

Registered number: 06705313

BALLYMORE PROPERTIES MANAGEMENT LIMITED

Directors' report and financial statements

for the year ended 31 March 2012



BALLYMORE PROPERTIES MANAGEMENT LIMITED

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BALLYMORE PROPERTIES MANAGEMENT LIMITED

Company Information

| | |
|--------------------------|--|
| DIRECTORS | B.Fagan D Pearson (appointed 9 November 2011) J.Mulryan D.Brophy (resigned 4 November 2011) |
| COMPANY SECRETARY | B.Fagan |
| COMPANY NUMBER | 06705313 |
| 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 Ireland |
| SOLICITORS | Howard Kennedy Harcourt House 19 Cavendish Square London W1A 2AW |

BALLYMORE PROPERTIES MANAGEMENT LIMITED

Directors' report for the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012.

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 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 property investment. There has been no significant change to this activity during the year.

RESULTS

The profit for the year, after taxation, amounted to £73,114 (2011 - loss £113,604).

DIRECTORS

The directors who served during the year were:

B.Fagan
D.Pearson (appointed 9 November 2011)
J.Mulryan
D.Brophy (resigned 4 November 2011)

BALLYMORE PROPERTIES MANAGEMENT LIMITED

**Directors' report
for the year ended 31 March 2012**

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.

A handwritten signature in black ink, appearing to be 'D. Pearson', written over a circular stamp or seal.

D. Pearson
Director
Date: 31 July 2012



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 2012, set out on pages 6 to 12. 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board'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 2012 and of its profit 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.

EMPHASIS OF MATTER

In forming our opinion of these financial statements, which is not modified, we have considered the adequacy of the disclosures made in (i) Note 1 concerning a material uncertainty 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 property assets under current market conditions.

Although the company had net assets at 31 March 2012, 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 property held for sale with a carrying value of £875,000. Given the materiality of this amount to the company 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.



BALLYMORE PROPERTIES MANAGEMENT LIMITED

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

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

31 July 2012

BALLYMORE PROPERTIES MANAGEMENT LIMITED

Profit and loss account for the year ended 31 March 2012

| | Note | 2012 £ | 2011 £ |
|---|------|----------------------|-------------------------|
| TURNOVER | 1,2 | 10,622,780 | 762,128 |
| Cost of sales | | <u>(10,545,000)</u> | <u>(450,000)</u> |
| GROSS PROFIT | | 77,780 | 312,128 |
| Administrative expenses | | <u>(4,666)</u> | <u>(425,732)</u> |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 73,114 | (113,604) |
| Tax on profit/(loss) on ordinary activities | 4 | <u>-</u> | <u>-</u> |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | 9 | <u>73,114</u> | <u>(113,604)</u> |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

BALLYMORE PROPERTIES MANAGEMENT LIMITED
Registered number: 06705313

Balance sheet
as at 31 March 2012

| | Note | £ | 2012 £ | £ | 2011 £ |
|---|------|------------------|----------------|---------------------|----------------|
| CURRENT ASSETS | | | | | |
| Stocks | 5 | 875,000 | | 11,420,000 | |
| Debtors | 6 | 1 | | 1 | |
| Cash at bank | | 15,718 | | 403,676 | |
| | | <u>890,719</u> | | <u>11,823,677</u> | |
| CREDITORS: amounts falling due within one year | 7 | (574,676) | | (11,580,748) | |
| NET CURRENT ASSETS | | | 316,043 | | 242,929 |
| NET ASSETS | | | 316,043 | | 242,929 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 8 | | 1 | | 1 |
| Profit and loss account | 9 | | 316,042 | | 242,928 |
| SHAREHOLDERS' FUNDS | 10 | | 316,043 | | 242,929 |

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


D. Pearson
Director
Date. 31 July 2012

BALLYMORE PROPERTIES MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2012

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 member of a group headed by Ballymore Properties ("the group"). Although the company had net assets at 31 March 2012, 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 in turn is 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 comprises property sales contracts completed and rental income recognised on an accrual basis.

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.

BALLYMORE PROPERTIES MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2012

1. ACCOUNTING POLICIES (continued)

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

Properties held for resale

These properties do not require further development and are stated at the lower of cost and net realisable value. Net realisable value is defined as the current selling price less all selling costs as estimated by the directors.

2. TURNOVER

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

| | 2012 | 2011 |
|------------------|--------------------------|-----------------------|
| | £ | £ |
| Rental income | 77,780 | 312,128 |
| Sale of property | 10,545,000 | 450,000 |
| | <u>10,622,780</u> | <u>762,128</u> |

All turnover arose within the United Kingdom

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

| | 2012 | 2011 |
|------------------------|---------------------|-----------------|
| | £ | £ |
| Auditor's remuneration | 3,500 | - |
| | <u>3,500</u> | <u>-</u> |

During the year, no director received any emoluments (2011 - *ENIL*). The company has no employees (2011: none).

BALLYMORE PROPERTIES MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2012

4. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below:

| | 2012 £ | 2011 £ |
|---|-----------|-----------|
| Profit/loss on ordinary activities before tax | 73,114 | (113,604) |
| Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%) | 19,010 | (31,809) |
| Effects of: | | |
| Unrelieved tax losses carried forward | - | 31,809 |
| Group relief | (19,010) | - |
| Current tax charge for the year | - | - |

Factors that may affect future tax charges

The corporation tax rate of 26% effective from 1 April 2011 will continue to reduce gradually to 22% by 2014

There is no unprovided deferred tax at 31 March 2012 (31 March 2011: Enil).

5. STOCKS

| | 2012 £ | 2011 £ |
|-----------------------|-----------|------------|
| Properties for resale | 875,000 | 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

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

6. DEBTORS

| | 2012 £ | 2011 £ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | 1 | 1 |

BALLYMORE PROPERTIES MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2012

7. CREDITORS: Amounts falling due within one year

| | 2012 | 2011 |
|------------------------------------|-----------------------|--------------------------|
| | £ | £ |
| Amounts owed to group undertakings | 574,676 | 11,575,348 |
| Other creditors | - | 5,400 |
| | <u>574,676</u> | <u>11,580,748</u> |

8. SHARE CAPITAL

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

9. RESERVES

| | Profit and loss account £ |
|---------------------|--|
| At 1 April 2011 | 242,928 |
| Profit for the year | 73,114 |
| At 31 March 2012 | <u>316,042</u> |

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 2012 | 2011 |
|-----------------------------|-----------------------|-------------------------|
| | £ | £ |
| Opening shareholders' funds | 242,929 | 356,533 |
| Profit/(loss) for the year | <u>73,114</u> | <u>(113,604)</u> |
| Closing shareholders' funds | <u>316,043</u> | <u>242,929</u> |

BALLYMORE PROPERTIES MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 March 2012

11. RELATED PARTY TRANSACTIONS 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 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. 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.