

Registered number: 06235593

**BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

**Directors' report and financial statements**

**for the year ended 31 March 2013**

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**BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

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**BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

**Company Information**

<b>DIRECTORS</b>	B.Fagan D Pearson J Mulryan
<b>COMPANY SECRETARY</b>	B Fagan
<b>REGISTERED NUMBER</b>	06235593
<b>REGISTERED OFFICE</b>	St John's House 5 South Parade Summertown Oxford OX2 7JL
<b>INDEPENDENT AUDITOR</b>	KPMG Chartered Accountants 1 Stocks Place St Stephen's Green Dublin 2 Ireland
<b>SOLICITORS</b>	Howard Kennedy Harcourt House 19 Cavendish Square London W1A 2AW

## **BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

### **Directors' report for the year ended 31 March 2013**

The directors present their report and the financial statements for the year ended 31 March 2013.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the company is that of a property development company. There has been no significant change in this activity during the year. However, the operating environment for the business has proven to be difficult during the year.

#### **RESULTS**

The loss for the year, after taxation, amounted to £3,069,515 (2012 - loss £23,388,691)

#### **DIRECTORS**

The directors who served during the year were:

B Fagan  
D Pearson  
J Mulryan

**BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

**Directors' report  
for the year ended 31 March 2013**

**PROVISION OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.


**AUDITOR**

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

This report was approved by the board and signed on its behalf

D. Pearson  
Director

Date: 16 July 2013

A handwritten signature in black ink, consisting of a stylized 'D' followed by a horizontal line and a small loop.



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

### **Independent auditor's report to the members of Ballymore Properties (Thames Royal) Limited**

We have audited the financial statements of Ballymore Properties (Thames Royal) Limited for the year ended 31 March 2013, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006



## **BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

### **Independent auditor's report to the members of Ballymore Properties (Thames Royal) Limited**

#### **EMPHASIS OF MATTER**

In forming our opinion on these financial statements, which is not modified, we have considered the adequacy of the disclosures made in (i) Note 1 concerning material uncertainties affecting the company's ability to continue as a going concern and (ii) Note 7 concerning the uncertainty associated with the assessment of the carrying value of the company's property assets under current market conditions.

The company is a member of a group headed by Ballymore Properties ("the group"). At 31 March 2013 the company had net liabilities of £97,791,592 and is dependent for its working capital on funds provided to it by NAMA and by the group. The group is in turn dependent on the ongoing financial support of its lenders to continue as a going concern. These conditions, together with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The company's principal asset comprises a development property with a carrying value of £2,374,467. Given the materiality of this asset to the company and the inherent subjectivity in the assessment of the carrying value of the asset, we draw your attention to the uncertainty underlying its valuation, as outlined in note 7.

The financial statements do not include any adjustments that would result if the company was unable to recover the full carrying value of its development properties or if the company was unable to continue as a going concern.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**G. Mullen** (Senior statutory auditor)  
for and on behalf of  
**KPMG**  
Chartered Accountants  
Dublin

16 July 2013

**BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

**Profit and loss account  
for the year ended 31 March 2013**

	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
<b>TURNOVER</b>	<b>1,2</b>	<b>218,851</b>	<b>248,355</b>
Cost of sales		<u>(2,457,247)</u>	<u>(130,394)</u>
<b>GROSS (LOSS)/PROFIT</b>		<b>(2,238,396)</b>	<b>117,961</b>
Provision for impairment of stock		<b>37,080</b>	<b>(21,741,913)</b>
Administrative expenses		<u>(737,003)</u>	<u>(773,478)</u>
<b>OPERATING LOSS</b>	<b>3</b>	<b>(2,938,319)</b>	<b>(22,397,430)</b>
Interest receivable and similar income	<b>4</b>	<b>749,475</b>	<b>750,311</b>
Interest payable and similar charges	<b>5</b>	<u>(1,704,739)</u>	<u>(1,741,572)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(3,893,583)</b>	<b>(23,388,691)</b>
Tax on loss on ordinary activities	<b>6</b>	<u>824,068</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	<b>11</b>	<u><b>(3,069,515)</b></u>	<u><b>(23,388,691)</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 8 to 14 form part of these financial statements



**BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**  
Registered number: 06235593

**Balance sheet  
as at 31 March 2013**

	Note	£	2013 £	£	2012 £
<b>CURRENT ASSETS</b>					
Stocks	7	2,374,467		2,374,467	
Debtors	8	902,091		142,479	
Cash at bank		655,811		240,712	
		<u>3,932,369</u>		<u>2,757,658</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(101,723,961)</u>		<u>(97,479,735)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(97,791,592)</u>		<u>(94,722,077)</u>
<b>NET LIABILITIES</b>			<u>(97,791,592)</u>		<u>(94,722,077)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		1		1
Profit and loss account	11		<u>(97,791,593)</u>		<u>(94,722,078)</u>
<b>SHAREHOLDERS' DEFICIT</b>	12		<u>(97,791,592)</u>		<u>(94,722,077)</u>

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

D.Pearson  
Director

Date 16 July 2013



## **BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

### **Notes to the financial statements for the year ended 31 March 2013**

#### **1. ACCOUNTING POLICIES**

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

##### **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in UK Sterling, which is the functional currency of the company.

##### **Going concern**

The company is a member of a group headed by Ballymore Properties ("the group"), a company incorporated in the Republic of Ireland.

Notwithstanding having net liabilities of £97,791,592 at 31 March 2013, the financial statements of the company are prepared on the going concern basis, which the directors believe to be appropriate for the following reasons

The company is dependent for its working capital on funds provided to it by NAMA and by the group. The group has confirmed that it will continue to make available such funds as are needed by the company and in particular, will not seek repayment of amounts owed to it for at least 12 months from the date of approval of the financial statements. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

The Ballymore Properties group is in turn dependent on the ongoing financial support of its lenders to continue as a going concern. The group's lenders are Irish, UK and European financial institutions and the National Asset Management Agency ("NAMA"). NAMA is a special purpose vehicle that was established by the Irish government on a statutory basis in order to manage loans acquired from financial institutions with the aim of achieving the best possible return for the Irish taxpayer over a 7 to 10 year timetable.

In December 2012, the group entered into a Connection Management Agreement ("CMA") with NAMA. The CMA is in addition to a detailed business plan and a Memorandum of Understanding ("MoU") that was signed in 2011. This CMA, MoU, and the business plan, set out the various conditions and key performance indicators that the group is required to achieve in order to ensure NAMA's continued support.

As with any group company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these indications, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, this material uncertainty may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

##### **Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year and rental income, exclusive of Value Added Tax and trade discounts.

## **BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

### **Notes to the financial statements for the year ended 31 March 2013**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Interest payable**

Interest payable, which has not been capitalised, is charged to the profit and loss account in the financial year in which it is incurred

##### **Taxation**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

##### **Joint arrangements**

Where a company is party to a joint arrangement that is not an entity, the company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows

##### **Cash flow statement**

The directors have availed of the exemption contained in Financial Reporting Standard 1 and, accordingly, no cash flow statement is presented.

##### **Stock**

##### **Development properties**

Development properties are properties acquired for future development and properties on which only initial development has commenced. These are stated at the lower of cost and net realisable value. Cost comprises purchase price and development costs. Costs also includes interest and finance fees which are capitalised from the date of commencement of development until the development is complete. However capitalisation of interest is suspended during extended periods in which active development is interrupted. Interest is calculated by reference to specific borrowings. Net realisable value is defined as the estimated selling price of the completed developments less all further costs to completion and selling costs as estimated by the directors.

#### **2. TURNOVER**

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Rental income</b>	<b>218,851</b>	<b>248,355</b>

All turnover arose within the United Kingdom

**BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

**Notes to the financial statements  
for the year ended 31 March 2013**

**3. OPERATING LOSS**

The operating loss is stated after charging

	2013	2012
	£	£
Auditor's remuneration	10,000	10,000

During the year, no director received any emoluments (2012 - *£NIL*).

**4. INTEREST RECEIVABLE**

	2013	2012
	£	£
Other interest receivable	749,475	750,311

Interest receivable comprises amounts due from RQB (Isle of Man) Limited.

**5. INTEREST PAYABLE**

	2013	2012
	£	£
On bank loans and overdrafts	1,704,739	1,741,572

Interest on bank loans comprises amounts owed to NAMA

# **BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

## **Notes to the financial statements for the year ended 31 March 2013**

### **6. TAXATION**

	2013 £	2012 £
UK corporation tax (credit)/charge on loss for the year	<u>(824,068)</u>	<u>-</u>

#### **Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2012 - *higher than*) the standard rate of corporation tax in the UK of 24% (2012 - 26%). The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(3,893,583)</u>	<u>(23,368,691)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	(934,460)	(6,081,060)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	588	-
Unrelieved tax losses carried forward	-	6,081,060
Group relief	<u>109,804</u>	<u>-</u>
Current tax (credit)/charge for the year	<u>(824,068)</u>	<u>-</u>

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

The corporation tax rate of 24% effective from 1 April 2012 will continue to reduce gradually to 20% by 2015

At 31 March 2013 there is an unrecognised deferred tax asset of £13,696,553 (2012: £14,292,055) in respect of unutilised tax losses

# BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED

## Notes to the financial statements for the year ended 31 March 2013

### 7. STOCKS

	2013 £	2012 £
Development properties at cost	87,501,351	87,538,431
Provision for impairment	(85,126,884)	(85,163,964)
	<u>2,374,467</u>	<u>2,374,467</u>

The amount at which development properties are stated includes capitalised interest of £7,949,778 (2012 £7,949,778)

Each year, the directors review the carrying value of the company's stock in the context of current market conditions, and, where necessary, restate these assets at the lower of cost and net realisable value. In determining the realisable value, the directors appraise the eventual financial outcome on each stock item. They consider the various risks associated with development, including planning risk, construction risk and finance risk. They also examine the prudence of the assumptions underlying an appraisal including the timeline to complete, future attributable costs to complete (including planning, construction, marketing and financial costs, where appropriate) and the eventual proceeds the company can expect to receive from the sale of the stock. During the year, costs previously capitalised in relation to the development properties were written back as they are no longer payable. This reduced the original cost of the properties. On this basis during the current year the directors have released a provision for impairment of £37,080 (2012 Provision recognised £21.7 million).

Net realisable value includes significant estimates concerning the timing and quantum of developments, estimated realisable values for developed properties and the cost of construction. There are significant judgements in determining the carrying value of work in progress under development. The underlying assumptions used in the estimates may be impacted by matters such as, the state of the general economy, the state of the UK and global property market, the availability of UK mortgage financing, the timing of future sales, the costs of completing the build programme which in turn may be impacted by UK and global raw materials costs and inflation rates.

### 8. DEBTORS

	2013 £	2012 £
Trade debtors	73,772	126,352
Amounts owed by group undertakings	824,068	-
Other debtors	250	-
Prepayments and accrued income	-	16,127
VAT recoverable	4,001	-
	<u>902,091</u>	<u>142,479</u>

As in prior year the company has retained full provision against a receivable of £8.9 million (2012 £8.2 million) from its co-owner, RQB (Isle of Man) Ltd, as it is unlikely this will be recovered in the current climate.

# BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED

## Notes to the financial statements for the year ended 31 March 2013

### 9. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	57,109,031	55,406,733
Amounts owed to group undertakings	41,715,220	41,674,717
Other creditors	66,912	133,521
Accruals and deferred income	2,832,798	264,764
	<u>101,723,961</u>	<u>97,479,735</u>

Bank loans comprise amounts owed to NAMA repayable on demand

The company is jointly and severally liable for bank borrowings with its co-owner, RQB (Isle of Man) Ltd. The above amount represents the company's share of this liability. The debt is secured by fixed and floating charges over the assets of the co-ownership, together with capital and interest guarantees from both a parent company of the company and individuals connected with RQB (Isle of Man) Ltd.

### 10. SHARE CAPITAL

	2013 £	2012 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

### 11. RESERVES

	Profit and loss account £
At 1 April 2012	(94,722,078)
Loss for the year	(3,069,515)
At 31 March 2013	<u>(97,791,593)</u>

### 12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2013 £	2012 £
Opening shareholders' deficit	(94,722,077)	(71,333,386)
Loss for the year	(3,069,515)	(23,388,691)
Closing shareholders' deficit	<u>(97,791,592)</u>	<u>(94,722,077)</u>

## **BALLYMORE PROPERTIES (THAMES ROYAL) LIMITED**

### **Notes to the financial statements for the year ended 31 March 2013**

#### **13. RELATED PARTY TRANSACTIONS AND CONTROL**

The company is a 100% subsidiary of Ballymore Developments Limited, a company incorporated in England and Wales. That company's parent is Ballymore Limited, a company incorporated in England and Wales. That company's parent is Ballymore Properties Holdings Limited, a company incorporated in England and Wales. The company's ultimate parent company is Ballymore Properties, a company incorporated in the Republic of Ireland. The company was controlled throughout the period by Mr S Mulryan

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

The smallest group in which the results of the company are consolidated is that headed by Ballymore Properties Holdings Limited. The consolidated financial statements of Ballymore Properties Holdings Limited are available from the company's registered office which is St Johns House, 5 South Parade, Summertown, Oxford, OX2 7JL.

The company has availed of the exemption available in FRS 8 - Related Party Disclosures, from disclosing transactions with Ballymore Properties and its subsidiary undertakings.

Details of transactions and balances with other related parties are disclosed elsewhere in these financial statements.

#### **14. JOINT ARRANGEMENTS**

<b>Name</b>	<b>Proportion held by company</b>	<b>Principal activity</b>
Thames Royal Docklands	50%	Property development

The company has entered a co-ownership arrangement for the property with RQB (Isle of Man) Ltd. Each party is a 50% stakeholder in the co-ownership, Thames Royal Docklands. The trading address of Thames Royal Docklands is Pointe North, 3 Greenwich View Place, London E14 9NN

Where the company is party to a joint arrangement, which is not an entity, the company accounts directly for its part of the income, expenditure, assets, liabilities, and cash flows.

#### **15. POST BALANCE SHEET EVENTS**

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