>
<b>Net asset value per share (euro cent):</b>	23	<b>16.33</b>	<b>13.60</b>

On behalf of the board

Carl McCann  
Chairman

Catherine Ghose  
Finance Director

22 April 2022



# Balmoral International Land Holdings plc

## Consolidated statement of cash flows

for the year ended 31 December 2021

	Notes	2021 €'000	2020 €'000
<b>Result after tax</b>		<b>21,304</b>	14,033
<i>Adjustments for:</i>			
Net property valuation movement	5	(21,386)	(8,828)
Depreciation	12	13	3
Share-based payment charge	18	65	76
Finance expense	9	23	79
Share of result of equity accounted investees	13	247	638
Profit on disposal of subsidiary	8	(3)	(2,922)
Exchange difference on non-property monetary net assets	9	1,124	(1,171)
Net income tax expense	10	647	316
<b>Operating result before changes in working capital</b>		<b>2,034</b>	2,224
(Decrease)/increase in trade and other payables		(770)	734
Decrease/(increase) in trade and other receivables		281	(2,037)
<b>Cash generated from operations</b>		<b>1,545</b>	921
Interest paid		(17)	(71)
Income tax (paid)/refunded		(264)	27
<b>Net cash inflow from operating activities</b>		<b>1,264</b>	877
<b>Cash flows from investing activities</b>			
Additions to investment property		(1,063)	(694)
Net cash outflow from equity accounted investees		(8)	(5)
Proceeds from disposal of investment property		3,827	-
Proceeds from disposal of subsidiary		-	12,565
<b>Net cash inflow from investing activities</b>		<b>2,756</b>	11,866
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(6,486)	(3,254)
Funding from minority interest		-	1
<b>Net cash outflow from financing activities</b>		<b>(6,486)</b>	(3,253)
Net (decrease)/increase in cash and cash equivalents		(2,466)	9,490
Cash and cash equivalents at beginning of year		25,737	16,726
Foreign exchange gain/(loss) on cash and cash equivalents		518	(479)
<b>Cash and cash equivalents at end of year</b>	15	<b>23,789</b>	25,737

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements

### 1 Statement of accounting policies

#### Reporting entity

Balmoral International Land Holdings plc is a company incorporated in Ireland. The registered number of the company is 501110 and the address of its registered office is 1 Stokes Place, St. Stephen's Green, Dublin 2, Ireland. The consolidated financial statements of the company for the year ended 31 December 2021 are comprised of the financial statements of the company and its subsidiaries together referred to as the "group" and the group's interests in equity accounted investees. The consolidated and company financial statements (together "the financial statements") were authorised for issue by the directors on 22 April 2022.

The financial statements have been prepared in accordance with Irish company law and International Financial Reporting Standards as adopted by the EU (EU IFRS) and interpretations adopted by the International Accounting Standards Board (IASB), on the basis of EU IFRSs in issue that are effective for accounting periods ending on or before the reporting date, 31 December 2021.

#### (a) Basis of preparation and significant judgements and estimates

The financial statements are presented in euro, rounded to the nearest thousand. They are prepared on the historical cost basis except for investment property, derivative financial instruments and some loans and borrowings which are measured at fair value.

The accounting policies set out herein have been applied consistently by all group companies and to all periods presented for the purposes of the consolidated financial statements.

#### *New accounting standards and interpretations adopted in 2021*

Below is a list of standards and interpretations that were required to be applied in the year ended 31 December 2021, effective 1 January 2021. There was no material impact on the financial statements in the current year.

- *Definition of a Business* (Amendments to IFRS 3)
- *Definition of Material* (Amendments to IAS 1 and IAS 8)
- *Interest Rate Benchmark Reform* (Amendments to IFRS 9, IAS 39 and IFRS 7)
- *Revised Conceptual Framework for Financial Reporting*

The adoption of other new standards, interpretations and amendments that become effective for the year ended 31 December 2021 did not have any significant impact on the consolidated financial statements.

#### *New accounting standards and interpretations not adopted*

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the group has not early adopted the new or amended standards in preparing these consolidated financial statements.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 1 Statement of accounting policies *(continued)*

#### (a) Basis of preparation and significant judgements and estimates *(continued)*

##### *New accounting standards and interpretations not adopted (continued)*

Standards endorsed by the EU that are not yet required to be applied but can be early adopted are set out below. None of these standards have been applied in the current year. The group is still considering the impact of these and does not believe they will have a material impact on the financial statements.

- IFRS 17: *Insurance Contracts*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28) – available for optional adoption/effective date deferred indefinitely.
- *COVID-19-Related Rent Concessions* (Amendment to IFRS 16)
- *Interest Rate Benchmark Reform – Phase 2* (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

##### *Significant estimates, judgements and assumptions*

The preparation of financial statements in conformity with EU IFRSs requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the consolidated financial statements is included in note 29 to the consolidated financial statements.

##### *Going concern*

In preparing the financial statements, the directors are required to make an assessment of the group's ability to continue in operational existence as a going concern. In carrying out this assessment, the directors have considered the current financial position of the group, its liquidity and solvency, financial and operating risks, post balance sheet events and contingent liabilities.

The directors have concluded that there is a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. As a result, the financial statements are prepared on the going concern basis.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 1 Statement of accounting policies *(continued)*

#### (b) Basis of consolidation

The group's financial statements consolidate the financial statements of the parent and of all subsidiary undertakings together with the group's shares of the results and net assets of its equity accounted investees made up to 31 December 2021.

##### ***Subsidiaries***

Subsidiaries are entities controlled by Balmoral International Land Holdings plc ("Balmoral"). Control exists when Balmoral is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the parent company financial statements, investments in subsidiaries are carried at cost less any impairment charges.

##### ***Equity accounted investees***

Equity accounted investees are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies and are accounted for using the equity method.

They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

The amounts included in the consolidated financial statements in respect of post acquisition results of equity accounted investees are taken from their latest available audited financial statements and management accounts made up to the group's balance sheet date.

In the parent company financial statements, investments in equity accounted investees are carried at cost less any impairment charges.

##### ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

##### ***Company investments***

Investments in subsidiaries and equity accounted investees are shown in the company balance sheet as non-current assets and are valued at cost less provisions for impairments in value.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 1 Statement of accounting policies *(continued)*

#### (b) Basis of consolidation *(continued)*

##### ***Business combinations***

A business combination is the bringing together of separate businesses into one reporting entity, in which one entity obtains control of another entity.

On acquisition by the acquiring entity, the group measures the identifiable assets and liabilities of the acquired entities at their fair values at the acquisition date in accordance with IFRS 3 (Revised) *Business Combinations* which is known as the acquisition method.

#### (c) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the group entities at the foreign exchange rate ruling at the date on which the transaction took place. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into the functional currency using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair values were determined. Foreign exchange differences arising on translation are recognised in the income statement.

Euro has been determined to be the functional currency of all group companies.

##### ***Net investment in foreign operations***

Exchange differences arising from the translation of the net investment in equity accounted investees in foreign operations are taken to the currency translation reserve within equity. They are reclassified to the income statement upon disposal of the foreign operations.

#### (d) Investment property

Investment properties are freehold and long leasehold properties which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at fair value.

Under IFRS 13 *Fair Value Measurement*, fair value is considered to be the price that would be received if the asset were sold in an orderly transaction between market participants.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 1 Statement of accounting policies *(continued)*

#### (d) Investment property *(continued)*

External independent valuers, having appropriate professional qualifications and recent experience in the locations and categories of property being valued, valued the portfolio at the reporting date. The valuations are prepared by considering comparable market transactions for sales and lettings and specific economic issues. The directors determine the fair value based on these valuations and the advice of management using their own qualifications, experience and knowledge of the properties.

In the case of let properties, this includes considering the aggregate of the net annual rents receivable for the properties and associated rental costs where relevant. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation. Valuations reflect, as appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness, the allocation of maintenance and insurance responsibilities between lessor and lessee and the remaining economic life of the property.

Any gain or loss arising from a change in fair value is recognised in the consolidated income statement.

Where investment property is held for sale as defined in IFRS 5 *Non current assets held for sale and discontinued operations*, a balance sheet reclassification from non-current to current assets is performed.

The group utilises an insignificant portion of an investment property as its head office. The property accordingly remains accounted for as an investment property.

#### (e) Operating lease contracts

##### **Group as lessor**

The group has entered into commercial property leases on its investment property portfolio. The group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

The group has assessed the classification of sub-leases in which the group is a lessor. Based on the information currently available, the group has not changed the operating lease classification of these sub-leases on adoption of IFRS 16.

##### **Group as a lessee**

The group is a lessee under a number of long leasehold arrangements that have previously been accounted for as investment properties and continues to measure right-of-use assets that will be accounted for as property assets using the fair value model in IAS 40 from the date of initial application.

The group has applied IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 1 Statement of accounting policies *(continued)*

#### (f) Property, plant and equipment

##### (i) *Owned assets*

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

##### (ii) *Depreciation*

The charge for depreciation is calculated to write down the cost of the property, plant and equipment or an identifiable part thereof, to their estimated residual values by equal annual instalments over their expected useful lives which are as follows:

5 years	Fixtures and fittings
3 years	Computer equipment

The residual value of plant and equipment is reassessed annually.

#### (g) Intangible assets and goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill is recognised in acquisitions of subsidiaries and equity accounted investees and represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill arising on the acquisition of equity accounted investees is included in the carrying amounts of the investments.

#### (h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequent to initial recognition are measured at amortised cost less impairment losses.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### (j) Derivative financial instruments and financial guarantees

The group may use derivative financial instruments, principally interest rate swaps, to manage its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Any gain or loss on re-measurement to fair value at period end is recognised immediately in the income statement.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 1 Statement of accounting policies *(continued)*

#### (j) Derivative financial instruments and financial guarantees *(continued)*

The fair value of interest rate swaps is the estimated amount that is calculated based on the present value of future cash-flows discounted at the market rate of interest at the reporting date.

The group has elected to account for financial guarantees between group entities and with joint ventures as insurance contracts in accordance with IFRS 4 *Insurance Contracts*.

#### (k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are generally stated at amortised cost using the effective interest rate method.

Certain financial liabilities may be measured at fair value through profit and loss if doing so eliminates or significantly reduces an accounting mismatch which would otherwise arise. Such mismatches typically arise where the company has borrowed debt which has cash flows specifically linked (or ring-fenced) to particular property assets which are measured at fair value under IAS 40 *Investment Properties*.

#### (l) Employee benefits

##### *Defined contribution retirement benefit plans*

Obligations for contributions to defined contribution retirement benefit plans are recognised as an expense in the income statement as incurred.

##### *Share-based payments*

The grant date fair value of options granted under the company's equity settled share option scheme is recognised as an expense with a corresponding increase in equity over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial lattice model, taking into account the terms and conditions upon which the options were granted. Vesting conditions are non-market and consequently the amount recognised as an expense is adjusted to reflect the actual number of options that vest. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when vested awards are converted into ordinary shares. The company has no cash-settled share based transactions as defined in IFRS 2 *Share-based Payment*.

To the extent that the group receives a tax deduction relating to the services paid in shares, deferred tax in respect of share options is provided on the basis of the difference between the expected fair value of the underlying equity as at the date the instrument is expected to be exercised and the exercise price of the option, as a result, the deferred tax impact of share options will not directly correlate with the expense reported in the group income statement.



# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 1 Statement of accounting policies *(continued)*

#### **(m) Trade and other payables**

Trade and other payables are stated at amortised cost, which also equates to fair value, given the short term nature of these liabilities.

#### **(n) 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 from equity, net of tax.

#### **(o) Revenue**

##### ***(i) Rental income***

Rental income from investment properties let under operating leases is recognised in the income statement on a straight-line basis over the terms of the leases. Lease incentives granted are recognised as an integral part of the total rental income over the term of the leases.

Management has considered the potential transfer of risks and rewards of ownership for all properties leased to tenants and has determined that all such leases are operating leases.

##### ***(ii) Services rendered***

Revenue from property related services rendered to tenants is recognised in the income statement as the services are provided.

##### ***(iii) Interest income***

Interest income is recognised in the income statement as it accrues, using the effective interest rate method.

#### **(p) Expenses**

##### ***(i) Service costs and property operating expenses***

Service costs and property operating expenses are expensed as incurred.

##### ***(ii) Finance costs***

Finance costs recognised in the income statement comprise of interest payable on borrowings calculated using the effective interest rate method, net of foreign exchange gains and losses on borrowings.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 1 Statement of accounting policies *(continued)*

#### (q) Provisions

In accordance with the group's environmental policy and applicable legal requirements, a provision for the expense of site restoration in respect of contaminated land, is recognised when the land is contaminated.

#### (r) Taxation

##### *Income tax*

Income tax on the profit or loss for the year presented comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised in Other Comprehensive Income (OCI) or directly in equity, in which case it is recognised in OCI or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

##### *Deferred tax*

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is not provided on temporary differences arising on investments in subsidiaries and equity accounted investees where the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

#### (s) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 1 Statement of accounting policies *(continued)*

#### (s) Fair value measurement *(continued)*

A number of the group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The group measures the fair value of an instrument using the quoted price in an active market for that instrument when one is available. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 2 Operating segments

Segment information is presented in the consolidated financial statements in respect of the group's geographical segments which represent the principal basis by which the group manages its business. Information regarding the results of each reportable segment is included below. Performance is measured based on segment results as included in the internal management reports that are reviewed by the group chief operating decision makers which management believes is the most relevant information when evaluating the results of certain segments relative to other entities that operate within the industry. There are no significant inter segment transactions.

#### *(a) Geographical segments*

<b>Income statement</b>	<b>Ireland</b>	<b>UK</b>	<b>Continental Europe</b>	<b>Consolidated</b>
<i>for the year ended 31 December 2021</i>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Gross rental income	4,928	2,542	-	7,470
Service charge income	435	978	-	1,413
Property operating expenses	(1,036)	(1,681)	-	(2,717)
Net rental and related income	4,327	1,839	-	6,166
Valuation movement on investment properties	12,711	8,675	-	21,386
Operating result	17,038	10,514	-	27,552
Share of result of equity accounted investees	(8)	-	(239)	(247)
Profit on disposal of subsidiary	-	-	3	3
Operating result before corporate expenses, finance expenses & income tax	17,030	10,514	(236)	27,308

#### *Reconciliation to result for the year*

Administrative expenses	(4,210)
Net finance income	(1,147)
Net income tax expense	(647)
Result for year	21,304

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 2 Operating segments *(continued)*

#### *(a) Geographical segments (continued)*

<b>Income statement</b>	<b>Ireland</b>	<b>UK</b>	<b>Continental Europe</b>	<b>Consolidated</b>
<i>for the year ended 31 December 2020</i>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Gross rental income	4,509	2,735	690	7,934
Service charge income	385	933	118	1,436
Property operating expenses	(743)	(1,642)	(150)	(2,535)
Net rental and related income	4,151	2,026	658	6,835
Valuation movement on investment properties	6,450	2,378	-	8,828
Operating result	10,601	4,404	658	15,663
Share of result of equity accounted investees	(5)	-	(633)	(638)
Profit on disposal of subsidiary	-	-	2,922	2,922
Operating result before corporate expenses, finance expenses & income tax	10,596	4,404	2,947	17,947
<i>Reconciliation to result for the year</i>				
Administrative expenses				(4,690)
Net finance income				1,092
Net income tax expense				(316)
Result for year				14,033

Depreciation expense incurred does not relate to a segment and is further set out in note 12 to the consolidated financial statements. Administrative expenses principally relate to head office administration expenses, including non-recurring expenditure for professional fees relating to litigation and financing. The group has two significant tenants from which it derived a total of 45% of its gross rental income in the current year (2020: 36%).

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 2 Operating segments *(continued)*

#### *(a) Geographical segments (continued)*

#### **Balance sheet**

*as at 31 December 2021*

<b>Segment assets</b>	<b>Ireland</b>	<b>UK</b>	<b>Continental Europe</b>	<b>Consolidated</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Investment property	105,050	57,505	-	162,555
Investment in equity accounted investees	98	-	6,078	6,176
Trade and other receivables	1,121	1,006	1,005	3,132
	<b>106,269</b>	<b>58,511</b>	<b>7,083</b>	<b>171,863</b>

#### *Reconciliation to total assets as reported in the group balance sheet*

Deferred tax asset	70
Property, plant and equipment	38
Cash and cash equivalents	23,789
Total assets	<b>195,760</b>

<b>Segment liabilities</b>	<b>Ireland</b>	<b>UK</b>	<b>Continental Europe</b>	<b>Consolidated</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Loans and borrowings	33,381	24,071	9	57,461
Provisions	3,800	-	-	3,800
Trade and other payables	2,970	1,557	1,283	5,810
	<b>40,151</b>	<b>25,628</b>	<b>1,292</b>	<b>67,071</b>

#### *Reconciliation to total liabilities as reported in the group balance sheet*

Deferred tax liabilities	482
Total liabilities	<b>67,553</b>

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 2 Operating segments *(continued)*

#### *(a) Geographical segments (continued)*

#### **Balance sheet**

*as at 31 December 2020*

<b>Segment assets</b>	<b>Ireland €'000</b>	<b>UK €'000</b>	<b>Continental Europe €'000</b>	<b>Consolidated €'000</b>
Investment property	91,170	52,440	-	143,610
Investment in equity accounted investees	98	-	6,317	6,415
Trade and other receivables	1,335	952	1,072	3,359
	<u>92,603</u>	<u>53,392</u>	<u>7,389</u>	<u>153,384</u>

#### *Reconciliation to total assets as reported in the group balance sheet*

Deferred tax asset	36
Property, plant and equipment	8
Cash and cash equivalents	<u>25,737</u>
Total assets	<u>179,165</u>

<b>Segment liabilities</b>	<b>Ireland €'000</b>	<b>UK €'000</b>	<b>Continental Europe €'000</b>	<b>Consolidated €'000</b>
Loans and borrowings	33,432	28,933	9	62,374
Provisions	3,458	-	-	3,458
Trade and other payables	3,319	1,723	1,275	6,317
	<u>40,209</u>	<u>30,656</u>	<u>1,284</u>	<u>72,149</u>

#### *Reconciliation to total liabilities as reported in the group balance sheet*

Deferred tax liabilities	<u>178</u>
Total liabilities	<u>72,327</u>

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 2 Operating segments *(continued)*

#### *(b) Categories of property assets*

The group manages its business principally on the basis of geographical segments. Supplementary information based on the following categorisations has also been provided as this is also used by the chief operating decision makers:

<b>2021</b>	<b>Ireland</b>	<b>UK</b>	<b>Continental Europe</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Industrial/warehouse	81,690	29,394	-	111,084
Office	9,000	16,276	-	25,276
Mixed use land	14,360	11,835	-	26,195
<b>Total</b>	<b>105,050</b>	<b>57,505</b>	<b>-</b>	<b>162,555</b>

<b>2020</b>	<b>Ireland</b>	<b>UK</b>	<b>Continental Europe</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Industrial/warehouse	68,220	27,468	-	95,688
Office	9,100	15,684	-	24,784
Mixed use land	13,850	9,288	-	23,138
<b>Total</b>	<b>91,170</b>	<b>52,440</b>	<b>-</b>	<b>143,610</b>



# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements (continued)

### 3 Gross rental income

	2021 €'000	2020 €'000
Gross lease payments collected/accrued	7,470	7,934
Service charge income	<u>1,413</u>	<u>1,436</u>
	<u>8,883</u>	<u>9,370</u>

The group leases out the majority of its investment property by way of operating leases.

### 4 Net service charge income and property operating expenses

	Vacant €'000	Rented out €'000	Total €'000
<i>Year ended 31 December 2021</i>			
Service charge income	-	1,413	1,413
Property operating expense	<u>(339)</u>	<u>(2,378)</u>	<u>(2,717)</u>
	<u>(339)</u>	<u>(965)</u>	<u>(1,304)</u>
<i>Year ended 31 December 2020</i>			
Service charge income	-	1,436	1,436
Property operating expense	<u>(633)</u>	<u>(1,902)</u>	<u>(2,535)</u>
	<u>(633)</u>	<u>(466)</u>	<u>(1,099)</u>

Service charge income represents income receivable from tenants for utilities, caretakers and other property related expenses.

### Property operating expense

	2021 €'000	2020 €'000
Property taxes, fees, rates and ground rent	689	810
Utilities and waste management	955	642
Management, security and insurance	965	940
Property maintenance and repairs	<u>108</u>	<u>143</u>
Total property operating expense	<u>2,717</u>	<u>2,535</u>

### 5 Net property valuation movement

	2021 €'000	2020 €'000
Net property valuation movement	<u>21,386</u>	<u>8,828</u>

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 5 Net property valuation movement *(continued)*

	2021 €'000	2020 €'000
Fair value movement on properties – Ireland	13,052	6,450
Fair value movement on properties - UK	5,346	5,058
Inflationary adjustment on EPA provision – see note 20	(342)	-
Foreign currency exchange movement on UK properties	3,399	(2,678)
Disposal costs	(69)	(2)
Net property valuation movement in year	<u>21,386</u>	<u>8,828</u>

### 6 Administration expenses

	2021 €'000	2020 €'000
<b><i>Continuing</i></b>		
Remuneration and related expenditure (a)	2,612	2,406
Non-executive directors' fees	80	80
Property related professional fees	93	31
Other professional fees	750	444
Office, travel and administration	213	203
Corporate expenses	249	286
	<u>3,997</u>	<u>3,450</u>
<b><i>Non – recurring</i></b>		
Other professional fees	<u>213</u>	<u>1,240</u>
Total administration expenses	<u>4,210</u>	<u>4,690</u>

### (a) Staff numbers and costs

The average number of persons employed during the year, including executive directors, was as follows:

	2021	2020
Corporate management and administration	<u>12</u>	<u>12</u>

The aggregate payroll costs of these persons for the years ended 31 December 2021 and 31 December 2020 were as follows:

	2021 €'000	2020 €'000
<b><i>Continuing</i></b>		
Wages and salaries	2,271	2,066
Share-based payment charge	65	76
Contributions to retirement benefit plans	95	89
Social security contributions	181	175
	<u>2,612</u>	<u>2,406</u>

Details of directors' remuneration are set out in the corporate governance statement.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 7 Statutory and other information

The result from operating activities for the financial year is stated after charging:

	2021 €'000	2020 €'000
Depreciation on property, plant and equipment	13	3
Auditor's remuneration:		
- Audit of company and group financial statements	65	65
- Audit of subsidiary financial statements	45	45
- Tax advisory	160	406
- Other non-audit services	21	69
Operating leases - office buildings	120	124
Operating leases - ground rents	31	23
Executive and non-executive directors' remuneration:		
- fees	80	80
- other remuneration – continuing	1,469	1,345
- share-based payment charge	65	76

### 8 Profit on disposal of subsidiary

The group's subsidiary Afaia Sarl, a company registered and operating in Luxembourg, disposed of its shareholding in a Belgian registered company, Afaia s.a., in the prior year, realising a profit on disposal of €2,922,000.

### 9 Net finance (expense)/income

	2021 €'000	2020 €'000
Foreign currency translation gain on borrowings	-	1,640
Foreign currency gain on cash and cash equivalent	518	-
Other foreign currency gain	27	10
Finance income	545	1,650
Foreign currency loss on cash and cash equivalents	-	(479)
Foreign currency loss on other monetary assets and liabilities	(96)	-
Foreign currency translation loss on borrowings	(1,573)	-
Interest payable on borrowings	-	(71)
Other finance expense	(23)	(8)
Finance expense	(1,692)	(558)
<b>Net finance (expense)/income</b>	<b>(1,147)</b>	<b>1,092</b>

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 10 Net income tax expense

	2021 €'000	2020 €'000
<b><i>Current tax expense</i></b>		
Corporation tax on result for the year:		
<i>Current year</i>		
- Ireland	223	116
- Overseas	154	48
<i>Adjustment in respect of prior year</i>		
- Overseas	-	1
Total current tax expense	377	165
<b><i>Deferred tax charge/(credit)</i></b>		
Origination and reversal of temporary differences	256	146
Adjustment in respect of prior years	14	5
Total deferred tax charge/(credit)	270	151
<b>Net income tax expense</b>	<b>647</b>	<b>316</b>
<b>Reconciliation of effective tax rate</b>	<b>2021 €'000</b>	<b>2020 €'000</b>
Result before tax	21,951	14,349
Less: share of result of equity accounted investees	247	638
	22,198	14,987
Income tax using domestic corporation tax rate (25%)	5,549	3,747
Difference between expenses and deductions for taxation purposes and amounts charged in the financial statements	419	(213)
Unrecognised deferred tax assets	(5,153)	(3,291)
Difference in tax rates	1,026	69
Other items	(1,208)	-
Adjustment in respect of prior year	14	4
	647	316

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements (continued)

### 11 Investment property

	2021 €'000	2020 €'000
<b>Non-current assets</b>		
Investment properties	162,555	139,717
<b>Current assets</b>		
Assets held for sale – investment property	-	3,893
	<b>162,555</b>	<b>143,610</b>
<b>Non-current assets</b>	<b>2021 €'000</b>	<b>2020 €'000</b>
Balance at beginning of the year	139,717	151,968
Additions in the year	1,041	465
Disposal in the year *	-	(17,659)
Reclassification of assets held for resale	-	(3,893)
Fair value movement	18,398	11,514
Foreign currency movement	3,399	(2,678)
Balance at end of the year	<b>162,555</b>	<b>139,717</b>

\* During 2020, the group sold its subsidiary that held the investment property in Belgium.

### Current assets

Where investment property is held for resale as defined in IFRS 5 *Non current assets held for sale and discontinued operations* the property is reclassified from non-current to current assets in the balance sheet. Such assets are measured at fair value less costs to sell.

At 31 December 2020, the group held investment property in the UK for resale. The group sold the property in January 2021 for £3,500,000.

### Measurements of fair value

The carrying amount of investment property is the fair value of the property which is determined by the directors having regard to recent market transactions and market rents for similar properties in the same location, where such information was available, and specific economic and property issues.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements (continued)

### 11 Investment property (continued)

#### Measurements of fair value (continued)

The directors relied, inter alia, on valuations undertaken by external independent professional property appraisers who have appropriate recognised professional qualifications and recent experience in the locations and categories of the property being valued. After considering the total valuations of €162,555,000 by external appraisers of the UK and Ireland investment properties at 31 December 2021, the directors are of the view that these should be the values used in the financial statements and no adjustment is required to these figures.

#### Summary of measurement of fair value of investment property

	2021 €'000	2020 €'000
External independent professional property appraisers	162,555	139,717
Assets held for resale	-	3,893
	<u>162,555</u>	<u>143,610</u>

The fair value measurement for investment property of €162,555,000 (2020: €143,610,000) has been categorised as a level 3 fair value based on the inputs to the valuation technique used. All investment property movements in each year, consequently, are considered level 3 movements.

#### Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used. The comparable market transactions method based on a price per hectare is used for land held for sale or development. The comparable market transactions method, based on an Estimated Rental Value per square metre and equivalent yield % is used for properties held for letting to third parties.

#### Analysis of carrying value by valuation technique

	2021 €'000	2020 €'000
Comparable market transactions - Land held for sale or development	26,195	23,138
Comparable market transactions - Properties held for letting	136,360	120,472
	<u>162,555</u>	<u>143,610</u>

Attention is drawn to the risks associated with the valuation of investment properties. Investments in properties are relatively illiquid, which can affect the group's ability to realise their value in cash in the short term. The fair values of the group's investment properties have been determined on the basis of valuations prepared by property professional appraisers and the knowledge, expertise and judgement of management and their advices to the directors.

# Balmoral International Land Holdings plc

## **Notes to the consolidated financial statements** *(continued)*

### **11 Investment property** *(continued)*

#### **Measurements of fair value** *(continued)*

#### **Analysis of carrying value by valuation technique** *(continued)*

The principal property professional appraisers to the group are for Ireland - Linsey; UK - Lambert Smith Hampton and Jones Lang LaSalle and in Continental Europe - CBRE.

Further detail with regard to the geographical and sectoral analysis of the portfolio has been provided within the operating and financial review and in note 2 to the consolidated financial statements. That information should be read in conjunction with this note.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 11 Investment property *(continued)*

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<b><i>Comparable market transactions - Land held for sale or development</i></b>		
The value is based on comparable market transactions after discussions with external property appraisers.	<p><b>Ireland</b></p> <ul style="list-style-type: none"> <li>Comparable market prices of €16,000 - €396,000 per acre (2020: €15,000 - €375,000 per acre) (weighted average €50,000 per acre (2020: €48,000 per acre))</li> </ul> <p><b>UK</b></p> <ul style="list-style-type: none"> <li>Comparable market prices of £7,000 - £513,000 per acre (2020: £7,000 - £498,000 per acre) (weighted average £24,000 per acre (2020: £20,000 per acre))</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>Comparable market values were higher/(lower)</li> </ul>
<b><i>Comparable market transactions - Properties held for letting</i></b>		
This valuation model considers the estimated total net market rental value per square metre of the property and a capitalisation.	<p><b>Ireland</b></p> <ul style="list-style-type: none"> <li>Net market rental income of €2.36 - €33.71 per sq. ft. per annum (2020: €2.36 - €30.00 per sq. ft. per annum) (weighted average of €5.18 per sq. ft. (2020: €4.18 per sq. ft.))</li> <li>Capitalisation yields of 1.72 % - 10.97% (2019 1.84% - 11.0%) (Weighted average 6.45% (2020: 6.1%))</li> </ul> <p><b>UK</b></p> <ul style="list-style-type: none"> <li>Net market rental income of £4.22 - £13.75 per sq. ft. per annum (2020: £2.00 - £13.75 per sq. ft. per annum) (weighted average of £6.26 per sq. ft. (2020: £4.82 per sq. ft.))</li> <li>Capitalisation yields of 7.64 % - 11.11 % (2020: 5.68% - 10.0%) (Weighted average 8.14 % (2020: 7.9%))</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>Expected market rental income was higher/(lower)</li> <li>Capitalisation yields were (higher)/lower</li> </ul>



# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 12 Property, plant and equipment

#### Year ended 31 December 2021

	Computer equipment €'000	Fixtures & fittings €'000	Total €'000
<b>Cost</b>			
At beginning of year	66	142	208
Additions in year	43	-	43
Cost at end of year	109	142	251
<b>Depreciation</b>			
At beginning of year	61	139	200
Charge for year	13	-	13
At end of year	74	139	213
<b>Net book value</b>			
At 31 December 2021	35	3	38

#### Year ended 31 December 2020

	Computer equipment €'000	Fixtures & fittings €'000	Total €'000
<b>Cost</b>			
At beginning of year	58	142	200
Additions in year	8	-	8
Cost at end of year	66	142	208
<b>Depreciation</b>			
At beginning of year	58	139	197
Charge for year	3	-	3
At end of year	61	139	200
<b>Net book value</b>			
At 31 December 2020	5	3	8

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 13 Investments in equity accounted investees

<b>At 31 December 2021</b>	<b>Equity €'000</b>	<b>Loans €'000</b>	<b>Total €'000</b>
Balance at the beginning of the year	-	6,415	6,415
Investment in year	-	8	8
Share of result after taxation	-	(247)	(247)
<b>At end of year</b>	<b>-</b>	<b>6,176</b>	<b>6,176</b>

***Comprised of:***

Investments in joint ventures	-	6,176	6,176
-------------------------------	---	-------	-------

<b>At 31 December 2020</b>	<b>Equity €'000</b>	<b>Loans €'000</b>	<b>Total €'000</b>
Balance at the beginning of the year	-	7,048	7,048
Investment in year	-	5	5
Share of result after taxation	-	(638)	(638)
<b>At end of year</b>	<b>-</b>	<b>6,415</b>	<b>6,415</b>

***Comprised of:***

Investments in joint ventures	-	6,415	6,415
-------------------------------	---	-------	-------

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 13 Investments in equity accounted investees *(continued)*

Share of result after taxation represents the net movement in the groups interest in the equity accounted investees.

The following represents a summary of the group's share of the results for the year of its equity accounted investees.

#### *Income statement for the year ended 31 December 2021*

	<b>Operating result before movement on investment properties €'000</b>	<b>Movement on investment properties and other movements €'000</b>	<b>Result for year €'000</b>
Ireland	-	(8)	(8)
Continental Europe	504	(743)	(239)
<b>Total</b>	<b>504</b>	<b>(751)</b>	<b>(247)</b>

#### *Income statement for the year ended 31 December 2020*

	<b>Operating result before movement on investment properties €'000</b>	<b>Movement on investment properties and other movements €'000</b>	<b>Result for year €'000</b>
Ireland	-	(5)	(5)
Continental Europe	617	(1,250)	(633)
<b>Total</b>	<b>617</b>	<b>(1,255)</b>	<b>(638)</b>

The group's share of the trading results of our material equity accounted investee amounted to €504,000 (2020: €617,000) and the group's share of the results after investment property valuation movements was a loss of €247,000 (2020: loss of €638,000).

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 13 Investments in equity accounted investees *(continued)*

The following represents a summary of the group's share of the assets and liabilities of its equity accounted investees.

*Share of equity accounted investees' assets and liabilities as at 31 December 2021*

	Investment & development properties at valuation €'000	Cash and other assets €'000	Borrowings €'000	Other liabilities €'000	Total net assets €'000
Ireland	-	98	-	-	98
Continental Europe	14,555	782	(8,900)	(359)	6,078
<b>Total</b>	<b>14,555</b>	<b>880</b>	<b>(8,900)</b>	<b>(359)</b>	<b>6,176</b>

*Share of equity accounted investees' assets and liabilities as at 31 December 2020*

	Investment & development properties at valuation €'000	Cash and other assets €'000	Borrowings €'000	Other liabilities €'000	Total net assets/ (liabilities) €'000
Ireland	-	98	-	-	98
Continental Europe	15,125	1,010	(9,500)	(318)	6,317
<b>Total</b>	<b>15,125</b>	<b>1,108</b>	<b>(9,500)</b>	<b>(318)</b>	<b>6,415</b>

Details of the group's significant investments in equity accounted investees are included in note 30 to the consolidated financial statements.

Risks associated with the valuation of investment properties held within these investments are outlined in note 11 to the consolidated financial statements.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 14 Trade and other receivables

	2021 €'000	2020 €'000
Trade and other receivables	2,213	2,348
Prepayments	919	1,011
	<u>3,132</u>	<u>3,359</u>

The group's exposure to credit and foreign currency risks and impairment losses related to trade and other receivables is disclosed in note 25 to the consolidated financial statements.

### 15 Cash and cash equivalents

	2021 €'000	2020 €'000
Bank current balances	23,789	25,737
Cash and cash equivalents in the statement of cash flows	<u>23,789</u>	<u>25,737</u>

The group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 25 to the consolidated financial statements.

### 16 Capital and reserves

#### *Authorised share capital*

	2021 €'000	2020 €'000
90,000,000,000 ordinary shares of €0.00001 each	900	900
5,000,000,000 non-voting redeemable deferred shares of €0.00001 each	50	50
5,000,000 non-voting deferred shares of €0.01 each	50	50
At 31 December	<u>1,000</u>	<u>1,000</u>

The holders of ordinary shares are entitled to one vote per share at meetings of the company and entitled to receive dividends as declared from time to time. The non-voting redeemable deferred shares and the non-voting deferred shares do not entitle the shareholder to receive a dividend, to receive notice of or vote at any general meeting of the company. They entitle the shareholder to a return of capital, on a winding up or otherwise, of the nominal value paid up on the shares.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements (continued)

### 16 Capital and reserves (continued)

#### Issued share capital

	2021 '000	2021 €'000	2020 '000	2020 €'000
<i>Non-voting deferred shares of €0.01 each</i>				
In issue at beginning and end of year	3,317	33	3,317	33
<i>Ordinary shares of €0.00001 each</i>				
In issue at beginning of year	781,960	8	781,960	8
Shares issued on exercise of share options	-	-	-	-
In issue at end of year*	781,960	8	781,960	8
Total issued share capital (€'000)		41		41

\*There were 781,960,048 ordinary shares of €0.00001 each in issue at 31 December 2021.

#### Share premium

	2021 €'000	2020 €'000
Balance at beginning of year	7,875	7,875
Share issue	-	-
Balance at end of year	7,875	7,875

In December 2016, the company raised €7,776,865 of additional equity, by placing 194,421,636 ordinary shares at 4 cent per share. The difference arising between the cash raised and nominal value of the shares issued of €1,944 is accounted for as share premium of €7,774,921.

#### Other reserves

	2021 €'000	2020 €'000
Retained earnings	(87,382)	(108,707)
Share-based payment reserve	295	230
Reorganisation reserve	206,879	206,879
	119,792	98,402

#### Share-based payment reserve

This reserve comprises amounts expensed in the income statement in connection with share option grants less any exercises of such share options. In the current year, the group expensed €65,000 (2020: €76,000) in relation to share option schemes. See note 18 to the consolidated financial statements for further information. When options vest or lapse, the fair value of the share options is reclassified to retained earnings.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 16 Capital and reserves *(continued)*

#### *Reorganisation reserve*

The reorganisation reserve relates to a reorganisation in 2011.

#### *Dividends*

No dividends were paid by the group in the current or previous financial years.

#### *Capital management*

The board's policy is to maintain medium to long term arrangements with finance providers with a view to placing the group in the best possible financial position. The board does not anticipate payment of dividends in the medium term.

The board seeks to maintain appropriate net debt to gross asset ratios and a balance between growth from investment and a sound capital position to meet the day to day needs of the group.

### 17 Loans and borrowings

This note provides information about the contractual terms of the group's loans and borrowings. For more information about the group's exposure to interest rates and foreign currency risk, see note 25.

	2021 €'000	2020 €'000
<b>Non-current liabilities</b>		
Secured bank loans	55,488	55,879
Other payables	9	9
	<u>55,497</u>	<u>55,888</u>
<b>Current liabilities</b>		
Secured bank loans	1,964	6,486
	<u>1,964</u>	<u>6,486</u>

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements (continued)

### 17 Loans and borrowings (continued)

All loans are recorded at amortised cost.

#### Terms and debt repayment schedule

	2021 €'000	2020 €'000
<b>Repayable by instalments:</b>		
Repayable within 1 year	-	-
Repayable within 2 years	-	-
Repayable within 2 -5 years	-	-
<b>Repayable other than by instalments:</b>		
Repayable within 1 year	1,964	6,486
Repayable within 2 years	690	1,600
Repayable within 2 -5 years	2,740	1,980
Repayable after 5 years	52,058	52,299
<b>Total</b>	<b>57,452</b>	<b>62,365</b>

The maximum amount due per the bank agreements is €57,452,000 (2020: €62,365,000) and are as follows:

In September 2015, Balmoral International Land Limited agreed a Facility Agreement for a renewal and extension with the provider of its general corporate facilities. At 31 December 2021 the remaining amounts due under the Facility Agreement were Facility C euro denominated €33,381,000 (2020: €33,432,000) and Facility D sterling denominated £20,227,000 (2020: £26,011,000). These facilities are guaranteed by certain nominated subsidiaries and are required, under the facilities agreement, to be repaid from any residual monies accruing in associated debt servicing accounts, which are funded according to a waterfall of permitted receipts and payments from the various adhered properties and subsidiaries. The facilities are secured over, inter alia, property in the UK and Ireland. Based on the projected funds in the debt servicing accounts and expected disposals, the group expects €937,000 and £863,000 of the remaining debt to be repaid within one year from the balance sheet. Based on projected receipts and payments from the adhered properties, expected debt repayments beyond one year are summarised in the repayable other than by instalments table above.

In January 2020, Everyday Finance DAC (“Everyday”) completed the acquisition of the general corporate facilities from AIB which are governed by the Facility Agreement. In December 2020, on foot of a letter of demand from Everyday, legal proceedings were issued against Balmoral International Land Limited and its nominated subsidiaries. The proceedings relate to Everyday’s claim that an event of default has occurred as a result of Balmoral International Land Limited allegedly not meeting its full loan repayment obligation by 31 December 2019. However, the alleged repayment obligation does not exist within the Facility Agreement. These proceedings are being fully defended by Balmoral International Land Limited and Balmoral is confident that the outcome will be confirmation that no such repayment obligation and consequent event of default exist.

It follows from the above that there is no basis for Everyday to seek to impose default interest on the current balances of Facilities C and D where no event of default has occurred and no default interest can be accrued or accruing on these facilities.

In March 2022 Balmoral International Land Limited concluded a settlement with Everyday Finance DAC, see note 31 for further details.



# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 17 Loans and borrowings *(continued)*

#### Changes in liabilities arising from financing activities

	At 01.01.2021	Cash flow	Foreign currency movement	Disposal of subsidiary	Transfer	At 31.12.2021
	€'000	€'000	€'000	€'000	€'000	€'000
Non-current liabilities	55,888	(6,486)	1,573	-	4,522	55,497
Current liabilities	6,486	-	-	-	(4,522)	1,964
<b>Total</b>	<b>62,374</b>	<b>(6,486)</b>	<b>1,573</b>	<b>-</b>	<b>-</b>	<b>57,461</b>

	At 01.01.2020	Cash flow	Foreign currency movement	Disposal of subsidiary	Transfer	At 31.12.2020
	€'000	€'000	€'000	€'000	€'000	€'000
Non-current liabilities	71,582	(2,667)	(1,640)	(7,820)	(3,567)	55,888
Current liabilities	2,919	-	-	-	3,567	6,486
<b>Total</b>	<b>74,501</b>	<b>(2,667)</b>	<b>(1,640)</b>	<b>(7,820)</b>	<b>-</b>	<b>62,374</b>

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 18 Employee benefits

#### *Defined contribution retirement benefit plan*

The group provides employee benefits under various arrangements, including a defined contribution retirement benefit plan. The expense recognised in the consolidated income statement consists of the company's retirement benefit contributions for the year ended 31 December 2021 as disclosed in note 6 to the consolidated financial statements.

#### *Share-based payments*

The group established a long term incentive plan (LTIP) in October 2015, which entitles executive directors and management to purchase shares in Balmoral International Land Holdings plc. In accordance with the rules of the LTIP, the options granted are exercisable at the weighted average share price for at least three weeks before the grant.

On 16 December 2019, options were granted over 13,666,667 ordinary shares at an exercise price of €0.06 per share, with an expiry date of 10 December 2026.

The share options granted will only vest on the later of the 3<sup>rd</sup> anniversary of the grant of the options or on the publication of the company's audited financial statements showing the net asset value per share of the company's shares equals or exceeds €0.15 per share.

On 28 October 2015, options were granted over 22,435,896 ordinary shares at an exercise price of €0.0234 per share, with an expiry date of 28 October 2022.

The share options granted only vest when the net asset value per share of the company as shown in the company's audited financial statements for financial year ending 31 December 2018, or any of the three subsequent years, equals or exceeds €0.05 per share. This requirement has been achieved.

The fair value of the services received in return for the share options granted is measured by reference to the fair value of the share options at the date of the grant. The estimate of the fair value of the options granted during the year was measured based on a binomial lattice model. The contractual life of the options, which is seven years, is used as an input in this model. Expectations of early exercise are incorporated into the binomial lattice model and are reflected in the assumptions.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 18 Employee benefits *(continued)*

#### *Share-based payments (continued)*

The assumptions used in the binomial lattice model for calculating the fair value of the options granted during 2019 were as follows:

Fair value at measurement date	€0.0166
Weighted average exercise price	€0.06
Expected volatility	28%
Option life	7 years
Expected dividend yield	0.00%
Risk-free interest rate	-0.42%

The weighted-average market price of the shares for the four weeks to 15 December 2019 was €0.0599.

The assumptions used in the binomial lattice model for calculating the fair value of the options granted during 2015 were as follows:

Fair value at measurement date	€0.0080
Weighted average exercise price	€0.0234
Expected volatility	34%
Option life	7 years
Expected dividend yield	0.00%
Risk-free interest rate	0.078%

The expected volatility and option life are expressed as weighted averages used in modelling in the binomial lattice model. The expected volatility is based on the historic volatility of quoted companies considered to be similar in nature to Balmoral.

The weighted average market price of the shares for the three weeks to 20 October 2015 was €0.0234.

The market price of the company's shares at 31 December 2021 was €0.0550 and the range during 2021 was €0.0500 to €0.0600. The total expense for share options recognised in the income statement was €65,000 (2020: €76,000).

### 19 Trade and other payables

	2021 €'000	2020 €'000
Trade and other payables	205	647
Accruals	2,264	2,134
Deferred income	1,347	1,628
Other taxation and social security	1,994	1,908
	<b>5,810</b>	<b>6,317</b>

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 20 Provisions

	2021 €'000	2020 €'000
Balance at beginning of the year	3,458	3,458
Inflationary adjustment	342	-
Balance at end of the year	<u>3,800</u>	<u>3,458</u>

During 2018, the group acquired lands that are subject to an integrated pollution control licence. The group has estimated the costs to remediate the contaminated lands subject to this licence as €3,800,000 (2020:€3,458,000). It is not certain what level of soil and/or groundwater remediation might be required as this would depend on what environmental risk is determined or if decontamination is undertaken prior to the future development or sale of the site. At present the amounts involved and the expected timing of those cash flows are significantly uncertain, are based on management judgement and on expert external advice, where possible, and will to a large degree depend on the outcome of ongoing interaction with the Environmental Protection Agency (EPA). The directors believe that any cash outflows necessary may arise within 5-10 years, however this may change and will be subject to ongoing review.

### 21 Deferred tax assets and liabilities

#### *Recognised deferred tax amounts*

Deferred tax amounts are attributable to the following items:

#### *At 31 December 2021*

	Liabilities 2021 €'000	Assets 2021 €'000
Tax value of accrued rental income	-	(69)
Tax value of accrued interest income	482	-
Tax value of accrued pension expense	-	(1)
Tax liabilities/(assets)	<u>482</u>	<u>(70)</u>
Net tax liabilities	<u>412</u>	

#### *At 31 December 2020*

	Liabilities 2020 €'000	Assets 2020 €'000
Tax value of accrued rental income	-	(36)
Tax value of accrued interest income	178	-
Tax liabilities/(assets)	<u>178</u>	<u>(36)</u>
Net tax liabilities	<u>142</u>	

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 21 Deferred tax assets and liabilities *(continued)*

#### ***Deferred tax***

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities (i.e. whether through use or sale), using the estimated average annual effective income tax rate for the period in which the gain or loss is expected to be settled. The primary components of the group's deferred tax liabilities relate to valuation uplifts on the group's properties over their tax carrying values. The deferred tax assets arise primarily from trading losses forward that can be utilised over a reasonably foreseeable period. The group anticipates recovering this deferred tax asset based on forecast results over the next number of years.

#### **Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items:

	<b>2021</b>	2020
	<b>€'000</b>	€'000
Deductible temporary differences	<b>24,802</b>	21,321

Deferred tax assets have not been recognised in respect of these items on the grounds that there is insufficient evidence that the assets will be recoverable. In the event that sufficient profits are generated in the relevant jurisdictions in the future, these assets may be recovered.

No deferred tax has been recognised on the unremitted earnings of overseas subsidiaries and equity accounted investees as there is no current intention to distribute those reserves.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 21 Deferred tax assets and liabilities *(continued)*

#### Movement in temporary differences during the year ended 31 December 2021

	Balance at beginning of year €'000	Recognised in income €'000	Balance at end of year €'000
Tax value of accrued rental income	(36)	(33)	(69)
Tax value of accrued interest income	178	304	482
Tax value of accrued pension expense	-	(1)	(1)
	<b>142</b>	<b>270</b>	<b>412</b>

#### Movement in temporary differences during the year ended 31 December 2020

	Balance at beginning of year €'000	Recognised in income €'000	Balance at end of year €'000
Investment property gain	3,032	(3,032)	-
Tax value of losses carried forward	(32)	32	-
Tax value of accrued rental income	(2)	(34)	(36)
Tax value of accrued interest income	-	178	178
	<b>2,998</b>	<b>(2,856)</b>	<b>142</b>

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 22 Results per share

#### ***Basic result per share***

The calculations of basic result per share for the years ended 31 December 2021 and 31 December 2020 are based on the result attributable to equity shareholders in the year and the weighted average number of equity shares outstanding during the year calculated as follows:

	2021 €'000	2020 €'000
Result attributable to equity shareholders	<b>21,325</b>	13,674
	<b>2021</b>	2020
	<i>In thousands of shares</i>	
Shares in issue at beginning of year	<b>781,960</b>	781,960
Weighted average number of ordinary shares outstanding at end of year	<b>781,960</b>	781,960
Basic result per share (euro cent)	<b>2.73</b>	1.75

#### ***Diluted result per share***

The calculations of diluted result per share for the years ended 31 December 2021 and 31 December 2020 are based on the result attributable to equity shareholders in the year divided by the weighted average number of equity shares and options with a dilutive effect outstanding during the year.

	2021 €'000	2020 €'000
Result attributable to equity shareholders	<b>21,325</b>	13,674
	<b>2021</b>	2020
	<i>In thousands of shares</i>	
Weighted average number of ordinary shares outstanding at end of year	<b>781,960</b>	781,960
Share options with a dilutive effect	<b>31,829</b>	31,829
	<b>813,789</b>	813,790
Diluted result per share (euro cent)	<b>2.62</b>	1.68

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 23 Net asset value per share

The calculations of net asset value per share at 31 December 2021 and 31 December 2020 are based upon the total equity attributable to the shareholders of the company at 31 December 2021 and 31 December 2020 and the number of ordinary shares outstanding at 31 December 2021 and 31 December 2020 as follows:

	2021 €'000	2020 €'000
Total equity attributable to shareholders of company	<b>127,708</b>	106,318
	2021 <i>In thousands of shares</i>	2020
Total number of ordinary shares outstanding at year end	<b>781,960</b>	781,960
Net asset value per share (euro cent)	<b>16.33</b>	13.60

### 24 Leases

In accordance with IAS 40, property interests held under long leasehold arrangements are classified and accounted for as investment property on a property-by-property basis when the group holds them to earn rent or for capital appreciation or both. Any such property interests held under long leasehold arrangements classified as investment properties are carried at fair value. At 31 December 2021, the market value of such assets was €23,760,000 (2020: €21,802,000). Further geographical analysis of the group's properties is provided in note 2 to the consolidated financial statements.

#### *Operating leases with tenants*

The group leases out certain of its investment properties. The average term to expiry of leases is 1.4 years (2020: 1.3 years). The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2021 €'000	2020 €'000
Less than one year	<b>5,754</b>	6,323
Between one and five years	<b>5,924</b>	2,114
More than five years	<b>262</b>	417
	<b>11,940</b>	8,854



# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 24 Leases *(continued)*

#### *Obligations under operating leases*

Certain of the group's investment properties are held under long term leasehold arrangements, under which the group pays annual ground rents under head leases with remaining life ranging from 51 years to 977 years. The total amounts due under these operating lease agreements are as follows:

	<b>Minimum lease payments 2021 €'000</b>	Minimum lease payments 2020 €'000
Less than one year	<b>34</b>	31
From one to five years	<b>134</b>	126
From five to 25 years	<b>671</b>	629
After 25 years	<b>1,733</b>	1,696
	<b>2,572</b>	2,482

The present value of future lease payments is €288,000 for the group (2020: €270,000), discounted at 6% per annum (2020: 6%), which was the weighted average effective yield of the leases at their acquisition.

### 25 Financial instruments

#### **Financial risk management objectives and policies**

The group's activities are exposed to a variety of financial and market risks including interest rate risk, foreign currency risk, liquidity risk and credit risk. These risks are managed by the group under policies approved by the board of directors and are explained below.

#### **Interest rate risk**

The group's policy is to review each acquisition that it makes and to finance it in a manner most appropriate to the strategic objectives of that investment. There has been no amendment to the group's policy in the current financial year.

The group reviews and considers interest rate alternatives with financial institutions on a regular basis.

Available cash and cash equivalents are placed on deposit for periods of less than 3 months, depending on cash demands for the group and market conditions.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 25 Financial instruments *(continued)*

#### Interest rate profile

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments was:

	<b>Carrying Amount 2021 €'000</b>	<b>Carrying Amount 2020 €'000</b>
<b>Variable rate instruments</b>		
Cash and cash equivalents	<b>23,789</b>	25,737
Financial liabilities	-	-
	<b>23,789</b>	<b>25,737</b>

#### Foreign currency risk

The group operates in sterling and euro and has significant property assets in the UK partly financed by sterling denominated borrowings.

The group's exposure to foreign currency risk for financial instruments was as follows:

	<b>31 December 2021 Stg £'000</b>	<b>31 December 2020 Stg £'000</b>
Trade and other receivables	<b>845</b>	856
Cash and cash equivalents	<b>6,072</b>	8,149
Loans and borrowings (see note 17)	<b>(20,227)</b>	(26,011)
Trade and other payables	<b>(26)</b>	(41)
Accruals	<b>(664)</b>	(766)
Other taxation and social security	<b>(595)</b>	(688)
Gross balance sheet exposure	<b>(14,595)</b>	(18,501)
Add investment property	<b>48,323</b>	47,146
Net balance sheet exposure	<b>33,728</b>	28,645
Gross rental & related income	<b>3,070</b>	3,239
Property outgoings	<b>(1,467)</b>	(1,426)
Net rental income exposure	<b>1,603</b>	1,813
Net interest expense	<b>(3)</b>	-
Net profit & loss exposure	<b>1,600</b>	1,813

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 25 Financial instruments *(continued)*

#### Foreign currency risk *(continued)*

The following significant exchange rates applied during the year:

	Spot Rate		Average Rate	
	2021	2020	2021	2020
GBP 1:	<b>1.19</b>	1.11	<b>1.15</b>	1.12

#### Sensitivity analysis

A 10 per cent strengthening of the euro against sterling would have increased/(decreased) equity and profit (or loss) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

	Other equity €'000	Profit or loss €'000
<b>31 December 2021</b>		
GBP	-	(4,016)
<b>31 December 2020</b>		
GBP	-	(3,186)

The other equity impact balance above relates to the foreign currency risk on translation of equity accounted investees. The profit and loss impact balance above includes the foreign exchange risk on retranslation of properties held in sterling.

A 10 per cent weakening of the euro would have had the equal but opposite effect, on the basis that all other variables remain constant.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 25 Financial instruments *(continued)*

#### Liquidity risk

The group's policy on funding capacity is to ensure that the group has sufficient own funding and bank facilities in place to meet foreseeable requirements.

The following are the group outstanding financial liability obligations, including interest payments:

#### At 31 December 2021

Financial liabilities:	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 – 12 months €'000	1 – 2 years €'000	2 – 5 years €'000	More than 5 years €'000
Secured loan	57,452	57,452	1,964	-	690	2,740	52,058
Other non-current payables	9	9	-	-	9	-	-
Accruals	2,264	2,264	2,264	-	-	-	--
Other taxation and social security	1,994	1,994	1,994	-	-	-	-
Trade and other payables	205	205	205	-	-	-	-
<b>Total</b>	<b>61,924</b>	<b>61,924</b>	<b>6,427</b>	<b>-</b>	<b>699</b>	<b>2,740</b>	<b>52,058</b>

#### At 31 December 2020

Financial liabilities:	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 – 12 months €'000	1 – 2 years €'000	2 – 5 years €'000	More than 5 years €'000
Secured loan	62,365	62,365	6,486	-	1,600	1,980	52,299
Other non-current payables	9	9	-	-	9	-	-
Accruals	2,134	2,134	2,134	-	-	-	-
Other taxation and social security	1,908	1,908	1,908	-	-	-	-
Trade and other payables	647	647	647	-	-	-	-
<b>Total</b>	<b>67,063</b>	<b>67,063</b>	<b>11,175</b>	<b>-</b>	<b>1,609</b>	<b>1,980</b>	<b>52,299</b>

#### Credit risk

The group has two significant tenants from which it derived, respectively, 29% and 16% of its revenue in rental income in the current year (2020: 22% and 14%).

The group has a concentration of credit risk in relation to its cash and cash equivalents which are cash, amounts held on account by solicitors and short term bank deposits.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 25 Financial instruments *(continued)*

#### Credit risk *(continued)*

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is set out below, in addition to guarantees given as outlined in note 26 to the consolidated financial statements.

	Carrying amount	
	2021	2020
	€'000	€'000
Trade and other receivables	2,213	2,348
Investments in equity accounted investees	6,176	6,415
Cash and cash equivalents	23,789	25,737
<b>Total</b>	<b>32,178</b>	<b>34,500</b>

All of the group's trade receivables relate to rental and related income.

The maximum exposure to credit risk for financial assets at the reporting date by geographic region was:

	Carrying amount	
	2021	2020
	€'000	€'000
Ireland	7,671	17,913
Continental Europe	17,677	7,389
United Kingdom	6,830	9,198
<b>Total</b>	<b>32,178</b>	<b>34,500</b>

The amount owed by the group's two most significant tenants at 31 December 2021 was €275,000 (2020: €393,000).

The ageing of trade and other receivables at the reporting date was:

	Carrying amount	
	2021	2020
	€'000	€'000
Not past due	1,277	1,193
Past due 0-30 days	663	817
Past due 31-120 days	113	81
Past due >120 days	160	257
<b>Total</b>	<b>2,213</b>	<b>2,348</b>

The balance of past due >120 days relates to amounts due from tenants in the normal course of business.

#### Impairment

Based on past experience, the group believes that no further provisions are necessary in respect of trade receivables.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 25 Financial instruments *(continued)*

#### Fair values

The fair values of financial assets and liabilities, together with carrying amounts shown in the balance sheet, are as follows:

	31 December 2021		31 December 2020	
	Carrying Amount €'000	Fair Value €'000	Carrying Amount €'000	Fair Value €'000
<b><i>Loans and receivables</i></b>				
Trade and other receivables	2,983	-	3,359	-
Investments in equity accounted investees	6,176	-	6,415	-
<b><i>Cash and cash equivalents:</i></b>				
GBP current account	7,226	-	9,097	-
Euro current account	16,563	-	16,640	-
<b><i>Other liabilities at amortised cost (all level 3)</i></b>				
<b><i>Bank loans:</i></b>				
Euro secured loan	(33,381)	(16,062)	(33,432)	(16,265)
GBP secured loan	(24,071)	(11,737)	(28,933)	(15,335)
Other non-current payables	(9)	-	(9)	-
Trade and other payables	(205)	-	(647)	-
Accruals	(2,264)	-	(2,134)	-
Other taxation and social security	(1,994)	-	(1,908)	-

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

#### Loans and borrowings at amortised cost

For the majority of loans, fair value is calculated based on discounted expected future principal and interest cash flows. The discount rate used was 5%. This rate is an estimated market borrowing rate as at the balance sheet date and does not reflect the group's external borrowing costs which are outlined in note 17 to these financial statements.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 25 Financial instruments *(continued)*

#### Other

The majority of the group's remaining financial assets and liabilities are relatively short-term in nature and accordingly have carrying amounts which approximate their fair value.

### 26 Contingencies and guarantees

The main group contingency and guarantee is as follows:

South East Edinburgh Development Company ("SEEDCo") acquired a substantial parcel of land south of Edinburgh during 2007. Additional consideration may become payable to the vendor when planning consents are received.

### 27 Capital commitments

At 31 December 2021, the company had no unprovided capital commitments.

### 28 Related parties

The group has related party relationships with its subsidiaries and equity accounted investees and with its directors.

To the extent not disclosed elsewhere in these financial statements, details of related party transactions and balances are disclosed below.

#### *Transactions with key management personnel*

Key management personnel who comprise the executive and non-executive directors of the group received total compensation of €1,614,000 (2020: €1,501,000) for the year ended 31 December 2021. Total remuneration is included in "Administration expenses" (see note 6 to the consolidated financial statements). Outside of the director group, no other members of the management team are considered to be key in the context of this disclosure.

Key management personnel compensation (including non-executive directors' fees) is analysed as follows:

	<b>2021</b>	2020
	<b>€'000</b>	€'000
Short term employee benefits	<b>1,549</b>	1,425
Share-based payment charge	<b>65</b>	76
	<b>1,614</b>	1,501

Further details of director compensation are provided in the corporate governance statement on pages 22 to 24.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 28 Related parties *(continued)*

#### *Other group related party transactions*

##### *Transactions with subsidiaries and equity accounted investees*

Information on the group's significant subsidiaries and equity accounted investees is set out in note 30 to the consolidated financial statements. For additional information surrounding transactions with equity accounted investees, see note 13 to the consolidated financial statements.

### 29 Accounting judgements and estimates

Preparation of financial statements pursuant to EU IFRS requires a significant number of judgemental assumptions and estimates to be made. These impact on the income and expenses contained within the income statement and the valuation of the assets and liabilities in the balance sheet. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation. It should be noted that the impact of valuation in some assumptions and estimates can have a material impact on the reported results.

#### *Judgements*

- Judgements made in relation to the assessment of going concern for the group are set out in the basis of preparation and estimates policy in note 1(a) to the consolidated financial statements.
- Judgements made in assessing the carrying value of the group's various equity accounted investees which also contain investment property risk have been set out in note 13 to the consolidated financial statements.
- Judgements made in relation to the accounting for contingencies and guarantees are reviewed on an on-going basis as outlined in the basis of preparation and estimates policy in note 1(a) to the consolidated financial statements.

#### *Estimates*

- Critical accounting policies and estimates related to the group's investment property portfolio are set out in note 1(d) to the consolidated financial statements and are also outlined further in note 11 to the consolidated financial statements.
- An assessment of other financial risks is set out in note 25 to the consolidated financial statements and, in particular, this deals with key estimates relating to the fair value of certain liabilities.



# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 30 Group entities

The group controls a number of subsidiary entities, registered in various jurisdictions, as more fully set out below. It also has an interest in certain equity accounted investees as also set out below.

#### *Significant subsidiaries*

	Registered office	Group share %	Principal activity
<sup>Δ</sup> Balmoral International Land No1 Ltd	1	100	Holding company
Balmoral International Land Limited	6	100	Holding company
Balmoral Land Holding Ltd	1	100	Investment holding company
Swords Property Investments Ltd	1	100	Property investment
Swords Property Developments Ltd	1	100	Property investment
Optiplex Ltd	1	100	Property investment
Balmoral Land Beresford Ltd	1	100	Property investment
Balmoral Land Naul Ltd	1	100	Land dealing & development
Balmoral Land Swords (P) Ltd	1	100	Property investment
Ramparts Property Ltd	1	100	Property investment
Vida Properties Limited	1	100	Holding company
BBALP Limited	1	100	Property investment
Vida M1 Limited	1	100	Property investment
BL Balmoral Ltd	2	100	Property investment
Balmoral Land Brickhill Ltd	2	100	Property investment
Balmoral Land Continental Ltd	2	100	Investment holding company
Balmoral NLF Ltd	2	100	Finance holding company
BL St. Albans Ltd	2	100	Property investment
Balmoral Land Jersey Ltd	2	100	Investment holding company
Overton Farm Development Ltd	7	100	Property development company
BL West Farm Commercial Ltd	7	100	Property development company
BL West Farm Residential Ltd	7	100	Property development company
Balmoral International Land UK Ltd	3	100	Property management
South East Edinburgh Development Company Ltd	7	100	Property development
Vida Lincoln Limited	3	100	Property investment
Balmoral International Land Property Holdings BV	4	100	Investment holding company
Balmoral International Land Group Finance B. V.	4	100	Finance holding company
<sup>#</sup> Afaia Sarl	5	90	Investment holding company

<sup>Δ</sup> Denotes subsidiary owned directly by Balmoral International Land Holdings plc.

<sup>#</sup> The group's shareholding in Afaia Sarl, a company registered and operating in Luxembourg, carries 90% of the total voting rights and control of the board; the non-controlling interest holds 10% of the total voting rights. Balmoral therefore has control of Afaia Sarl and consolidates it as a subsidiary. The net assets consolidated into the group's balance sheet at 31 December 2021 amounted to €4,996,000 and the loss for the year then ended consolidated into the group's results amounted to €26,000.

# Balmoral International Land Holdings plc

## Notes to the consolidated financial statements *(continued)*

### 30 Group entities *(continued)*

#### *Significant equity accounted investees*

	Registered office	Group share %	Principal activity
Duo Capital Sarl	5	50	Investment holding company
1) 29 North Anne Street, Dublin 7, Ireland			
2) Barette Commercial Centre, Route du Mont Mado, St. John, Jersey, JE3 4DS, Channel Islands			
3) Suite C, 226 Regency Court, Upper Fifth Street, Central Milton Keynes, MK9 2HR, United Kingdom			
4) Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands			
5) 16 Allée Marconi, L2120 Luxembourg			
6) 1 Stokes Place, St. Stephen's Green, Dublin 2, Ireland			
7) 115 George Street, Edinburgh, EH2 4JN, Scotland			

A full list of subsidiaries and equity accounted investees is included with the company's annual return filed with the Companies Registration Office, Dublin, Ireland.

### 31 Post balance sheet events

In March 2022, Balmoral International Land Limited concluded a settlement of legal proceedings with its principal lender, Everyday Finance DAC. At the date of settlement Balmoral International Land Limited owed €33.4 million and £20.2 million to Everyday Finance DAC on the terms described in note 17 of the consolidated financial statements. Balmoral made payments of €48 million inclusive of all costs in full and final settlement of the debt. The settlement was funded from cash and a new term loan facility agreement comprising €29.4 million and £12.4 million from Bank of Ireland. The facility, secured over certain assets of the group, is for 3 years with an annual repayment obligation of €2 million plus interest based on interbank market rates and an agreed margin. As a result of this settlement, on 23 March 2022 the legal proceedings with Everyday Finance DAC were struck out. This is a non-adjusting event in the 2021 financial statements and the financial impact of the settlement will be reflected in the 2022 financial statements

### 32 Approval of financial statements

These consolidated financial statements were approved by the board on 22 April 2022.

# Balmoral International Land Holdings plc

## Company statement of changes in equity

*for the year ended 31 December 2021*

	Attributable to equity holders of the parent					
<i>for the year ended 31 December 2021</i>	Issued share capital	Share premium	Retained earnings	Share-based payment reserve	Other reserve	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 December 2020	41	7,875	(16,478)	230	24,639	16,307
Total comprehensive loss	-	-	(8)	-	-	(8)
Share-based payment charge	-	-	-	65	-	65
Balance at 31 December 2021	41	7,875	(16,486)	295	24,639	16,364

*for the year ended 31 December 2020*

for the year ended 31 December 2020

	Attributable to equity holders of the parent					
	Issued share capital	Share premium	Retained earnings	Share-based payment reserve	Other reserve	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 December 2019	41	7,875	(15,034)	154	24,639	17,675
Total comprehensive loss	-	-	(1,444)	-	-	(1,444)
Share-based payment charge	-	-	-	76	-	76
Balance at 31 December 2020	41	7,875	(16,478)	230	24,639	16,307

# Balmoral International Land Holdings plc

## Company balance sheet

as at 31 December 2021

	Notes	2021 €'000	2020 €'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiary	C	10,032	10,032
<b>Total non-current assets</b>		<b>10,032</b>	<b>10,032</b>
<b>Current assets</b>			
Trade and other receivables	E	22,620	21,854
Cash and cash equivalents		10	442
<b>Total current assets</b>		<b>22,630</b>	<b>22,296</b>
<b>Total assets</b>		<b>32,662</b>	<b>32,328</b>
<b>Equity</b>			
Issued share capital	F	41	41
Reserves	F	16,323	16,266
<b>Total equity - all attributable to equity shareholders</b>		<b>16,364</b>	<b>16,307</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	G	16,298	16,021
<b>Total current liabilities</b>		<b>16,298</b>	<b>16,021</b>
<b>Total liabilities</b>		<b>16,298</b>	<b>16,021</b>
<b>Total liabilities and equity</b>		<b>32,662</b>	<b>32,328</b>

On behalf of the board

**Carl McCann**  
Chairman

**Catherine Ghose**  
Finance Director

22 April 2022

# Balmoral International Land Holdings plc

## Company statement of cash flows

for the year ended 31 December 2021

	2021 €'000	2020 €'000
<b>Result after tax</b>	<b>(8)</b>	<b>(1,444)</b>
<i>Adjustments for:</i>		
Share-based payment charge	65	76
Foreign exchange differences	(453)	229
<b>Operating result before changes in working capital</b>	<b>(396)</b>	<b>(1,139)</b>
Increase in trade and other receivables	(313)	(394)
Increase in trade and other payables	277	287
<b>Net cash outflow from operating activities</b>	<b>(432)</b>	<b>(1,246)</b>
Net decrease in cash and cash equivalents	(432)	(1,246)
Cash and cash equivalents at beginning of year	442	1,688
<b>Cash and cash equivalents at end of year</b>	<b>10</b>	<b>442</b>

# Balmoral International Land Holdings plc

## Notes to the company financial statements

### A) Result for the year

The result attributable to equity shareholders in the financial statements of the company was a profit of €8,000 (2020: loss of €1,444,000). In accordance with Section 304(1) and 304(2) of the Companies Act 2014, the company is availing of the exemption from presenting its individual income statement which forms part of the approved financial statements of the company to the Annual General Meeting and from filing it with the Registrar of Companies.

### B) Employees

The company had no employees during the year and incurred no employee costs.

### C) Investment in subsidiary

	2021 €'000	2020 €'000
Balance at beginning and end of year	<u>10,032</u>	10,032

During 2015, as part of a group re-organisation, the company acquired 100% of the issued share capital of its previously indirectly held subsidiary, Balmoral International Land No.1 Limited for a cash consideration of €1. As part of the same group re-organisation, the company disposed of its 100% shareholding in Balmoral International Land Limited (BIL) to its subsidiary Balmoral International Land No. 1 Limited for the consideration of the issue to the company of 1 ordinary share of €1 in Balmoral International Land No. 1 Limited. The carrying value of the investment in BIL at that date was €10,032,000, taking into account a reversal of impairment of the carrying value of this investment of €8,543,000 prior to the reorganisation, to reflect the underlying value of BIL and its subsidiaries.

### D) Financial instruments and risk management

The company's financial assets and liabilities, comprising cash and cash equivalents, trade and other receivables and trade and other payables are short term in nature and accordingly, have carrying amounts that are reflective of fair value.

### E) Trade and other receivables

	2021 €'000	2020 €'000
Amounts owed by group companies	<u>22,620</u>	21,854

All amounts due from group companies are repayable on demand.

# Balmoral International Land Holdings plc

## Notes to the company financial statements *(continued)*

### F) Share capital and share premium

For details, please see note 16 to the consolidated financial statements.

#### *Other reserve*

The other reserve relates to a reorganisation in 2011.

#### *Share-based payment reserve*

This reserve comprises amounts expensed in the income statement in connection with share option grants less any exercises of such share options. See note 18 to the consolidated financial statements for further information.

### G) Trade and other payables

	2021 €'000	2020 €'000
Trade payables	-	3
Accruals	200	384
Amounts owed to group companies	16,098	15,634
	<b>16,298</b>	<b>16,021</b>

All amounts owed to group companies are repayable on demand.

### H) Approval of financial statements

These financial statements were approved by the board on 22 April 2022.

# Balmoral International Land Holdings plc

## Five year summary of group results

	Year ended Dec 2021	Year ended Dec 2020	Year ended Dec 2019	Year ended Dec 2018	Year ended Dec 2017
	€m	€m	€m	€m	€m
Operating profit before net gain on investment	2.0	2.1	2.3	2.1	2.6
Net property valuation movement	21.4	8.8	12.8	15.3	12.2
<b>Result from operating activities</b>	<b>23.4</b>	<b>10.9</b>	<b>15.1</b>	<b>17.4</b>	<b>14.8</b>
Net finance income/(expense)	(1.1)	1.1	(1.1)	(0.3)	0.8
Share of result of equity accounted investees	(0.2)	(0.6)	0.9	0.6	7.4
Profit on disposal of subsidiary	-	2.9	-	-	-
<b>Result before tax</b>	<b>22.1</b>	<b>14.3</b>	<b>14.9</b>	<b>17.7</b>	<b>23.0</b>
Basic result per share (euro cent)	2.73	1.75	1.91	2.29	2.95
Total property assets	168.7	150.0	159.0	142.5	119.4
Equity shareholders' funds	127.7	106.3	92.6	77.5	59.7
Net asset value per share (euro cent)	16.33	13.60	11.84	9.97	7.68