

Balmoral International Land Holdings plc

Annual Report 2023

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Balmoral International Land Holdings plc

Shareholder Information

Investor relations

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

*Catherine Ghose
Balmoral International Land
Holdings plc
29 North Anne Street
Dublin 7
D07 PH36
Ireland*

*Telephone: (01) 887 2788
Email: cghose@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.

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 and settlement

The group's shares are unlisted and, under current rules, it is not possible for a market to operate in the shares but it remains possible for stockbrokers or others to trade share on a negotiated basis

Settlement of trades in the group's shares is less efficient since Brexit as, from June 2021, the UK based Crest System ceased to hold regulatory permission to operate in the EU and this change means electronic settlement is no longer possible. While stockbrokers are in a position to continue buying and selling Balmoral shares, the paper-based system is slower and more cumbersome.

Share Redemption Programme

In response to requests from shareholders to provide a low-cost disposal option for their shares, the directors offered a Share Redemption Programme in July 2023. Future programmes may be offered and, if so, details would be available on www.bilplc.com.

Balmoral International Land Holdings plc

Chairman's Statement

We are pleased to report that 2023 has been a satisfactory year for Balmoral.

The background has been one of uncertainty. The re-emergence of inflation resulted in much higher interest rates. In turn, these increases have had a negative impact on the commercial property market. The market in Ireland and the UK has seen a fall in transactions and a fall in values in many sectors, in particular, office and retail.

Many individual properties have seen significant declines. Bank debt is both more expensive and more difficult to obtain. We are fortunate that Balmoral's combination of assets, helped by some one-off gains, are to date only slightly affected by this cyclical downturn and that our combined property portfolio increased in value from €137.2m in 2022 to €138.1m at the end of 2023.

The UK listed property sector mainly consisting of REITS is significantly impacted. While many trade at high multiples of earnings, the largest and best REITS trade at a substantial discount to net assets and the smallest are at greater discounts. This likely reflects concerns over future asset values, and the financial challenges of higher interest rates.

The refinancing of Balmoral's Banking facilities was well timed and has placed the Group on a secure financial footing for the first time in many years. The decision by Balmoral to sell two properties just before the market decline was also timely and has left the Group in a small positive net cash position.

The Group operates principally in the UK and Ireland with one investment in Europe. Overall, we have seen a limited decline in NAV in 2023 from €140.6m to €136.4m which includes the planned reduction from the Share Redemption Program. Although our leases are of a short duration, our rental income remains strong.

We concluded the Optional Share Redemption Program in the first half of 2023 and returned €2.57m to 1,344 shareholders. We were pleased to be able to offer this choice to shareholders; the first time we had been in a financial position to do so. We had originally allocated €2m to the redemption programme but, in view of the demand from shareholders, the board exercised its authority to increase the sum available to fully satisfy all redemption requests. Depending on developments over the course of this year, we may offer a further share redemption programme later in 2024, the details of which would be advised on our website www.bilplc.com.

Following completion of the redemption programme and in accordance with the authority granted by shareholders in general meeting, we consolidated our share capital by a factor of 100 to create 7,516,059 Ordinary Shares of €0.001 each.

Combining requests from shareholders to donate their proceeds of redemption to charity with proceeds of the redemption of the fractional share entitlements arising from the share consolidation resulted in a donation of €26,533 to Our Lady's Hospice and Care Services.

We are delighted to welcome Davy McCann to the Board. Davy, a business graduate of Trinity College, is a successful and energetic entrepreneur who has established a consumer products business.

On behalf of the Board, I would also like to thank Philip Halpenny who retired as a non-executive Director and Niall Quigley who retired as Company Secretary, both at the end of 2023. Philip and Niall were in Balmoral from the beginning and made a huge contribution over many years, and we greatly appreciate their success in stabilising the business during the financial downturn. We offer them both our best wishes for the future.

Balmoral International Land Holdings plc

Chairman's Statement *(continued)*

I would like to thank our wonderful people for their exceptional work again in 2023. We are fortunate to have a team with vast experience and knowledge. This is a complex business and it requires skill, hard work and determination to overcome challenges and achieve good results.

We hope 2024 will be a year of activity as we endeavour to move forward the development plans for a number of our properties. The advancement of planning is complex and costly but is necessary to create value in the longer term.

While commentators are forecasting a reduction in interest rates later this year, their view of the commercial property market remains negative. While it seems unlikely that our assets will increase in value during 2024, the downside risk is hopefully also limited.

The company will seek, as always, to optimize the outcome for 2024.

Carl McCann

Chairman

15 May 2024

Balmoral International Land Holdings plc

Operating and Financial Review

Operating review

Developments during the year

Net asset value per share of €18.14 at 31 December 2023 was up from €17.93 at 31 December 2022. This is calculated after the redemption and consolidation of shares in July 2023.

Developments during the year included:

- At December 2023, the group had debt of €33.3 million (2022: €35.0 million) and net assets of €136.4 million (2022: €140.6 million).
- The group's net cash at 31 December 2023 amounted to €3.8 million (2022: €7.5 million).
- A share redemption programme was offered to shareholders in July 2023.
- The group's share capital was consolidated by a factor of 100 in July 2023.
- The group had a net receipt of €1.1m from sales of land in Dublin.

Investment property

Total investment property assets at 31 December 2023 amounted to €138.1 million compared to €137.2 million at the start of the year. The movements in values, analysed geographically, were as follows:

	Ireland €'m	UK €'m	Total €'m
Value at 1 January 2023	93.7	43.5	137.2
Investments during year	0.6	0.5	1.1
Disposals in year	(1.1)	-	(1.1)
Fair value adjustments	(0.9)	0.9	-
Translation of sterling denominated properties	-	0.9	0.9
Value at 31 December 2023	92.3	45.8	138.1

Balmoral International Land Holdings plc

Operating and Financial Review *(continued)*

Operating review *(continued)*

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:

	Ireland	UK	Total
At 31 December 2023	€'m	€'m	€'m
Industrial/warehouse	67.9	26.0	93.9
Office	7.5	11.1	18.6
Mixed use land	16.9	8.7	25.6
Total	92.3	45.8	138.1
Percentage	66.8%	33.2%	100%

The group's property portfolio at 31 December 2023 by value comprised 68% industrial/warehouse, 14% office and 18% mixed use land. In Ireland, 74% was weighted to industrial/warehouse, 8% to office and 18% to mixed use land. In the UK, it is 57% industrial/warehouse, 24% office and 19% mixed use land.

Analysis of gross rental income and related income by geography

The group's gross rental and related income of €9.7 million in the year ended 31 December 2023 was derived 62% from Ireland and 38% 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 €1.1 million. The movement in the value of the group's UK property assets includes an increase of €0.9 million arising from the strengthening of sterling against the euro during the year and a further €0.5 million increase in net assets arising on the translation of cash and loans denominated in sterling and other movements offset by a decrease of €0.3 million arising on the translation of bank loans renumeralated in sterling.

Post balance sheet events

There were no post balance sheet events requiring disclosure in the financial statements.

Future plans

The operating environment for the group's business has become more challenging as a result of increased interest rates. This reduces the amount of credit available for expansion and puts pressure on our tenants' businesses. It also makes development less attractive until rental rates adapt. The group is nonetheless hoping to acquire assets at attractive prices due to wider distress in the markets as a result of higher interest rates. 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.

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Operating and Financial Review *(continued)*

Financial review

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 €9.7 million (2022: €10.7 million). Property outgoings were €3.8 million (2022: €3.6 million), giving net rental income of €5.9 million (2022: €7.1 million). Net rental income was lower in 2023 than in 2022 due to the loss of income in the UK as a result of the disposal of property in June 2022 which was partially offset by the increase in income in Ireland as a result of new leases and rent reviews.

Net property valuation movement

Total net property valuation gain for the year was €0.8 million (2022: €10.0 million) comprising a positive movement in the UK of €0.9 million (2022: €12.4 million) off-set by a negative fair value movement on properties in Ireland of €0.9 million (2022: €2.8 million), a foreign currency exchange gain on UK properties of €0.9 million (2022: loss of €2.2 million) and disposal costs of €0.1 million (2022: €0.9 million).

Administrative expenses

Total administrative expenses for the year were €5.0 million (2022: €8.6 million) comprising continuing administrative expenses of €4.5 million (2022: €3.7 million) with €0.5 million non-recurring expenses (2022: €4.9 million). In 2023 the non-recurring expenses related to the costs of the share redemption programme.

Share of result of equity accounted investees

The group holds a 50% interest in a Belgian property. In 2022, there was a charge in the income statement of €6.1 million arising from a reduction in the valuation of the property. This was due to a significant increase in expected vacancies at the building, projected reductions in rental values and potential upgrading requirements to meet future environmental standards. The carrying value of the investment has been reduced to €Nil. In 2023 additional investment of €0.3 million was required as part of an agreed extension of its banking facility. This investment was written off at the year end.

Net finance expense/income

Net finance expense was €0.9 million (2022: net finance income of €10.8 million) comprising interest payable on borrowings of €1.7 million (2022: €1.3 million) and a loss on translation of sterling loans of €0.3 million (2022: a gain of €0.7 million) off-set by interest on term deposits of €0.6 million (2022: €Nil) and a net gain on translation of cash and cash equivalents and other monetary assets and liabilities of €0.5 million (2022: net loss of €1.5 million).

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Operating and Financial Review *(continued)*

Financial review *(continued)*

Taxation

The net tax balance for the year was a charge of €2.2 million (2022: €0.5 million), comprising an income tax charge of €0.6 million (2022: €0.5 million) and a deferred tax charge of €1.6 million (2022: €Nil). 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 negative €0.23 (2022: positive €1.64) and diluted result per share for the year was negative €0.22 (2022: positive €1.60).

Dividend

Consistent with the stated distribution policy of the company, no dividend has been declared for the year (2022: €Nil).

Total equity attributable to shareholders

Total equity attributable to shareholders at 31 December 2023 amounted to €136.4 million (2022: €140.6 million), resulting in a net asset value per share of €18.14 (2022: €17.93).

Borrowings

The group's net cash at 31 December 2023 amounted to €3.8 million (2022: €7.5 million). This figure comprised cash balances of €37.1 million (2022: €42.5 million) less gross borrowings of €33.3 million (2022: €35.0 million).

Conclusion

Notwithstanding the challenges in the group's general operating environment, the group plans 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.

15 May 2024

Balmoral International Land Holdings plc

Directors and Secretary

Carl McCann, BBS, MA, FCA, 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, HD Estate Management, Chief Executive, 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, Finance Director and Company Secretary, was appointed finance director of the group on 1 October 2012. She is managing director of Charles McCann Investments Limited, a former independent member of the Audit and Risk Management Committee of University College Dublin and a former member of the board of the National Maternity Hospital.

Tom Neasy, 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.

Philip Halpenny, BBS, FCA, Non-Executive Director, was finance director and chief operating officer of Balmoral until he retired from his executive roles in September 2012. He remained on the board, was a member of the audit committee and continued to provide consultancy services to the group until his retirement from the board on 31 December 2023.

Andrew Kelliher, B.Comm, 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, 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.

Tom Murphy, Non-Executive was appointed to the board in 2022. He is a chartered accountant with over 30 years of financial and commercial experience while based in the UK, the US and Ireland. He served as CFO of Fyffes Plc. for 14 years. Now retired, he is a non-executive director of a number of companies. He is chairperson of the Balmoral audit committee.

Davy McCann, BBS, Non-Executive was appointed to the board on 1 July 2023. He is a business and economics graduate and a property and consumer goods entrepreneur.

Niall Quigley, FCA, 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. He retired from Balmoral on 31 December 2023.

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Financial statements

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Balmoral International Land Holdings plc

Corporate profile

Directors	C. McCann (Chairman) R. Knox (Chief Executive) (British) C. Ghose P. Halpenny (Resigned 31 December 2023) A. Kelliher D. McCourt T. Murphy T. Neasy D. McCann (appointed 1 July 2023)
Company Secretary	C. Ghose (Appointed 1 January 2024) N. Quigley (Resigned 31 December 2023)
Registered Office	1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Solicitors	Arthur Cox LLP 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 2023.

Principal activities and business review

Balmoral International Land Holdings plc (“Balmoral”) is an unquoted public limited company incorporated in Ireland. Balmoral is an international property business focused on growing its 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 5 to 8.

Result for the year

Details of the result for the year ended 31 December 2023 are set out in the consolidated income statement on page 31.

Dividend

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

Share Redemption Programme

In response to requests from shareholders to provide a low-cost disposal option for their shares, the directors offered a Share Redemption Programme in July 2023.

Future developments

A review of future developments in the business is included in the operating and financial review on pages 5 to 8.

Balmoral International Land Holdings plc

Directors' report *(continued)*

Interests of directors and secretary

The directors and secretary who held office at 31 December 2023 have the following interests in the shares of the company or group companies.

	Nature of Interest	€0.001 Ordinary shares held at 15 May 2024	€0.00001 Ordinary shares held at 22 May 2023
Directors			
C. McCann	Ordinary shares	695,567	69,556,777
R. Knox	Ordinary shares	60,159	6,015,988
C. Ghose	Ordinary shares	92,735	9,273,504
T. Neasy	Ordinary shares	34,390	3,439,068
P. Halpenny [^]	Ordinary shares	25,133	2,513,318
A. Kelliher	Ordinary shares	800	80,000
D. McCourt	Ordinary shares	57,781	5,778,068
T. Murphy	Ordinary shares	669,591	66,959,127
D. McCann*	Ordinary shares	33,569	N/A
Company Secretary			
N. Quigley [^]	Ordinary shares	128	12,850

[^] P. Halpenny and N. Quigley retired from Balmoral on 31 December 2023.

*D. McCann was appointed to the board on 1 July 2023.

The directors and company secretary who held office at 31 December 2023 also had beneficial interests in options over the company's ordinary shares. See Directors' Remuneration in the corporate governance statement on pages 24 to 26 for more information.

Substantial holdings

As of 15 May 2024, the company has been notified of the following significant interests and ownerships relating to the ordinary share capital of the company.

	Number of Ordinary Shares	Percentage
Huntroyde Ltd (i)	2,592,295	34.49%
C. McCann	695,567	9.25%
D. V. McCann	505,081	6.72%
Balkan Investment Unlimited Company & related parties (ii)	824,797	10.97%
T. Murphy	669,591	8.91%

(i) C. McCann, D. V. 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 6.02% 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.

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Directors' report *(continued)*

Share capital

Details of shares issued are set out in note 15 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 group's key long term financial objective is growth in its net asset value per share.
- *Net cash 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 cash to gross property assets. The consolidated net cash to gross property assets of the group at 31 December 2023 was 2.7% (2022: 5.5%).
- *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, planning permissions and, ultimately, sales.

Financial risk management

The group's activities expose it to a variety of financial risks including economic, valuation, 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 24 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 the group faces are:

- *Property values*
The performance of the group is determined principally by the values of and income from 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, demand, development costs, 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

Balmoral International Land Holdings plc

Directors' report *(continued)*

Principal risks and uncertainties *(continued)*

- *Property values (continued)*

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, by focusing on the markets where it has location knowledge 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.

- *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.

- *Interest rate*

The group is exposed to risks of increases in interest rates. The board has mitigated this risk by fixing the interest rate for a significant portion of debt.

- *Financing*

The group is exposed to the reduced number of banks offering finance to Irish companies which has consequences for financing acquisitions, financing projects and, ultimately, for refinancing the portfolio. The group mitigates this risk by maintaining and fostering relationships with a wide range of banks, by maintaining cash reserves and by holding properties attractive for bank financing.

- *Development*

The group's ability to realise its business strategy is dependent on management's ability to source occupiers and finance to enable it to exploit development opportunities in its portfolio. The board has mitigated these risks by the appointment of a suitably qualified management team, professional advisors and by conserving cash and continuing to negotiate appropriate financing arrangements to evaluate and fund its plans.

- *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 denominated financing arrangements.

Balmoral International Land Holdings plc

Directors' report *(continued)*

Principal risks and uncertainties *(continued)*

- *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 the adoption of prudent monitoring and remediation strategies.
- *Sustainability*
As a result of the age and condition of its properties, the group is exposed to changing criteria for bank financing reflecting a new green agenda. The board mitigates the risk by investing in property improvements to improve the sustainability credentials of its portfolio.
- *Taxation and political risks*
The group owns properties in a number of jurisdictions and is exposed to changes in local tax legislation rules and in particular the group holds a portfolio of Irish development land. There are a number of government proposals in circulation which could have the effect of applying high levels of taxation to gains arising from rezoning and planning. The board mitigates the risk through the engagement of expert tax advice and prudent planning.

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 contributions

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

Post balance sheet events

There were no post balance sheet events requiring disclosure in the financial statements.

Balmoral International Land Holdings plc

Directors' report *(continued)*

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.

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 29 to the consolidated financial statements.

Notice of Annual General Meeting

Your attention is drawn to page 96 to the notice of the AGM of the company which will be held at the Hilton Dublin Airport Hotel, Northern Cross, Malahide Road, Dublin 17 on 26 June 2024 at 10.00am.

On behalf of the board

Carl McCann
Chairman

Catherine Ghose
Finance Director

15 May 2024

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 2023, the board comprised four executive directors and five non-executive directors. Biographical details of the directors are set out on page 9.

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 2023 was as follows:

	Board	Audit	Remuneration
Number of meetings	6	2	1
C. McCann	6	n/a	n/a
R. Knox	6	n/a	n/a
C. Ghose	6	2*	n/a
T. Neasy	6	n/a	n/a
P. Halpenny	4	2	n/a
A. Kelliher	6	2	1
D. McCourt	5	n/a	1
T. Murphy	6	2	n/a
D. McCann**	3	n/a	n/a

** In attendance only*

**** D. McCann** was appointed to the board effective 1 July 2023. He was in attendance at the June 2023 board meeting.

Terms of appointment

Non-executive directors have been invited to join the board for a three-year period which may be extended by the Chairman.

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 2023, 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 2023, the audit committee comprised of three non-executive directors, A. Kelliher, P. Halpenny and T. Murphy all 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 on the committee at the time.

T. Murphy is appointed chairman of the audit committee. The board believes that T. Murphy has the requisite recent relevant financial experience to chair the audit committee. It is also satisfied that P. Halpenny and A. Kelliher are sufficiently knowledgeable in relevant financial matters to enable them to fulfil their 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. In October 2022, this option date was extended to 28 October 2025.

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 15 for options exercised to date). As at 31 December 2023, options over 2,136,752 shares remain under this award.

Balmoral International Land Holdings plc

Corporate governance statement *(continued)*

Remuneration committee *(continued)*

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 €0.0600 per share, with an expiry date of 16 December 2026.

The share options granted vested on 16 December 2022.

During 2023, payments in total of €17,000 were made to management in lieu of options over 16,667 ordinary shares granted in 2019 at €0.0600 (€6.0 after the 100 to 1 share consolidation in July 2023). These payments were calculated on the basis of a share price of €7 a share.

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.

Balmoral International Land Holdings plc

Corporate governance statement *(continued)*

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 the consolidated financial statements is given on page 27. 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 20 and 21, 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

2023	Salary and fees €'000	Other benefits and payments €'000	Payment in lieu of share options €'000	Restructuring (non-recurring) €'000	Total €'000
<i>Executive directors</i>					
C. McCann	310	-	-	-	310
R. Knox	654	6	-	-	660
C. Ghose	-	375	-	-	375
T. Neasy	286	-	-	-	286
	1,250	381	-	-	1,631
<i>Non-executive directors</i>					
P. Halpenny	-	50	-	-	50
A. Kelliher	50	-	-	-	50
D. McCourt	50	-	-	-	50
T. Murphy	50	-	-	-	50
D. McCann	25	-	-	-	25
	175	50	-	-	225
Share-based payment charge					11
Total directors' remuneration					1,867
2022	Salary and fees €'000	Other benefits and payments €'000	Payment in lieu of share options €'000	Restructuring (non-recurring) €'000	Total €'000
<i>Executive directors</i>					
C. McCann	205	-	-	200	405
R. Knox	582	4	-	114	700
C. Ghose	-	245	-	447	692
T. Neasy	278	-	117	-	395
	1,065	249	117	761	2,192
<i>Non-executive directors</i>					
P. Halpenny	-	55	-	50	105
A. Kelliher	45	-	-	50	95
D. McCourt	45	-	-	50	95
T. Murphy	25	-	-	-	25
	115	55	-	150	320
Share-based payment charge					22
Total directors' remuneration					2,534

Balmoral International Land Holdings plc

Corporate governance statement *(continued)*

Directors' remuneration *(continued)*

In 2022, non-recurring remuneration was paid on conclusion of the multi-year project to stabilise the group's finances. It involved refinancing of the portfolio, the acquisition of the group's debt at a discount and the resolution of the group's banking litigation.

C. McCann, chairman of Balmoral, was also chairman of Dole plc throughout 2022 and 2023. In 2023 his remuneration was €310,000 (2022: €405,000).

R. Knox is UK based and his salary and other benefits are agreed and paid in sterling and were €660,000 in 2023 (2022: €700,000).

C. Ghose was finance director of Balmoral and was also managing director of Charles McCann Investments Limited throughout 2022 and 2023. 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. In 2023, this amounted to €375,000 (2022: €692,000).

T. Neasy's remuneration in 2023 was €286,000 (2022: €395,000 including an amount of €117,000 in lieu of share options).

P. Halpenny was a member of the board in 2022 and 2023 and, in addition, provided consultancy services to the company. Fees paid to him under this arrangement amounted to €50,000 in 2023 (2022: €105,000).

D. McCann was appointed to the board on 1 July 2023. T. Murphy was appointed to the board on 1 July 2022.

The directors and company secretary who held office at 31 December 2023 had the following beneficial interests in options over the company's ordinary shares:

	Options held at 31 December 2022 €	Granted during the year €	Exercised /waived during the year €	Options held at 31 December 2023 €	Exercise Price €	Date first exercisable Date	Expiry date Date
Directors							
C. McCann	150,000	-	-	150,000	0.0600	16/12/22	16/12/26
R. Knox	50,000	-	-	50,000	0.0234	01/05/19	28/10/25*
	165,000	-	-	165,000	0.0600	16/12/22	16/12/26
C. Ghose	100,000	-	(100,000)	-	0.0234	01/05/19	28/10/25*
	135,000	-	-	135,000	0.0600	16/12/22	16/12/26
T. Neasy	120,000	-	-	120,000	0.0600	16/12/22	16/12/26
Company Secretary							
N. Quigley	100,000	-	(100,000)	-	0.0600	16/12/22	^^

* The expiry date was extended from 28 October 2022 to 28 October 2025 in October 2022.

^^ During 2023 payments totalling €17,000 were made to N. Quigley in lieu of the options reflecting a share price of €7.00 per share.

Balmoral International Land Holdings plc

Corporate governance statement *(continued)*

Directors' remuneration *(continued)*

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 consolidated financial statements

The directors are responsible for preparing the directors' report and the consolidated 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

15 May 2024

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 December 31, 2023 set out on pages 31 to 94, 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 and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

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 December 31, 2023 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; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

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 26, 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 or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

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.

17 May 2024

Keith Watt

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Stokes Place

St. Stephen's Green

Dublin 2

D02 DE03

Balmoral International Land Holdings plc

Consolidated income statement

for the year ended 31 December 2023

		2023 €'000	2022 €'000
Continuing operations	<i>Notes</i>		
Gross rental and related income	3	9,713	10,728
Property outgoings	4	(3,763)	(3,618)
Net rental and related income		5,950	7,110
Net property valuation movement	5	841	10,014
Net property and related income		6,791	17,124
Administration expenses	6	(5,021)	(8,581)
Result from operating activities	7	1,770	8,543
Share of result of equity accounted investees	12	(308)	(6,084)
Finance income	8	1,096	13,707
Finance expense	8	(2,044)	(2,870)
Net finance (expense)/income		(948)	10,837
Result before tax		514	13,296
Income tax expense			
- current	9	(633)	(434)
- deferred	9	(1,583)	(28)
Net income tax expense		(2,216)	(462)
Result for the year		(1,702)	12,834
Attributable to:			
Equity shareholders of the company		(1,726)	12,840
Non-controlling interest		24	(6)
Result for the year		(1,702)	12,834
Basic result per share (euro)	21	(0.23)	1.64
Diluted result per share (euro)	21	(0.22)	1.60

Balmoral International Land Holdings plc

Consolidated statement of comprehensive income

for the year ended 31 December 2023

	2023 €'000	2022 €'000
Result for the year	(1,702)	12,834
Other comprehensive income		
<i>Items that will or may be reclassified to profit or loss:</i>		
Foreign currency translation (loss)/gain on equity accounted investees	-	-
Total comprehensive (loss)/income for the year	(1,702)	12,834
Attributable to:		
Shareholders of the company	(1,726)	12,840
Non-controlling interest	24	(6)
Total comprehensive (loss)/income for the year	(1,702)	12,834

Balmoral International Land Holdings plc

Consolidated statement of changes in equity

for the year ended 31 December 2023

31 December 2023 Attributable to equity holders of the parent

	Issued share capital €'000	Share premium €'000	Retained earnings €'000	Share-based payment reserve €'000	Reorganisation reserve €'000	Total €'000	Minority interest €'000	Total equity €'000
Balance at 31 December 2022	41	7,925	(74,525)	267	206,879	140,587	493	141,080
Total comprehensive loss	-	-	(1,726)	-	-	(1,726)	24	(1,702)
Dividend to minority interest	-	-	-	-	-	-	(493)	(493)
Share-based payment charge	-	-	-	(21)	-	(21)	-	(21)
Share issue	-	100	35	(35)	-	100	-	100
Share redemption	-	-	(2,573)	-	-	(2,573)	-	(2,573)
Balance at 31 December 2023	41	8,025	(78,789)	211	206,879	136,367	24	136,391

31 December 2022 Attributable to equity holders of the parent

	Issued share capital €'000	Share premium €'000	Retained earnings €'000	Share-based payment reserve €'000	Reorganisation reserve €'000	Total €'000	Minority interest €'000	Total equity €'000
Balance at 31 December 2021	41	7,875	(87,382)	295	206,879	127,708	499	128,207
Total comprehensive income	-	-	12,840	-	-	12,840	(6)	12,834
Share-based payment charge	-	-	-	(11)	-	(11)	-	(11)
Share issue	-	50	17	(17)	-	50	-	50
Balance at 31 December 2022	41	7,925	(74,525)	267	206,879	140,587	493	141,080

Balmoral International Land Holdings plc

Consolidated balance sheet

As at 31 December 2023

	Notes	2023 €'000	2022 €'000
Assets			
Non-current assets			
Investment property	10	138,082	137,168
Property, plant and equipment	11	18	23
Investments in equity accounted investees	12	98	98
Deferred tax assets	20	3,958	990
Total non-current assets		142,156	138,279
Current assets			
Trade and other receivables	13	2,083	1,807
Cash and cash equivalents	14	37,075	42,503
Total current assets		39,158	44,310
Total assets		181,314	182,589
Equity			
Issued share capital	15	41	41
Share premium	15	8,025	7,925
Other reserves	15	128,301	132,621
Total equity attributable to equity shareholders of the company		136,367	140,587
Non-controlling interest		24	493
Total equity		136,391	141,080
Liabilities			
Non-current liabilities			
Loans and borrowings	16	31,293	33,001
Provisions	19	150	150
Deferred tax liabilities	20	5,980	1,430
Total non-current liabilities		37,423	34,581
Current liabilities			
Trade and other payables	18	5,500	4,928
Loans and borrowings	16	2,000	2,000
Total current liabilities		7,500	6,928
Total liabilities		44,923	41,509
Total liabilities and equity		181,314	182,589
Net asset value per share (euro):	22	18.14	17.93

On behalf of the board

Carl McCann
Chairman

Catherine Ghose
Finance Director

15 May 2024

Balmoral International Land Holdings plc

Consolidated statement of cash flows

for the year ended 31 December 2023

		2023	2022
	Notes	€'000	€'000
Cashflows from operating activities			
Result after tax		(1,702)	12,834
<i>Adjustments for:</i>			
Net property valuation movement	5	(841)	(10,014)
Settlement of bank debt	8	-	(13,000)
Finance income	8	(607)	(27)
Finance expense	8	1,730	1,333
Exchange difference on non-property monetary net assets	8	(175)	857
Depreciation	11	19	17
Share-based payment charge	17	(21)	(11)
Share of result of equity accounted investees	12	308	6,084
Net income tax expense	9	2,216	462
Operating result before changes in working capital		927	(1,465)
Increase/(decrease) in trade and other payables		261	(558)
(Increase)/decrease in trade and other receivables		(144)	812
Net cash generated from/(used in) operating activities		1,044	(1,211)
 Interest paid		 (1,726)	 (1,296)
Income tax paid		(550)	(551)
Net cash outflow from operating activities		(1,232)	(3,058)
 Cash flows from investing activities			
Interest received		492	27
Additions to investment property		(957)	(806)
Net cash outflow from equity accounted investees		(308)	(6)
Proceeds from disposal of investment property		1,058	32,555
Net cash inflow from investing activities		285	31,770
 Cash flows from financing activities			
Repayment of borrowings		(2,000)	(8,801)
Share issue		100	50
Share redemption		(2,573)	-
Dividend to minority interest		(493)	-
Net cash outflow from financing activities		(4,966)	(8,751)
 Net (decrease)/increase in cash and cash equivalents		 (5,913)	 19,961
Cash and cash equivalents at beginning of year		42,503	23,789
Foreign exchange gain/(loss) on cash and cash equivalents		485	(1,247)
 Cash and cash equivalents at end of year	14	 37,075	 42,503

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 2023 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 15 May 2024.

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 2023.

(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 and derivative financial instruments 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 2023

Below is a list of standards and interpretations that were required to be applied in the year ended 31 December 2023, effective 1 January 2023. There was no material impact on the financial statements in the current year.

- IFRS 17: *Insurance Contracts*
- *Disclosure of Accounting Policies* – Amendments to IAS1 and IFRS Practice Statement 2
- *Definition of Accounting Estimates* – Amendments to IAS 8
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* – Amendments to IAS 12

The adoption of other new standards, interpretations and amendments that become effective for the year ended 31 December 2023 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 2024 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.

- *Non-current Liabilities with Covenants* – Amendments to IAS1 and *Classification of Liabilities as Current or Non-current* – Amendments to IAS 1
- *Lease Liability in a Sale and Leaseback* – Amendment to IFRS 16
- *Supplier Finance Arrangements* – Amendments to IAS 7 and IFRS 7
- *Lack of Exchangeability* – Amendments to IAS 21
- *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.

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 28 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 2023.

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.

(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

Income statement	Ireland	UK	Continental Europe	Consolidated
<i>for the year ended 31 December 2023</i>	€'000	€'000	€'000	€'000
Gross rental income	5,480	1,873	-	7,353
Service charge income	574	1,786	-	2,360
Property operating expenses	(929)	(2,834)	-	(3,763)
Net rental and related income	5,125	825	-	5,950
Valuation movement on investment properties	(981)	1,822	-	841
Operating result	4,144	2,647	-	6,791
Share of result of equity accounted investees	(8)	-	(300)	(308)
Operating result before corporate expenses, finance expenses & income tax	4,136	2,647	(300)	6,483

Reconciliation to result for the year

Administrative expenses	(5,021)
Net finance expense	(948)
Net income tax expense	(2,216)
Result for year	(1,702)

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

2 Operating segments (continued)

(a) Geographical segments (continued)

Income statement for the year ended 31 December 2022	Ireland €'000	UK €'000	Continental Europe €'000	Consolidated €'000
Gross rental income	5,579	2,073	-	7,652
Service charge income	789	2,287	-	3,076
Property operating expenses	(1,422)	(2,196)	-	(3,618)
Net rental and related income	4,946	2,164	-	7,110
Valuation movement on investment properties	620	9,394	-	10,014
Operating result	5,566	11,558	-	17,124
Share of result of equity accounted investees	(6)	-	(6,078)	(6,084)
Profit on disposal of subsidiary	-	-	-	-
Operating result before corporate expenses, finance expenses & income tax	5,560	11,558	(6,078)	11,040
<i>Reconciliation to result for the year</i>				
Administrative expenses				(8,581)
Net finance income				10,837
Net income tax expense				(462)
Result for year				12,834

Depreciation expense incurred does not relate to a segment and is further set out in note 11 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 four significant tenants from which it derived a total of 70% of its gross rental income in the current year (2022: 68%), each comprising over 10% of gross rental income.

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 2023

Segment assets	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Investment property	92,250	45,832	-	138,082
Investment in equity accounted investees	98	-	-	98
Trade and other receivables	1,209	870	4	2,083
	<u>93,557</u>	<u>46,702</u>	<u>4</u>	<u>140,263</u>

Reconciliation to total assets as reported in the group balance sheet

Deferred tax asset	3,958
Property, plant and equipment	18
Cash and cash equivalents	<u>37,075</u>
Total assets	<u>181,314</u>

Segment liabilities	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Loans and borrowings	19,011	14,268	14	33,293
Provisions	150	-	-	150
Trade and other payables	3,603	1,158	739	5,500
	<u>22,764</u>	<u>15,426</u>	<u>753</u>	<u>38,943</u>

Reconciliation to total liabilities as reported in the group balance sheet

Deferred tax liabilities	<u>5,980</u>
Total liabilities	<u>44,923</u>

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 2022

Segment assets	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Investment property	93,625	43,543	-	137,168
Investment in equity accounted investees	98	-	-	98
Trade and other receivables	1,307	495	5	1,807
	<u>95,030</u>	<u>44,038</u>	<u>5</u>	<u>139,073</u>

Reconciliation to total assets as reported in the group balance sheet

Deferred tax asset	990
Property, plant and equipment	23
Cash and cash equivalents	<u>42,503</u>
Total assets	<u>182,589</u>

Segment liabilities	Ireland	UK	Continental Europe	Consolidated
	€'000	€'000	€'000	€'000
Loans and borrowings	21,011	13,981	9	35,001
Provisions	150	-	-	150
Trade and other payables	2,761	1,231	936	4,928
	<u>23,922</u>	<u>15,212</u>	<u>945</u>	<u>40,079</u>

Reconciliation to total liabilities as reported in the group balance sheet

Deferred tax liabilities	<u>1,430</u>
Total liabilities	<u>41,509</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:

2023	Ireland €'000	UK €'000	Total €'000
Industrial/warehouse	67,825	26,012	93,837
Office	7,500	11,132	18,632
Mixed use land	16,925	8,688	25,613
Total	92,250	45,832	138,082

2022	Ireland €'000	UK €'000	Total €'000
Industrial/warehouse	71,215	24,111	95,326
Office	8,550	10,909	19,459
Mixed use land	13,860	8,523	22,383
Total	93,625	43,543	137,168

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

3 Gross rental income

	2023 €'000	2022 €'000
Gross lease payments collected/accrued	7,353	7,652
Service charge income	2,360	3,076
	9,713	10,728

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 2023</i>			
Service charge income	-	2,360	2,360
Property operating expense	(883)	(2,880)	(3,763)
	(883)	(520)	(1,403)
<i>Year ended 31 December 2022</i>			
Service charge income	874	2,202	3,076
Property operating expense	(668)	(2,950)	(3,618)
	206	(748)	(542)

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

Property operating expense

	2023 €'000	2022 €'000
Property taxes, fees, rates and ground rent	580	646
Utilities and waste management	1,782	1,680
Management, security and insurance	1,130	1,128
Property maintenance and repairs	271	164
Total property operating expense	3,763	3,618

5 Net property valuation movement

	2023 €'000	2022 €'000
Net property valuation movement	841	10,014

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

5 Net property valuation movement *(continued)*

	2023 €'000	2022 €'000
Fair value movement on properties – Ireland	(870)	(2,819)
Fair value movement on properties - UK	909	12,376
Adjustment to EPA provision – see note 19	-	3,650
Foreign currency exchange movement on UK properties	894	(2,263)
Disposal costs	(92)	(930)
Net property valuation movement in year	<u>841</u>	<u>10,014</u>

6 Administration expenses

	2023 €'000	2022 €'000
Remuneration and related expenditure (a)	3,046	3,151
Non-executive directors' fees	184	219
Property related professional fees	31	10
Other professional fees *	590	4,379
Office, travel and administration	385	253
Corporate expenses	298	569
Share redemption scheme	487	-
Total administration expenses	<u>5,021</u>	<u>8,581</u>

* Other professional fees in 2022 include €3,985,000 relating to restructuring and refinancing in 2022.

(a) Staff numbers and costs

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

	2023	2022
Corporate management and administration	<u>12</u>	<u>12</u>

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

6 Administration expenses *(continued)*

(a) Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons for the years ended 31 December 2023 and 31 December 2022 were as follows:

	2023 €'000	2022 €'000
Wages and salaries	2,754	2,376
Share-based payment charge	(21)	(11)
Contributions to retirement benefit plans	88	198
Social security contributions	208	237
Payment in lieu of share options	17	351
	3,046	3,151

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

7 Statutory and other information

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

	2023 €'000	2022 €'000
Depreciation on property, plant and equipment	19	17
Auditor's remuneration:		
- Audit of company and group financial statements	75	70
- Audit of subsidiary financial statements	55	50
- Tax advisory	368	1,213
- Other non-audit services	152	89
Operating leases - office buildings	72	78
Operating leases - ground rents	32	32
Executive and non-executive directors' remuneration:		
- fees	225	320
- other remuneration – continuing	1,631	1,314
- share-based payment charge	11	22
- payments in lieu of share options	-	117
- restructuring bonuses	-	761

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

8 Net finance (expense)/income

	2023 €'000	2022 €'000
Interest receivable	607	27
Foreign currency translation gain on borrowings	-	668
Foreign currency gain on cash and cash equivalent	485	-
Other foreign currency gain	4	12
Settlement of bank debt	-	13,000
Finance income	<u>1,096</u>	<u>13,707</u>
Foreign currency loss on cash and cash equivalents	-	(1,247)
Foreign currency loss on other monetary assets and liabilities	(26)	(290)
Foreign currency translation loss on borrowings	(288)	-
Interest payable on borrowings	(1,726)	(1,296)
Other finance expense	(4)	(37)
Finance expense	<u>(2,044)</u>	<u>(2,870)</u>
Net finance (expense)/income	<u>(948)</u>	<u>10,837</u>

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

9 Net income tax expense

	2023 €'000	2022 €'000
Current tax expense		
Corporation tax on result for the year:		
<i>Current year</i>		
- Ireland	1,117	-
- Overseas	29	403
<i>Adjustment in respect of prior year</i>		
- Ireland	1	31
Overseas	(703)	-
	<u>444</u>	<u>434</u>
Withholding tax	189	-
Total current tax expense	<u>633</u>	<u>434</u>
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	1,572	157
Adjustment in respect of prior years	11	(129)
Total deferred tax charge	<u>1,583</u>	<u>28</u>
Net income tax expense	<u>2,216</u>	<u>462</u>
Reconciliation of effective tax rate		
	2023 €'000	2022 €'000
Result before tax	514	13,296
Add: share of result of equity accounted investees	308	6,084
	<u>822</u>	<u>19,380</u>
Income tax using domestic corporation tax rate (25%)	205	4,845
Difference between expenses and deductions for taxation purposes and amounts charged in the financial statements	(23)	(3,374)
Movement on unrecognised deferred tax	2,025	(360)
Difference in tax rates	(211)	(562)
Close company surcharge	693	-
Withholding tax	189	-
Other items	29	42
Adjustment in respect of prior year	(691)	(129)
	<u>2,216</u>	<u>462</u>

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

10 Investment property

	2023 €'000	2022 €'000
Non-current assets		
Investment properties	138,082	137,168
	138,082	137,168
Non-current assets	2023 €'000	2022 €'000
Balance at beginning of the year	137,168	162,555
Additions in the year	1,131	806
Disposal in the year *	(1,150)	(33,487)
Fair value movement	39	9,557
Foreign currency movement	894	(2,263)
Balance at end of the year	138,082	137,168

* During the year, the group sold investment property in Ireland.

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)

10 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 €138,082,000 by external appraisers of the UK and Ireland investment properties at 31 December 2023, 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

	2023 €'000	2022 €'000
External independent professional property appraisers	<u>138,082</u>	<u>137,168</u>

The fair value measurement for investment property of €138,082,000 (2022: €137,168,000) 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

	2023 €'000	2022 €'000
Comparable market transactions - Land held for sale or development	27,477	24,092
Comparable market transactions - Properties held for letting	<u>110,605</u>	<u>113,076</u>
	<u>138,082</u>	<u>137,168</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)*

10 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)*

10 Investment property *(continued)*

Measurements of fair value *(continued)*

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

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Comparable market transactions - Land held for sale or development</i>		
The value is based on comparable market transactions after discussions with external property appraisers.	Ireland <ul style="list-style-type: none">Comparable market prices of €16,000 - €354,000 per acre (2022: €16,000 - €375,000 per acre) (weighted average €59,000 per acre (2022: €48,000 per acre))	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none">Comparable market values were higher/(lower)
	UK <ul style="list-style-type: none">Comparable market prices of £7,000 - £579,000 per acre (2022: £7,000 - £541,000 per acre) (weighted average £22,000 per acre (2022: £22,000 per acre))	
<i>Comparable market transactions - Properties held for letting</i>		
This valuation model considers the estimated total net market rental value per square metre of the property and a capitalisation.	Ireland <ul style="list-style-type: none">Net market rental income of €2.36 - €33.71 per sq. ft. per annum (2022: €2.36 - €33.71 per sq. ft. per annum) (weighted average of €5.50 per sq. ft. (2022: €5.27 per sq. ft.))Capitalisation yields of 2.55% - 10.9% (2022: 1.97% - 11.33%) (Weighted average 7.78% (2022: 7.04%))	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none">Expected market rental income was higher/(lower)Capitalisation yields were (higher)/lower
	UK <ul style="list-style-type: none">Net market rental income of £7.05 - £13.75 per sq. ft. per annum (2022 £4.87 - £13.75 per sq. ft. per annum) (weighted average of £6.56 per sq. ft. (2022: £6.56 per sq. ft.))Capitalisation yields of 7.38% - 12.6% (2022: 7.75% - 12.60%) (Weighted average 9.04 % (2022: 9.28%))	

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

11 Property, plant and equipment

Year ended 31 December 2023

	Computer equipment €'000	Fixtures & fittings €'000	Total €'000
Cost			
At beginning of year	111	142	253
Additions in year	14	-	14
Cost at end of year	125	142	267
Depreciation			
At beginning of year	91	139	230
Charge for year	18	1	19
At end of year	109	140	249
Net book value			
At 31 December 2023	16	2	18

Year ended 31 December 2022

	Computer equipment €'000	Fixtures & fittings €'000	Total €'000
Cost			
At beginning of year	109	142	251
Additions in year	2	-	2
Cost at end of year	111	142	253
Depreciation			
At beginning of year	74	139	213
Charge for year	17	-	17
At end of year	91	139	230
Net book value			
At 31 December 2022	20	3	23

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

12 Investments in equity accounted investees

At 31 December 2023	Equity €'000	Loans €'000	Total €'000
Balance at the beginning of the year	-	98	98
Investment in year	-	308	308
Share of result after taxation	-	(308)	(308)
At end of year	-	98	98

Comprised of:

Investments in joint ventures	-	98	98
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At 31 December 2022	Equity €'000	Loans €'000	Total €'000
Balance at the beginning of the year	-	6,176	6,176
Investment in year	-	6	6
Share of result after taxation	-	(6,084)	(6,084)
At end of year	-	98	98

Comprised of:

Investments in joint ventures	-	98	98
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Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

12 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 2023

	Operating result before movement on investment properties	Movement on investment properties and other movements	Result for year
	€'000	€'000	€'000
Ireland	-	(8)	(8)
Continental Europe	-	(300)	(300)
Total	-	(308)	(308)

Income statement for the year ended 31 December 2022

	Operating result before movement on investment properties	Movement on investment properties and other movements	Result for year
	€'000	€'000	€'000
Ireland	-	(6)	(6)
Continental Europe	-	(6,078)	(6,078)
Total	-	(6,084)	(6,084)

The group's share of the trading results of our material equity accounted investee amounted to €Nil (2022: €Nil) and the group's share of the results after investment property valuation movements was a loss of €308,000 (2022: loss of €6,084,000).

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

12 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 2023

	Investment & development properties at valuation €'000	Cash and other assets €'000	Borrowings €'000	Other liabilities €'000	Adjustment €'000	Total net assets €'000
Ireland	-	98	-	-	-	98
*Continental Europe	9,440	678	(7,850)	(400)	(1,868)	-
Total	9,440	776	(7,850)	(400)	(1,868)	98

*The group holds a 50% interest in a Belgian property. Due to a reduction in the valuation of the property arising from expected vacancies at the building, projected reductions in rental values and potential upgrading requirements to meet future environmental standards, the value of the investment has been reduced to €Nil.

Share of equity accounted investees' assets and liabilities as at 31 December 2022

	Investment & development properties at valuation €'000	Cash and other assets €'000	Borrowings €'000	Other liabilities €'000	Adjustment €'000	Total net assets €'000
Ireland	-	98	-	-	-	98
Continental Europe	9,440	847	(8,300)	(429)	(1,558)	-
Total	9,440	945	(8,300)	(429)	(1,558)	98

Details of the group's significant investments in equity accounted investees are included in note 29 to the consolidated financial statements.

Risks associated with the valuation of investment properties held within these investments are outlined in note 10 to the consolidated financial statements.

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

13 Trade and other receivables

	2023 €'000	2022 €'000
Trade and other receivables	278	543
Prepayments	1,805	1,264
	2,083	1,807

The group's exposure to credit and foreign currency risks and impairment losses related to trade and other receivables is disclosed in note 24 to the consolidated financial statements.

14 Cash and cash equivalents

	2023 €'000	2022 €'000
Bank current balances	9,500	32,080
Bank deposit balances	27,575	10,423
Cash and cash equivalents in the statement of cash flows	37,075	42,503

The group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities is disclosed in note 24 to the consolidated financial statements.

15 Capital and reserves

Authorised share capital

	2023 €'000	2022 €'000
950,000,000 (2022: 900,000,000) ordinary shares of €0.001 each	950	*900
5,000,000,000 non-voting redeemable deferred shares of €0.00001 each	-	^50
5,000,000 non-voting deferred shares of €0.01 each	50	50
At 31 December	1,000	1,000

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.

^ On 28 June 2023, the 5,000,000,000 non-voting redeemable deferred shares of €0.00001 each in the capital of the company were redesignated as and converted into 5,000,000,000 ordinary shares of €0.00001 each.

*On 11 July 2023, every 100 existing shares of €0.00001 each in the capital of the company were consolidated into one ordinary share of €0.001 each.

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

15 Capital and reserves (continued)

Issued share capital

	2023 Number of shares in '000s	2023 Paid-up share capital in €'000	2022 Number of shares in '000s	2022 Paid-up share capital in €'000
Non-voting deferred shares of €0.01 each				
In issue at beginning and end of year	3,317	33	3,317	33
Ordinary shares of €0.00001 each				
In issue at beginning of year	784,097	8	781,960	8
Shares issued on exercise of share options	4,274	-	2,137	-
In issue prior to share redemption	788,371	8	784,097	8
Share redemption^^	(36,638)	-	-	-
Shares before consolidation	751,733	8	784,097	8
After consolidation to Ordinary shares of €0.001 each				
Shares after consolidation (100 to 1)	7,517	8	N/A	-
Shares eliminated for rounding	(1)	-	N/A	-
In issue at year end**	7,516	8	784,097	8
Total issued share capital (€'000)		41		41

^^ In July 2023, the company offered a Redemption and Liquidity Programme to provide a way for shareholders to dispose of ordinary shares. Valid elections to redeem were received from 1,344 shareholders and 36,637,843 shares were redeemed at 7 cent per share on 10 July 2023. The board exercised its authority to increase the amount available to meet redemptions from €2m and as a result all valid redemption requests were met in full for a total sum of €2,564,649. Of this sum, shareholders directed proceeds of €17,674 to be paid to the nominated charity Our Lady's Hospice and Care Services.

**Following completion of the 2023 Redemption Programme on 11 July, Balmoral consolidated its remaining ordinary shares of €0.00001 by a factor of 100 to 1 to create 7,516,059 ordinary shares of €0.001 each. The consolidation would have resulted in certain members becoming entitled to fractional shares. Any such ordinary shares of €0.00001 were instead redesignated as redeemable ordinary shares of €0.00001 and redeemed by the company. 126,561 redeemable ordinary shares of €0.00001 each were redeemed and the proceeds donated to Our Lady's Hospice and Care Services for €8,859 representing a value of €0.07 per share for these shares.

There were 7,516,059 ordinary shares of €0.001 each in issue at 31 December 2023 (2022: 784,096,800 ordinary shares of €0.00001 each).

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

15 Capital and reserves (continued)

Share premium

	2023 €'000	2022 €'000
Balance at beginning of year	7,925	7,875
Share issue	100	50
Balance at end of year	8,025	7,925

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

	2023 €'000	2022 €'000
Retained earnings	(78,789)	(74,525)
Share-based payment reserve	211	267
Reorganisation reserve	206,879	206,879
	128,301	132,621

Retained Earnings

As noted above, the company offered a Redemption and Liquidity Programme to provide a way for shareholders to dispose of shares, followed by a 100 to 1 share consolidation. The difference between the face value of the shares redeemed or eliminated on consolidation of €2,573,000 has been charged against Retained Earnings in equity.

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 credited €21,000 (2022: €11,000) in relation to share option schemes. See note 17 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.

Reorganisation reserve

The reorganisation reserve relates to a reorganisation in 2011.

Dividends

Dividends of €483,000 (2022: Nil) were paid to the majority shareholder in the group's shareholding in Afaia S.A. No other dividends were paid by the group in the current or previous financial years.

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

15 Capital and reserves (continued)

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 cash 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.

16 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 24.

	2023 €'000	2022 €'000
Non-current liabilities		
Secured bank loans	31,279	32,992
Other payables	14	9
	31,293	33,001
Current liabilities		
Secured bank loans	2,000	2,000
	2,000	2,000

All loans are recorded at amortised cost.

Terms and debt repayment schedule

	2023 €'000	2022 €'000
Repayable by instalments:		
Repayable within 1 year	2,000	2,000
Repayable within 2 years	31,279	2,000
Repayable within 2 -5 years	-	30,992
Repayable other than by instalments:		
Repayable within 1 year	-	-
Repayable within 2 years	-	-
Repayable within 2 -5 years	-	-
Repayable after 5 years	-	-
Total	33,279	34,992

The maximum amount due per the bank agreements is €33,279,000 (2022: €34,992,000).

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

16 Loans and borrowings (continued)

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. 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. As a result of this settlement, on 23 March 2022 the legal proceedings with Everyday Finance DAC were struck out.

The Bank of Ireland facility at 31 December 2023 comprises sterling-based debt of £12.4 million with a fixed interest rate of 5.406% and euro-based debt of €19.0 million, being €13.8 million with a fixed interest rate of 4.16% and €5.2 million with a variable interest rate of euribor plus 3%. The facility, secured over certain assets of the group, is for 3 years with an annual repayment obligation of €2 million. €6.8 million was repaid in the prior period from the proceeds of property disposals.

Changes in liabilities arising from financing activities

	At 01.01.2023	Cash flow	Refinancing	Foreign currency movement	Transfer	At 31.12.2023
	€'000	€'000	€'000	€'000	€'000	€'000
Non-current liabilities	33,001	(1,228)	-	292	(772)	31,293
Current liabilities	2,000	(772)	-	-	772	2,000
Total	35,001	(2,000)	-	292	-	33,293

	At 01.01.2022	Cash flow	Refinancing	Foreign currency movement	Transfer	At 31.12.2022
	€'000	€'000	€'000	€'000	€'000	€'000
Non-current liabilities	55,497	(52,898)	31,169	(731)	(36)	33,001
Current liabilities	1,964	-	-	-	36	2,000
Total	57,461	(52,898)	31,169	(731)	-	35,001

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

17 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 2023 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 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.

In October 2022, this expiry date was extended to 28 October 2025. At 31 December 2023, options remain over 21,367 shares (after the 100 to 1 share consolidation in July 2023).

During 2022, payments in total of €351,000 were made to a director and management in lieu of options over 9,615,354 ordinary shares granted in 2015 at €0.0234. These payments are calculated on the basis of €0.0600 a share.

On 16 December 2019, options were granted over 13,666,667 ordinary shares at an exercise price of €0.0600 per share, with an expiry date of 10 December 2026.

The share options granted vest on the later of the 3rd 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. These options vested on 16 December 2022.

During 2023, payments in total of €17,000 were made to management in lieu of options over 16,667 ordinary shares granted in 2019 at €0.0600 (€6.0 after the 100 to 1 share consolidation in July 2023). These payments were calculated on the basis of a share price of €7 a share.

At 31 December 2023, options remain over 120,000 shares.

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)*

17 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 2015 were as follows:

Fair value at measurement date	€0.0080
Weighted average exercise price	€0.0234
Expected volatility	34%
Option life	10 years
Expected dividend yield	0.00%
Risk-free interest rate	0.078%

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

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 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 market price of the company's shares at 31 December 2023 was €5.00 and the range during 2023 was €4.00 to €7.00 (after adjusting pre-July 2023 prices for the 100 to 1 share consolidation that took place in July 2023). The total credit for share options recognised in the income statement was €21,000 (2022: €11,000).

18 Trade and other payables

	2023 €'000	2022 €'000
Trade and other payables	611	219
Accruals	2,432	2,226
Deferred income	563	750
Other taxation and social security	1,894	1,733
	5,500	4,928

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

19 Provisions

	2023 €'000	2022 €'000
Balance at beginning of the year	150	3,800
Write back in year	-	(3,650)
Balance at end of the year	<u>150</u>	<u>150</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 €150,000 (2022: €150,000). Following a detailed review in 2022 carried out by suitably qualified and experienced environmental engineers, a revised residual management plan was presented to and approved by the Environmental Protection Agency (EPA). As a result of this, the directors are advised that a full remediation of the source area of the contamination is unlikely to be necessary to achieve licence surrender. A monitoring-based strategy and minor source-based remediation, combined with risk assessment, is likely to be sufficient. The cost of this is estimated to be €150,000. The directors believe that any cash outflows necessary may arise within 1-5 years, however this may change and will be subject to ongoing review.

20 Deferred tax assets and liabilities

Recognised deferred tax amounts

Deferred tax amounts are attributable to the following items:

At 31 December 2023

	Liabilities 2023 €'000	Assets 2023 €'000
Investment property gain	5,888	-
Tax value of losses carried forward	-	(3,958)
Tax value of accrued rental income	88	-
Tax value of accrued pension expense	4	-
Tax liabilities/(assets)	<u>5,980</u>	<u>(3,958)</u>
Net tax liabilities	<u>2,022</u>	<u>-</u>

At 31 December 2022

	Liabilities 2022 €'000	Assets 2022 €'000
Investment property gain	1,307	-
Tax value of losses carried forward	-	(990)
Tax value of accrued rental income	123	-
Tax value of accrued pension expense	-	-
Tax liabilities/(assets)	<u>1,430</u>	<u>(990)</u>
Net tax liabilities	<u>440</u>	<u>-</u>

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

20 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:

	2023	2022
	€'000	€'000
Deductible temporary differences	21,816	21,665

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)*

20 Deferred tax assets and liabilities *(continued)*

Movement in temporary differences during the year ended 31 December 2023

	Balance at beginning of year €'000	Recognised in income €'000	Balance at end of year €'000
Investment property gain	1,307	4,581	5,888
Tax value of losses carried forward	(990)	(2,968)	(3,958)
Tax value of accrued rental income	123	(35)	88
Tax value of accrued pension expense	-	4	4
	440	1,582	2,022

Movement in temporary differences during the year ended 31 December 2022

	Balance at beginning of year €'000	Recognised in income €'000	Balance at end of year €'000
Investment property gain	-	1,307	1,307
Tax value of losses carried forward	-	(990)	(990)
Tax value of accrued rental income	(69)	192	123
Tax value of accrued interest income	482	(482)	-
Tax value of accrued pension expense	(1)	1	-
	412	28	440

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

21 Results per share

Basic result per share

The calculations of basic result per share for the years ended 31 December 2023 and 31 December 2022 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:

	2023 €'000	2022 €'000
Result attributable to equity shareholders	(1,726)	12,840
	2023 <i>In thousands of shares</i>	2022*
Shares in issue at beginning of year	7,821	7,820
Weighted average number of ordinary shares outstanding at end of year	7,594	7,821
Basic result per share (euro)	(0.23)	1.64

Diluted result per share

The calculations of diluted result per share for the years ended 31 December 2023 and 31 December 2022 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.

	2023 €'000	2022 €'000
Result attributable to equity shareholders	(1,726)	12,840
	2023 <i>In thousands of shares</i>	2022*
Weighted average number of ordinary shares outstanding at end of year	7,594	7,821
Share options with a dilutive effect	158	201
	7,752	8,022
Diluted result per share (euro)	(0.22)	1.60

* In July 2023 the company announced a consolidation of the ordinary shares in the company whereby every 100 existing shares of €0.00001 each in the capital of the company was consolidated into an ordinary share of €0.001 each. To calculate the result per share, the weighted average number of shares is calculated as if the share consolidation had occurred at 1 January 2022. See note 15 for further information on the share consolidation.

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

22 Net asset value per share

The calculations of net asset value per share at 31 December 2023 and 31 December 2022 are based upon the total equity attributable to the shareholders of the company at 31 December 2023 and 31 December 2022 and the number of ordinary shares outstanding at 31 December 2023 and 31 December 2022 as follows:

	2023 €'000	2022 €'000
Total equity attributable to shareholders of company	136,367	140,587
	2023 <i>In thousands of shares</i>	2022*
Total number of ordinary shares outstanding at year end	7,516	7,841
Net asset value per share (euro)	18.14	17.93

* In July 2023 the company announced a consolidation of the ordinary shares in the company whereby every 100 existing shares of €0.00001 each in the capital of the company was consolidated into an ordinary share of €0.001 each. The prior year figures are shown on the same basis for comparison purposes. See note 15 for further information on the share consolidation.

23 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 2023, the market value of such assets was €16,315,000 (2022: €16,611,000). 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 1.3 years (2022: 1.6 years). The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2023 €'000	2022 €'000
Less than one year	6,425	7,182
Between one and five years	8,439	8,269
More than five years	1,833	2,410
	16,697	17,861

Balmoral International Land Holdings plc

Notes to the consolidated financial statements (continued)

23 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 49 years to 975 years. The total amounts due under these operating lease agreements are as follows:

	Minimum lease payments 2023 €'000	Minimum lease payments 2022 €'000
Less than one year	32	32
From one to five years	130	127
From five to 25 years	650	637
After 25 years	1,633	1,646
	2,445	2,442

The present value of future lease payments is €279,000 for the group (2022: €274,000), discounted at 6% per annum (2022: 6%), which was the weighted average effective yield of the leases at their acquisition.

24 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 up to 6 months, depending on cash demands for the group and market conditions.

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

24 Financial instruments *(continued)*

Interest rate profile

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

	Carrying Amount 2023 €'000	Carrying Amount 2022 €'000
Variable rate instruments		
Cash and cash equivalents	37,075	42,503
Financial liabilities	(5,211)	(5,211)
	31,864	37,292

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) the result by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2022.

	Profit or loss		Other equity	
	100 bp increase €'000	100 bp decrease €'000	100 bp increase €'000	100 bp decrease €'000
31 December 2023				
Cash and cash equivalents	403	(403)	-	-
Financial liabilities	(49)	49	-	-
Cash flow sensitivity	354	(354)	-	-
31 December 2022				
Cash and cash equivalents	-	-	-	-
Financial liabilities	(206)	206	-	-
Cash flow sensitivity	(206)	206	-	-

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

24 Financial instruments *(continued)*

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:

	31 December 2023	31 December 2022
	Stg £'000	Stg £'000
Trade and other receivables	725	436
Cash and cash equivalents	20,913	21,971
Loans and borrowings (see note 16)	(12,400)	(12,400)
Trade and other payables	(177)	(34)
Accruals	(618)	(494)
Other taxation and social security	39	(863)
Gross balance sheet exposure	8,482	8,616
Add investment property	39,834	38,623
Net balance sheet exposure	48,316	47,239
Gross rental & related income	3,188	3,748
Property outgoings	(2,453)	(1,921)
Net rental income exposure	735	1,827
Net interest expense	(266)	(476)
Net profit & loss exposure	469	1,351

The following significant exchange rates applied during the year:

	Spot Rate		Average Rate	
	2023	2022	2023	2022
GBP 1:	1.15	1.13	1.14	1.17

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

24 Financial instruments *(continued)*

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 2022.

	Other equity €'000	Profit or loss €'000
31 December 2023		
GBP	-	(5,538)
31 December 2022		
GBP	-	(5,363)

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)*

24 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 2023

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	33,279	35,711	1,891	1,945	31,875	-	-
Other non-current payables	14	14	-	14	-	-	-
Accruals	2,431	2,431	2,431	-	-	-	-
Other taxation and social security	1,894	1,894	1,894	-	-	-	-
Trade and other payables	611	611	611	-	-	-	-
Total	38,229	40,661	6,827	1,959	31,875	-	-

At 31 December 2022

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	34,992	38,505	2,156	2,136	4,209	30,004	-
Other non-current payables	9	9	-	-	9	-	-
Accruals	2,226	2,226	2,226	-	-	-	-
Other taxation and social security	1,733	1,733	1,733	-	-	-	-
Trade and other payables	219	219	219	-	-	-	-
Total	39,179	42,692	6,334	2,136	4,218	30,004	-

Credit risk

The group has four significant tenants from which it derived 23%, 19%, 17% and 12% of its revenue, respectively, in rental income in the current year (2022: 23%, 12%, 21% and 11%).

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)

24 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 25 to the consolidated financial statements.

	Carrying amount	
	2023	2022
	€'000	€'000
Trade and other receivables	278	543
Investments in equity accounted investees	98	98
Cash and cash equivalents	37,075	42,503
Total	37,451	43,144

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	
	2023	2022
	€'000	€'000
Ireland	14,146	13,947
Continental Europe	1,136	5,987
United Kingdom	22,169	23,210
Total	37,451	43,144

The amount owed by the group's four most significant tenants at 31 December 2023 was €77,000 (2022: €62,000).

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

	Carrying amount	
	2023	2022
	€'000	€'000
Not past due	-	135
Past due 0-30 days	45	164
Past due 31-120 days	127	74
Past due >120 days	106	170
Total	278	543

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)*

24 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 2023		31 December 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	€'000	€'000	€'000	€'000
<i>Loans and receivables</i>				
Trade and other receivables	2,083	-	1,807	-
Investments in equity accounted investees	98	-	98	-
<i>Cash and cash equivalents:</i>				
Euro current account	3,948	-	11,917	-
GBP current account	4,149	-	20,163	-
Euro deposit account	10,466	-	1,403	-
GBP deposit account	18,512	-	9,020	-
<i>Other liabilities at amortised cost (all level 3)</i>				
<i>Bank loans:</i>				
Euro secured loan	(19,011)	(18,514)	(21,011)	(20,263)
GBP secured loan	(14,268)	(13,391)	(13,981)	(11,100)
Other non-current payables	(14)	-	(9)	-
Trade and other payables	(611)	-	(219)	-
Accruals	(2,431)	-	(2,226)	-
Other taxation and social security	(1,894)	-	(1,733)	-

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 6%. 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 16 to these financial statements.

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

24 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.

25 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.

26 Capital commitments

At 31 December 2023, the company had no unprovided capital commitments.

27 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 €1,867,000 for the year ended 31 December 2023 (2022: €2,534,000). In 2022, €111,000 was also paid in respect of services for prior years which had not been charged. 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:

	2023	2022
	€'000	€'000
Short term employee benefits	1,856	2,512
Share-based payment charge	11	22
	1,867	2,534

Further details of director compensation are provided in the corporate governance statement on pages 24 to 26.

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

27 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 29 to the consolidated financial statements. For additional information surrounding transactions with equity accounted investees, see note 12 to the consolidated financial statements.

28 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 10 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 10 to the consolidated financial statements.
- An assessment of other financial risks is set out in note 24 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)

29 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
^Δ Balmoral International Land No1 Ltd	1	100	Holding company
Balmoral International Land Limited	6	100	Holding company
Balmoral Land Finance Ltd	1	100	Investment 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
Balmoral Land UK Finance Ltd	3	100	Investment holding company
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
[#] Afaia Sarl	5	90	Investment holding company

^Δ Denotes subsidiary owned directly by Balmoral International Land Holdings plc.

[#] 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 2023 amounted to €242,000 and the loss for the year then ended consolidated into the group's results amounted to €57,000.

Balmoral International Land Holdings plc

Notes to the consolidated financial statements *(continued)*

29 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) Barett 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.

30 Post balance sheet events

There were no post balance sheet events requiring disclosure in the financial statements.

31 Approval of financial statements

These consolidated financial statements were approved by the board on 15 May 2024.

Balmoral International Land Holdings plc

Company statement of changes in equity

	Attributable to equity holders of the parent					
<i>for the year ended 31 December 2023</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 2022	41	7,925	13,956	267	24,639	46,828
Total comprehensive loss	-	-	(283)	-	-	(283)
Share redemption	-	-	(2,573)	-	-	(2,573)
Share issue	-	100	35	(35)	-	100
Share-based payment charge	-	-	-	(21)	-	(21)
Balance at 31 December 2023	41	8,025	11,135	211	24,639	44,051

<i>for the year ended 31 December 2022</i>	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 2021	41	7,875	(16,486)	295	24,639	16,364
Total comprehensive income	-	-	30,425	-	-	30,425
Share-based payment charge	-	-	-	(11)	-	(11)
Share issue	-	50	17	(17)	-	50
Balance at 31 December 2022	41	7,925	13,956	267	24,639	46,828

Balmoral International Land Holdings plc

Company balance sheet

as at 31 December 2023

	Notes	2023 €'000	2022 €'000
Assets			
Non-current assets			
Investment in subsidiary	C	41,700	41,668
Total non-current assets		41,700	41,668
Current assets			
Trade and other receivables	E	29,649	31,322
Cash and cash equivalents		298	1,358
Total current assets		29,947	32,680
Total assets		71,647	74,348
Equity			
Issued share capital	F	41	41
Reserves	F	44,010	46,787
Total equity - all attributable to equity shareholders		44,051	46,828
Liabilities			
Current liabilities			
Trade and other payables	G	27,596	27,520
Total current liabilities		27,596	27,520
Total liabilities		27,596	27,520
Total liabilities and equity		71,647	74,348

On behalf of the board

Carl McCann
Chairman

Catherine Ghose
Finance Director

15 May 2024

Balmoral International Land Holdings plc

Company statement of cash flows

for the year ended 31 December 2023

	2023 €'000	2022 €'000
Cashflows from operating activities		
Result after tax	(283)	30,425
Adjustments for:		
Profit on disposal of subsidiary	-	(29,760)
Write-off of intercompany balances	-	(1,636)
Share-based payment charge	(21)	(11)
Foreign exchange differences	(252)	682
Operating result before changes in working capital	(556)	(300)
Decrease/(increase) in trade and other receivables	1,892	(9,624)
Increase in trade and other payables	77	11,222
Net cash inflow from operating activities	1,413	1,298
Cashflows from financing activities		
Exercise of share options	100	50
Share redemption	(2,573)	-
Net cash (outflow)/inflow from financing	(2,473)	50
Net (decrease)/increase in cash and cash equivalents	(1,060)	1,348
Cash and cash equivalents at beginning of year	1,358	10
Cash and cash equivalents at end of year	298	1,358

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 loss of €283,000 (2022: profit of €30,425,000). 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

	2023 €'000	2022 €'000
Balance at beginning of year	41,668	10,032
Transfer of subsidiaries	-	31,396
Capital contribution	-	325
Foreign currency movement	32	(85)
Balance at end of year	<u>41,700</u>	<u>41,668</u>

In March 2022, as part of a group reorganisation, the company acquired an indirect subsidiary Balmoral Land Finance Limited from another group company. As part of the same reorganisation, the company also made a capital contribution to a subsidiary.

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

	2023 €'000	2022 €'000
Amounts owed by group companies	<u>29,649</u>	<u>31,322</u>
	<u>29,649</u>	<u>31,322</u>

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 reserves

Authorised share capital

	2023 €'000	2022 €'000
950,000,000 (2022: 900,000,000) ordinary shares of €0.001 each	950	*900
5,000,000,000 non-voting redeemable deferred shares of €0.00001 each	-	[^] 50
5,000,000 non-voting deferred shares of €0.01 each	50	50
At 31 December	1,000	1,000

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.

[^] On 28 June 2023, the 5,000,000,000 non-voting redeemable deferred shares of €0.00001 each in the capital of the company were redesignated as and converted into 5,000,000,000 ordinary shares of €0.00001 each.

*In July 2023, the company announced a consolidation of the ordinary shares in the company whereby every 100 existing shares of €0.00001 each in the capital of the company was consolidated into one ordinary share of €0.001 each.

Balmoral International Land Holdings plc

Notes to the company financial statements *(continued)*

F) Share capital and reserves *(continued)*

Issued share capital

	2023 Number of shares in '000s	2023 Paid-up share capital in €'000	2022 Number of shares in '000s	2022 Paid-up share capital in €'000
Non-voting deferred shares of €0.01 each				
In issue at beginning and end of year	3,317	33	3,317	33
Ordinary shares of €0.00001 each				
In issue at beginning of year	784,097	8	781,960	8
Shares issued on exercise of share options	4,274	-	2,137	-
In issue prior to share redemption	788,371	8	784,097	8
Share redemption^^	(36,638)	-	-	-
Shares before consolidation	751,733	8	784,097	8
After consolidation to Ordinary shares of €0.001 each				
Shares after consolidation (100 to 1)	7,517	8	N/A	-
Shares eliminated for rounding	(1)	-	N/A	-
In issue at year end**	7,516	8	784,097	8
Total issued share capital (€'000)		41		41

^^ In July 2023, the company offered a Redemption and Liquidity Programme to provide a way for shareholders to dispose of ordinary shares. Valid elections to redeem were received from 1,344 shareholders and 36,637,843 shares were redeemed at 7 cent per share on 10 July 2023. The board exercised its authority to increase the amount available to meet redemptions from €2m and as a result all valid redemption requests were met in full for a total sum of €2,564,649. Of this sum, shareholders directed proceeds of €17,674 to be paid to the nominated charity Our Lady's Hospice and Care Services.

**Following completion of the 2023 Redemption Programme on 11 July, Balmoral consolidated its remaining ordinary shares of €0.00001 by a factor of 100 to 1 to create 7,516,059 ordinary shares of €0.001 each. The consolidation would have resulted in certain members becoming entitled to fractional shares. Any such ordinary shares of €0.00001 were instead redesignated as redeemable ordinary shares of €0.00001 and redeemed by the company. 126,561 redeemable ordinary shares of €0.00001 each were redeemed and the proceeds donated to Our Lady's Hospice and Care Services for €8,859 representing a value of €0.07 per share for these shares.

There were 7,516,059 ordinary shares of €0.001 each in issue at 31 December 2023 (2022: 784,096,800 ordinary shares of €0.00001 each).

Balmoral International Land Holdings plc

Notes to the company financial statements *(continued)*

F) Share capital and reserves *(continued)*

Reserves

	2023 €'000	2022 €'000
Share premium	8,025	7,925
Retained earnings	11,135	13,956
Share-based payment reserve	211	267
Other reserve	24,639	24,639
	44,010	46,787

Share premium

	2023 €'000	2022 €'000
Balance at beginning of year	7,925	7,875
Share issue	100	50
Balance at end of year	8,025	7,925

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.

Retained Earnings

As noted above, the company offered a Redemption and Liquidity Programme to provide a way for shareholders to dispose of shares, followed by a 100 to 1 share consolidation. The difference between the face value of the shares redeemed or eliminated on consolidation of €2,573,000 has been charged against Retained Earnings in equity.

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 17 to the consolidated financial statements for further information.

Other reserve

The other reserve relates to a reorganisation in 2011.

Of the total reserves of €44.0 million above, €11.0 million are distributable.

Balmoral International Land Holdings plc

Notes to the company financial statements *(continued)*

G) Trade and other payables

	2023 €'000	2022 €'000
Trade payables	9	2
Accruals	200	200
Amounts owed to group companies	27,387	27,318
	27,596	27,520

All amounts owed to group companies are repayable on demand.

H) Approval of financial statements

These financial statements were approved by the board on 15 May 2024.

Balmoral International Land Holdings plc

Five year summary of group results

	Year ended Dec 2023	Year ended Dec 2022	Year ended Dec 2021	Year ended Dec 2020	Year ended Dec 2019
	€m	€m	€m	€m	€m
Operating profit before net gain on investment	0.9	(1.5)	2.0	2.1	2.3
Net property valuation movement	0.8	10.0	21.4	8.8	12.8
Result from operating activities	1.7	8.5	23.4	10.9	15.1
Net finance income/(expense)	(0.9)	10.9	(1.1)	1.1	(1.1)
Share of result of equity accounted investees	(0.3)	(6.1)	(0.2)	(0.6)	0.9
Profit on disposal of subsidiary	-	-	-	2.9	-
Result before tax	0.51	13.3	22.1	14.3	14.9
Basic result per share (euro)	(0.23)	1.64	2.73	1.75	1.91
Total property assets	138.1	137.3	168.7	150.0	159.0
Equity shareholders' funds	136.4	140.5	127.7	106.3	92.6
Net asset value per share (euro)	18.14	17.93	16.33	13.60	11.84

Balmoral International Land Holdings plc

NOTICE OF ANNUAL GENERAL MEETING BALMORAL

INTERNATIONAL LAND HOLDINGS PLC

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Balmoral International Land Holdings plc (the “**Company**”) will be held at Hilton Dublin Airport Hotel, Northern Cross, Malahide Road, Dublin 17, D17 Y924 on Wednesday, 26 June 2024 at 10 am.

The AGM is held for the following purposes:

As ordinary business to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive and consider the Company’s financial statements for the year ended 31 December 2023 and the reports of the directors and auditors on those Financial Statements and to review the Company’s affairs.
2. To authorise the directors to fix the remuneration of the auditors for the year ending 31 December 2024.

As special business to consider and, if thought fit, pass the following resolutions:

3. **AS AN ORDINARY RESOLUTION:**

“That the directors are hereby unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 1021 of the Companies Act 2014) up to an aggregate nominal amount of:

- (a) €2,505 (2,505,353 shares) representing approximately 33.3% of the aggregate nominal value of the issued ordinary share capital of the Company; and
- (b) €5,011 (5,010,706 shares) (after deducting from such limit any relevant securities allotted under paragraph (a) above) being equivalent to approximately 66.6% of the aggregate nominal value of the issued ordinary share capital of the Company, provided that (i) they are equity securities (within the meaning of section 1023(1) of the Companies Act 2014); and (ii) they are offered by way of a rights issue, placing or other pre-emptive issue to holders of ordinary shares on the register of members at such record dates as the directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record dates, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise.
- (c) The authority hereby conferred shall expire at the earlier of the close of business on the date of the next AGM after the passing of this resolution or 26 September 2025 provided however that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.”

Balmoral International Land Holdings plc

4. AS A SPECIAL RESOLUTION:

“That, subject to the adoption of Resolution 3 pursuant to Article 8(d) of the Articles of Association and Sections 1022 and 1023 of the Companies Act 2014, the directors are hereby empowered to allot equity securities (as defined by Section 1023 of that Act) for cash pursuant to the authority to allot relevant securities conferred on the directors by Resolution 3 as if sub-section (1) of Section 1022 of that Act did not apply to any such allotment provided that this power shall be limited to the matters provided for in Article 8(d)(i) and (ii) of the Articles of Association and provided further that the aggregate nominal value of any shares which may be allotted pursuant to Article 8(d)(ii) may not exceed €1,503 (1,503,202 shares) representing 20% of the aggregate nominal value of the issued ordinary share capital of the Company provided that the authority hereby conferred shall expire at the earlier of the close of business on the date of the next AGM after the passing of this resolution or 26 September 2025 provided however that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.”

For and on behalf of the Directors

Catherine Ghose

Secretary

1 Stokes Place

Dublin 2

31 May 2024

Balmoral International Land Holdings plc

Notes:

1. Any member entitled to attend, speak and vote at the meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in his/her place. Completion of a form of proxy will not affect the right of a member to attend, speak and vote at the meeting in person. A member may appoint more than one proxy to attend and vote at the meeting provided each proxy is appointed to exercise rights attached to different shares held by that member. Should you wish to appoint more than one proxy, please read carefully the explanatory notes accompanying the Form of Proxy. A member may appoint a proxy or proxies electronically by logging onto the website of the registrars, Computershare Investor Services (Ireland) Limited: www.eproxyappointment.com. Members will be asked to enter the member Reference Number and PIN Number as printed on your Form of Proxy and agree to certain conditions.
2. As a member, you have several ways to exercise your right to vote:
 - A. By appointing (either electronically or by returning a completed Form of Proxy) the Chairman or another person as a proxy to vote on your behalf; or
 - B. By attending the Annual General Meeting in person.
3. To be valid, forms of proxy duly signed together with the power of attorney or such other authority (if any) under which they are signed (or a certified copy of such power or authority) must be lodged with the Company's registrar, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82 by not later than 10am on Monday, 24 June 2024. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which names stand in the register of members.
4. The record date for the meeting shall be 6 pm on Monday, 24 June 2024 (or in the case of adjournment as at 48 hours before the time of the adjourned meeting). A person shall be registered in the register of members of the Company by such record date in order to exercise the right of a member to participate and vote at the meeting and any change to an entry on the relevant register of members after the record date shall be disregarded in determining the right of any person to attend and vote at the meeting.