

Ballymore Properties Management Limited

**Directors' report and financial
statements**

Year ended 31 March 2011

Registered number 06705313



Ballymore Properties Management Limited

Directors' report and financial statements

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Ballymore Properties Management Limited

Directors and other information

Directors

D Pearson
B Fagan
J Mulryan

Secretary

B Fagan

Registered office

St John's House
5 South Parade
Summertown
Oxford
OX2 7JL

Auditor

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

Solicitors

Howard Kennedy
Harcourt House
19 Cavendish Square
London
W1A 2AW

Ballymore Properties Management Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2011

Principal activities and business review

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

The results for the year are set out on page 6 of the financial statements. The loss for the year after taxation amounted to £113,604 (2010 profit £356,532). The directors do not recommend the payment of a dividend.

Directors

The directors and secretary who currently hold office are listed on page 1.

D Brophy resigned as a director on 4 November 2011.

D Pearson was appointed as a director on 9 November 2011.

There were no other changes in directors or secretary during the year or since year end.

Disclosure of information to auditor

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

On behalf of the board

D Pearson
Director

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line extending to the right.

Ballymore Properties Management Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

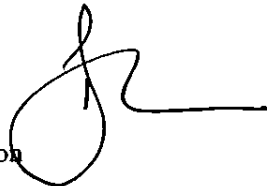
In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board

D Pearson
Director

A handwritten signature in black ink, appearing to be 'D Pearson', written over a horizontal line.



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

Independent auditor's report to the members of Ballymore Properties Management Limited

We have audited the financial statements of Ballymore Properties Management Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Acts 2006.

Independent auditor's report to the members of Ballymore Properties Management Limited *(continued)*

Opinion on financial statements *(continued)*

Emphases of matter – going concern and valuation of properties

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 5 concerning the uncertainty associated with the assessment of the carrying value of the company's property assets under current market conditions.

Although the company had net assets at 31 March 2011, the company is dependent on amounts owed to group undertakings not being called upon within one year of the date of approval of these financial statements in order to continue as a going concern. 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 assets comprise properties held for sale with a carrying value of £11.4 million. Given the materiality of these amounts and the inherent subjectivity in the assessment of the carrying value of those assets, we draw your attention to the uncertainty underlying those valuations, as outlined in note 5.

The financial statements do not include any adjustments that would result if the company was unable to recover the full carrying value of its 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 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.



C. Mullen (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
Chartered Accountants
Dublin

20th December 2011

Ballymore Properties Management Limited

Profit and loss account

for the year ended 31 March 2011

	Notes	2011 £	2010 £
Turnover - continuing operations	2	762,128	356,532
Cost of sales		(450,000)	-
Gross profit		312,128	356,532
Administration expenses		(425,732)	-
Operating (loss)/profit - continuing operations	3	(113,604)	356,532
Tax on (loss)/profit on ordinary activities	4	-	-
(Loss)/profit for the financial year	9 / 10	(113,604)	356,532

The company had no recognised gains or losses in the financial or the preceding financial year other than those shown in the profit and loss account

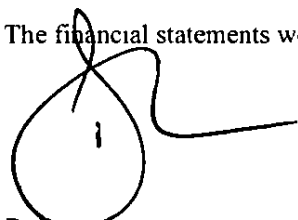
Ballymore Properties Management Limited

Balance sheet

at 31 March 2011

	Notes	2011 £	2010 £
Current assets			
Stocks	5	11,420,000	11,870,000
Debtors	6	1	188,409
Cash at bank and in hand		403,676	168,124
		<u>11,823,677</u>	<u>12,226,533</u>
Creditors: amounts falling due within one year	7	<u>(11,580,748)</u>	<u>(11,870,000)</u>
Net assets		<u>242,929</u>	<u>356,533</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	242,928	356,532
Shareholders' funds	10	<u>242,929</u>	<u>356,533</u>

The financial statements were approved by the board of directors on 20/12/2011 and were signed on its behalf by



D Pearson
Director

Ballymore Properties Management Limited

Notes *(forming part of the financial statements)*

1 Significant 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

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in England and Wales. 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"). Although the company had net assets at 31 March 2011, the company is dependent on amounts owed to group undertakings not being called upon within one year of the date of approval of these financial statements in order to continue as a going concern. However, the 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 established by the Irish government in order to manage acquired loans from Irish financial institutions with the aim of maximising the return for the Irish taxpayer over a 7 to 10 year timetable. The group has signed a memorandum of understanding with NAMA and is currently working on finalising arrangements 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, which is stated net of VAT, represents the net value of sales completed, and rental income recognised on an accruals basis.

Stocks

Properties held for resale, on which no further development is required, are stated at the lower of cost and net realisable value. Net realisable value is defined as the current selling price less all further costs to completion and selling costs as estimated by the directors.

Cash flow statement

As the company qualifies as a small company, the directors have availed of the exemption contained in Financial Reporting Standard 1 and, accordingly, no cash flow statement is presented.

Ballymore Properties Management Limited

Notes (continued)

1 Significant accounting policies (continued)

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

2 Turnover

	2011 £	2010 £
Rental income	312,128	356,532
Sale of property	450,000	-
	<u>762,128</u>	<u>356,532</u>

All turnover is generated in the United Kingdom

3 Statutory and other information

	2011 £	2010 £
<i>Operating (loss) / profit is stated after charging</i>		
Auditor's remuneration	-	-
	<u>-</u>	<u>-</u>

No emoluments are paid to the directors of the company. The company has no employees (2010: none)

Ballymore Properties Management Limited

Notes (continued)

4 Tax on (loss)/profit on ordinary activities

	2011 £	2010 £
Tax on (loss)/profit on ordinary activities	-	-

The current tax for the year differs from the standard rate of corporation tax in the UK. The differences are explained below

	2011 £	2010 £
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(113,604)	356,532
Current tax at 28%	(31,809)	99,829
<i>Effects of</i>		
Movement in tax losses	31,809	-
Group relief	-	(99,829)
Total current tax charge	-	-

There is no unprovided deferred tax at 31 March 2011 (31 March 2010 £nil)

5 Stocks

	2011 £	2010 £
Properties for resale	11,870,000	11,870,000
Transferred to cost of sales	(450,000)	-
	11,420,000	-

The valuation of the company's stock as at the date of approval of these financial statements is subject to uncertainty in light of current market conditions where property assets are relatively illiquid

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 markets, the availability of UK mortgage finance and the timing of future apartment sales.

Ballymore Properties Management Limited

Notes (continued)

6	Debtors	2011	2010
		£	£
	Trade debtors	-	188,408
	Amounts owed by group undertakings	<u>1</u>	<u>1</u>
		<u>1</u>	<u>188,409</u>
7	Creditors: amounts falling due within one year	2011	2010
		£	£
	Amounts owed to group undertakings	11,575,348	11,870,000
	Other creditors including tax and social welfare	<u>5,400</u>	<u>-</u>
		<u>11,580,748</u>	<u>11,870,000</u>
8	Called up share capital	2011	2010
		£	£
	<i>Authorised</i>		
	1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<i>Allotted, called up and fully paid</i>		
	1 ordinary shares of £1	<u>1</u>	<u>1</u>
9	Reconciliation of profit and loss account	2011	2010
		£	£
	At beginning of year	356,532	-
	(Loss)/profit for the financial year	<u>(113,604)</u>	<u>356,532</u>
	At end of year	<u>242,928</u>	<u>356,532</u>
10	Reconciliation of movements in shareholders' funds	2011	2010
		£	£
	Opening shareholders' funds	356,533	1
	(Loss)/profit for the financial year	<u>(113,604)</u>	<u>356,532</u>
	Closing shareholders' funds	<u>242,929</u>	<u>356,533</u>

Ballymore Properties Management Limited

Notes (continued)

11 Related parties and control

The company is a wholly owned subsidiary of Ballymore Investments 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 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 John's 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.

12 Post balance sheet events

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

13 Approval of financial statements

The directors approved the financial statements on 20 December 2011.