

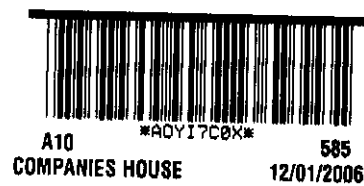


St. John's Square Co. Limited

Directors' report and
financial statements

Year ended 31 March 2005

Registered Number: 03049262



St. John's Square Co. Limited

Directors' report and financial statements

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St. John's Square Co. Limited

Directors and other information

Directors

S. Mulryan
B. Fagan
R. Hardy
D. Mulryan (resigned 5 May 2004)

Registered office

St Johns House
5 South Parade
Summertown
Oxford
OX2 7JL

Registered number

03049262

Secretary

B. Fagan

Auditors

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

Solicitors

Howard Kennedy
Harcourt House
19 Cavendish Square
London WA1 2AW

Bankers

Barclays Bank
P.O. Box 46116
London
EC4N 8WB

Würtemberger Hypo
Aktiengesellschaft
73 Brook Street
London
W1K 4HX

Irish Nationwide
18-25 Donegall Square East
Belfast
BT1 5HE

St. John's Square Co. Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2005.

Principal activity

The principal activities of the company during the year were property development and investment.

Results and review of the business

A summary of the results of the trading for the year is given on page 8 of the financial statements. The loss for the year was £1,042,180.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year are listed on page 1. Mr Donal Mulryan resigned as a director of the company on 5 May 2004.

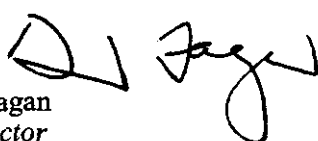
The directors serving at the year end who held beneficial interests in the issued share capital of group companies were as follows:-

Name of director		Ordinary shares	
		31 March 2005 €1 each	31 March 2004 €1 each
S. Mulryan	Ballymore Properties (incorporated in Ireland)	12,935	12,935

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board


B. Fagan
Director

15 June 2005

St. John's Square Co. Limited

Statement of directors' responsibilities

The directors are responsible for preparing these financial statements which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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

B. Fagan
Director





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

Independent auditors' report to the members of St. John's Square Co. Limited

We have audited the financial statements on pages 6 to 15.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors in relation to the financial statements

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of St. John's Square Co. Limited
(continued)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'V. H. O.', written in a cursive style.

Chartered Accountants
Registered Auditors

15 June 2005

St. John's Square Co. Limited

Statement of accounting policies

for the year ended 31 March 2005

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 in accordance with generally accepted accounting principles under the historical cost accounting convention, as modified to include the revaluation of investment properties, and comply with financial reporting standards of the Accounting Standards Board.

Tangible fixed assets and depreciation

Investment properties

Investment properties are stated on the basis of open market value as defined by the Royal Institution of Chartered Surveyors. Investment properties are valued annually. Surpluses and deficits on valuation are taken directly to the revaluation reserve except for permanent deficits or their reversal which, on an individual property basis, are taken to the profit and loss account.

Profits and losses on the sale of investment properties included in the profit and loss account are calculated as the difference between the net sales proceeds and the carrying value.

No depreciation or amortisation is provided against investment properties which may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. These properties are not however held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary, in the directors' opinion, for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Turnover

Turnover, which is stated net of VAT, represents the net invoice value of development and residential sales contracts completed and rental income recognised on an accruals basis. Turnover is attributable to the principal activities of the company, and is earned entirely within the United Kingdom.

Taxation

Taxation is provided on taxable profits arising at current rates.

Deferred taxation is accounted for, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19 'Deferred Tax'. Provision is made at the tax rates which are expected to apply in the periods in which the timing differences reverse. Deferred tax assets are recognised only to the extent that it is considered more likely than not they will be recovered.



St. John's Square Co. Limited

Statement of accounting policies (*continued*)
for the year ended 31 March 2005

Stock

Properties held for resale

Properties held for resale are stated at the lower of their cost or net realisable value.

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.

St. John's Square Co. Limited

Profit and loss account

for the year ended 31 March 2005

	Note	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Turnover			
Cost of sales	1	2,381,808 (165,074)	2,354,345 (148,150)
Gross profit			
Administration expenses		2,216,734 (415)	2,206,195 (66)
Operating profit	2	2,216,319	2,206,129
Interest receivable and similar income	3(a)	5,201	3,209
Interest payable and similar charges	3(b)	(3,263,700)	(2,054,887)
(Loss)/profit on ordinary activities before taxation		(1,042,180)	154,451
Taxation on (loss)/profit on ordinary activities	4	-	-
Retained (loss)/profit for the year		(1,042,180)	154,451

Statement of retained profit

for the year ended 31 March 2005

	2005 £	2004 £
Retained profit at start of year	4,516,682	4,362,231
Retained (loss)/profit for the year	(1,042,180)	154,451
Retained profit at end of year	3,473,502	4,516,682



St. John's Square Co. Limited

Statement of total recognised gains and losses *for the year ended 31 March 2005*

	2005 £	2004 £
(Loss)/profit for the financial year	(1,042,180)	154,451
Unrealised (deficit) on revaluation of investment properties	-	(6,500,000)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(1,042,180)	(6,345,549)
	<hr/>	<hr/>

St. John's Square Co. Limited

Balance sheet at 31 March 2005

	Note	31 March 2005 £	31 March 2004 £
Fixed assets	5	56,000,000	56,000,000
Current assets			
Stocks	6	300,000	300,000
Debtors	7	20,302,454	19,345,050
Cash at bank and in hand		1,324,353	1,972,523
		21,926,807	21,617,573
Creditors: amounts falling due within one year	8	(15,483,638)	(14,712,000)
Net current assets		6,443,169	6,905,573
Total assets less current liabilities		62,443,169	62,905,573
Creditors: amounts falling due after one year	9	(47,467,667)	(46,887,891)
Net assets		14,975,502	16,017,682
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account		3,473,502	4,516,682
Revaluation reserve	11	11,500,000	11,500,000
Shareholders' funds - equity interests	12	14,975,502	16,017,682

These financial statements were approved by the board of directors on 15 June 2005 and were signed on its behalf by:

B. Fagan
Director



St. John's Square Co. Limited

Notes

forming part of the financial statements

1 Turnover

	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Turnover is analysed as follows:		
Rental and sundry income	2,381,808	2,354,345

2 Operating profit

	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Operating profit is stated after charging:		
Auditors' remuneration	-	-
Directors' remuneration	-	-

Audit fees are discharged by the parent company, Ballymore Properties Limited.

3 (a) Interest receivable and similar income

	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Bank deposit interest	5,201	3,209

(b) Interest payable and similar charges

	Year ended 31 March 2005 £	Year ended 31 March 2004 £
On bank loans and overdrafts due to be repaid wholly within five years, none of which are repayable by instalments	3,263,700	2,054,887

St. John's Square Co. Limited

Notes (continued)

4	Taxation on profit on ordinary activities	Year ended 31 March 2005 £	Year ended 31 March 2004 £
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Corporation tax	-	-
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The current tax charge for the period is lower than the standard rate of corporation tax (30%). The differences are explained below.

	2005 £	2004 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	(1,042,180)	154,541
Current tax at 30%	(312,654)	46,362
<i>Effects of:</i>		
Expenses not deductible		
Capital allowances for period in excess of depreciation	(77,165)	(102,887)
Utilisation of tax losses		
Group relief	389,819	56,525
Total current tax charge (see above)	-	-

5 Tangible fixed assets

	Freehold investment properties £
<i>Cost or valuation</i>	
At beginning of year	56,000,000
Additions	-
Revaluation	-
At end of year	56,000,000
Cost	-
Valuation	56,000,000
	56,000,000

The investment property which cost £38,454,943 (2004: £38,454,943) was valued at £56,000,000 on 31 March 2005 on an open market value basis by Mr Ray Hardy, BSc MRICS, a director of the company.

St. John's Square Co. Limited

Notes (continued)

5 Tangible fixed assets (continued)

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. The maximum amount which could become payable in these circumstances is £5,468,436 (2004: £3,867,360) At present it is not envisaged that any tax will become payable in the foreseeable future.

6 Stocks and work in progress

	2005 £	2004 £
Work in progress stated at cost	300,000	300,000
The amount at which work in progress is stated includes capitalised interest of:-	54,447	54,447

There are no material differences between the replacement cost of stock and the balance sheet amounts.

7 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	20,302,454	19,255,050
Trade debtors	-	90,000
	20,302,454	19,345,050

8 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	5,692,124	5,692,124
Accruals and deferred income	8,944,354	8,639,658
Taxation creditors	347,160	380,218
Bank loans and overdraft	500,000	-
	15,483,638	14,712,000

St. John's Square Co. Limited

Notes (continued)

9 Creditors: amounts falling due after one year	2005	2004
	£	£
Bank loans (secured)	47,467,667	46,887,891

The bank loans are secured by fixed and floating charges over the assets of the company and cross guarantees by certain group undertakings. The loans are repayable after five years.

10 Share capital	2005	2004
	£	£
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000

11 Revaluation reserve	2005	2004
	£	£
At beginning of year	11,500,000	18,000,000
Revaluation (deficit)	-	(6,500,000)
At end of year	11,500,000	11,500,000

12 Reconciliation of movement in shareholders' funds	2005	2004
	£	£
Shareholders' funds at 1 April 2004	16,017,682	22,363,231
Total recognised gains and losses for the year	(1,042,180)	(6,345,549)
Shareholders' funds at 31 March 2005	14,975,502	16,017,682

St. John's Square Co. Limited

Notes *(continued)*

13 Related parties and control

The company is a subsidiary of Ballymore Properties 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 (formerly Ballymore Properties Limited) 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 and its subsidiary undertakings are consolidated is that headed by Ballymore Properties.

The smallest group in which the results of the company and its subsidiary undertakings 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, for disclosing transactions with Ballymore Properties Holdings Limited and its subsidiary companies.

14 Cash flow statement

A separate cash flow statement has not been prepared under Financial Reporting Standard No. 1 - Cash Flow Statements, as a consolidated cash flow statement has been prepared and included in the consolidated financial statements of Ballymore Properties Holdings Limited and its subsidiaries.

15 Post balance sheet events

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

16 Approval of financial statements

The directors approved the financial statements on 15 June 2005.

Appendix

*The following information does not form part of the
audited statutory financial statements and is included
solely for the information of management*

St. John's Square Co. Limited

Detailed trading and profit and loss account for the year ended 31 March 2005

	£	2005	£	£	2004	£
Turnover			2,381,808			2,354,345
Cost of sales						
Opening work in progress	300,000			300,000		
Development costs	165,074			148,150		
Less: closing work in progress	(300,000)			(300,000)		
			<u>(165,074)</u>			<u>(148,150)</u>
Gross profit						2,206,195
Administrative expenses						
Other administrative expenses	(415)			(66)		
			<u>(415)</u>			<u>(66)</u>
Operating profit			2,214,319			2,206,129
Interest receivable						
Bank deposit interest	5,201			3,209		
Other income	-			-		
			<u>2,221,520</u>			<u>2,209,338</u>
Interest payable						
Bank loan interest payable	(3,263,700)			(2,054,887)		
Less: interest capitalised in work in progress	-			-		
			<u>(3,263,700)</u>			<u>(2,054,887)</u>
(Loss)/profit on ordinary activities before taxation			(1,042,180)			154,451