



# Headaid Limited

Directors' report and  
financial statements

**Year ended 31 March 2005**

*Registered Number: 03658993*





# Headaid Limited

## Directors' report and financial statements

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# Headaid Limited

## Directors and other information

### Directors

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

### Registered office

St Johns House  
5 South Parade  
Summertown  
Oxford  
OX2 7JL

### Registered number

03658993

### Secretary

B. Fagan

### Auditors

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

### Solicitors

Howard Kennedy  
Harcourt House  
19 Cavendish Square  
London W1A 2AW

### Bankers

Fortis Bank S.A./N.V.  
Camomile Court  
23 Camomile Street  
London  
EC3A 7PP

# Headaid Limited

## Directors and other information

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

### Principal activity and review of business

The principal activity of the company is that of property investment.

### Results and review of the business

A summary of the results of the trading for the year is given on page 7 of the financial statements. The profit of the company for the year was £166,834.

### 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 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	<b>Ballymore Properties</b> (incorporated in Ireland)	12,935	12,935

### Dividends

The directors do not recommend the payment of a dividend.

### 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

## Headaid Limited

### Directors and other information

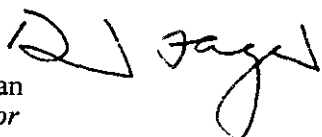
The directors are responsible for preparing these financial statements which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the year. In preparing these financial statements, the directors are required to:

- 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 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

## Independent auditors' report to the members of Headaid Limited

We have audited the financial statements on pages 6 to 13.

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**

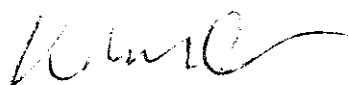
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 Headaid 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 profit 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 'K. M. C.', written in a cursive style.

*Chartered Accountants  
Registered Auditors*

15 June 2005

# Headaid 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.

### **Turnover**

Turnover which is stated net of VAT, represents rentals income recognised on an accruals basis. Turnover is earned entirely within the United Kingdom.

### **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.

### **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.

### **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.



# Headaid Limited

## Profit and loss account for the year ended 31 March 2005

	<i>Note</i>	<b>Year ended 31 March 2005 £</b>	<b>Year ended 31 March 2004 £</b>
<b>Turnover</b>	<i>1</i>	<b>1,065,591</b>	<b>1,069,433</b>
Cost of sales		-	-
<b>Gross profit</b>		<b>1,065,591</b>	<b>1,069,433</b>
Administration expenses		(7,802)	(4,500)
<b>Operating profit</b>	<i>2</i>	<b>1,057,789</b>	<b>1,064,933</b>
Interest payable and similar charges	<i>3</i>	(819,020)	(698,581)
Interest receivable	<i>4</i>	65	460
<b>Profit on ordinary activities before taxation</b>		<b>238,834</b>	<b>366,812</b>
Tax on profit on ordinary activities	<i>5</i>	(72,000)	-
<b>Profit on ordinary activities after taxation for the year</b>		<b>166,834</b>	<b>366,812</b>

## Statement of retained profits for the year ended 31 March 2005

	<b>2005 £</b>	<b>2004 £</b>
Retained profit at start of year	<b>608,756</b>	<b>241,944</b>
<b>Profit for the year</b>	<b>166,834</b>	<b>366,812</b>
Retained profit at end of year	<b>775,590</b>	<b>608,756</b>

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

# Headaid Limited

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

	2005 £	2004 £
<b>Profit for the financial year</b>	<b>166,834</b>	366,812
Unrealised profit on revaluation of investment properties	<b>118,392</b>	-
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to the year</b>	<b>285,226</b>	366,812
	<hr/>	<hr/>

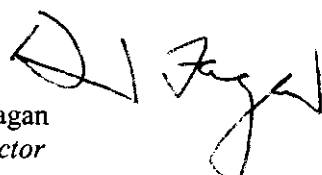
# Headaid Limited

## Balance sheet as at 31 March 2005

	<i>Note</i>	<b>31 March 2005 £</b>	<b>31 March 2004 £</b>
<b>Tangible assets</b>	6	<b>20,000,000</b>	19,881,608
<b>Current assets</b>			
Debtors	7	-	2,033
<b>Creditors: amounts falling due within one year</b>	8	<b>(5,484,541)</b>	(5,385,481)
<b>Net current liabilities</b>		<b>(5,484,541)</b>	(5,383,448)
<b>Total assets less current liabilities</b>		<b>14,515,459</b>	14,498,160
<b>Creditors: amounts falling due after more than one year</b>	9	<b>(13,621,475)</b>	(13,889,402)
<b>Net assets</b>		<b>893,984</b>	608,758
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account		775,590	608,756
Revaluation reserve		118,392	-
<b>Shareholders' funds - equity interests</b>	12	<b>893,984</b>	608,758

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

B. Fagan  
Director



# Headaid Limited

## Notes

*forming part of the financial statements*

<b>1 Turnover</b>	<b>Year ended 31 March 2005 £</b>	<b>Year ended 31 March 2004 £</b>
Rental income	<b>1,065,591</b>	<b>1,069,433</b>

All turnover is generated in the United Kingdom.

<b>2 Operating profit</b>	<b>Year ended 31 March 2005 £</b>	<b>Year ended 31 March 2004 £</b>
Operating profit is stated after charging:		
Auditors' remuneration	-	-
Directors' remuneration	-	-

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

<b>3 Interest payable and similar charges</b>	<b>Year ended 31 March 2005 £</b>	<b>Year ended 31 March 2004 £</b>
On bank loans and overdrafts due to be repaid wholly within five years, none of which are repayable by instalments	<b>819,020</b>	<b>698,581</b>

<b>4 Interest receivable</b>	<b>Year ended 31 March 2005 £</b>	<b>Year ended 31 March 2004 £</b>
Interest receivable on deposits	<b>65</b>	<b>460</b>

# Headaid Limited

## Notes

*forming part of the financial statements*

### 5 Taxation

	Year ended 31 March 2005 £	Year ended 31 March 2004 £
Corporation tax	72,000	-

The current tax charge for the period is higher 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	238,834	366,812
Current tax at 30%	71,650	110,043
<i>Effects of:</i>		
Expenses not deductible	350	-
Group relief	-	(110,043)
Total current tax charge	72,000	-

### 6 Tangible fixed assets

	Freehold investment properties £
<i>Cost or valuation</i>	
At beginning of year	19,881,608
Revaluation	118,392
At end of year	20,000,000

The investment property was valued at £20,000,000 on 31 March 2005 on an open market value basis by Kemsley Whiteley Ferris, Chartered Surveyors. The valuation was carried out in accordance with the Appraisal and Valuation Manual published by the Royal Institute of Chartered Surveyors.

The historical cost of the investment property was £19,881,608 (2004: £19,881,608).

# Headaid Limited

## Notes

*forming part of the financial statements*

<b>7 Debtors</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	2,033
	<hr/>	<hr/>
<b>8 Creditors: amounts falling due within one year</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Accruals & deferred income	420,469	401,136
Other creditors	46,699	46,537
Corporation tax	73,456	111,500
Amounts owed to group undertakings	4,943,917	4,826,308
	<hr/>	<hr/>
	<b>5,484,541</b>	<b>5,385,481</b>
	<hr/>	<hr/>
<b>9 Creditors: amounts falling due after one year</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Bank loans (Note 10)	13,621,475	13,889,402
	<hr/>	<hr/>

The bank loan is secured by fixed and floating charges over the assets of the company and cross guarantees by certain group undertakings.

10	Bank borrowings	Within one year £	Between two and five years £	Total £
	Repayable other than by instalments	-	13,621,475	13,621,475
		<hr/>	<hr/>	<hr/>
11	Share capital		2005 £	2004 £
	<i>Authorised</i>			
	1,000 ordinary shares of £1 each		1,000	1,000
			<hr/>	<hr/>
	<i>Allotted, called up and fully paid</i>			
	2 ordinary shares of £1 each		2	2

# Headaid Limited

## Notes

*forming part of the financial statements*

<b>12 Reconciliation of movement in shareholders' funds</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Shareholders' funds at 1 April	<b>608,758</b>	241,946
Profit for the year	<b>166,834</b>	366,812
Revaluation reserve	<b>118,392</b>	-
	<hr/>	<hr/>
Shareholders' funds at 31 March 2005	<b>893,984</b>	608,758
	<hr/>	<hr/>

## 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 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*



# Headaid Limited

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

	Year ended 31 March 2005 £	Year ended 31 March 2004 £
<b>Turnover</b>	<b>1,065,591</b>	<b>1,069,433</b>
Cost of sales	-	-
	<hr/>	<hr/>
<b>Gross profit</b>	<b>1,065,591</b>	<b>1,069,433</b>
Administration expenses	(7,802)	(4,500)
Interest payable	(819,020)	(698,581)
Interest receivable	65	460
	<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<b>238,834</b>	<b>366,812</b>
	<hr/>	<hr/>