

Headaid Limited

Directors' report and
financial statements

Year ended 31 March 2002

Registered number: 03658993



Headaid Limited

Financial statements

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adaid Limited

ectors and other information

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R. Hardy
B. Fagan
D. Mulryan (Appointed 20 June 2001)
S. Mulryan (Appointed 20 June 2001)

stered office

Pointe North
3 Greenwich View Place
London
E14 9NN

stered number

03658993

etary

B. Fagan

itors

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

itors

Howard Kennedy
Harcourt House
19 Cavendish Square
London W1A 2AW

Headaid Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2002.

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 6 of the financial statements. The profit of the company for the year was £59,890.

Directors

The directors who held office during the year are listed on page 1.

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 2002 €1 each	31 March 2001 IR£ 1 each
Mulryan Ballymore Properties Limited (incorporated in Ireland)	<u>12,935</u>	<u>9,950</u>

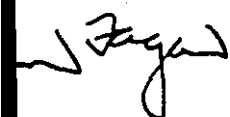
Dividends

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



Eagan
Director

29 May 2002

Headaid 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

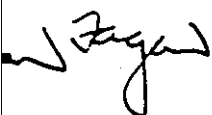
- make judgements and estimates that are reasonable and prudent

- 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



Fagan
Director



Chartered Accountants

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

Independent auditors' report to the members of Headaid Limited

We have audited the financial statements on pages 5 to 11.

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, 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. Our 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.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

29 May 2002

Headaid Limited

Statement of accounting policies

The year ended 31 March 2002

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

Statement of preparation of financial statements

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost accounting convention 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.

Intangible 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 periodically by independent professional valuers. Gains and deficits on valuation are taken directly to the revaluation reserve except for permanent deficits and their reversal which, on an individual property basis, are taken to the profit and loss account.

Gains 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.

Depreciation or amortisation is provided against investment properties which may be a departure from the requirements of the Companies Acts concerning depreciation of fixed assets. These properties are not ever held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary 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.

Corporation tax

Corporation tax charge of taxation is based on the profit for the year.

Deferred taxation is accounted for in respect of timing differences between profit, as computed for taxation purposes and profit, as stated in the financial statements, to the extent that such differences are expected to reverse in the foreseeable future.

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 2002

	Note	Year ended 31 March 2002 £	Period ended 31 March 2001 £
Turnover	1	360,287	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		360,287	-
Administration expenses		(10,728)	-
		<hr/>	<hr/>
Operating profit	2	349,559	-
Interest payable and similar charges	3	(263,169)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		86,390	-
Tax on profit on ordinary activities	4	(26,500)	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation for the year		59,890	-
		<hr/>	<hr/>

Statement of retained profits

for the year ended 31 March 2002

	2002 £	2001 £
Retained profit at start of year	-	-
Profit for the year	59,890	-
	<hr/>	<hr/>
Retained profit at end of year	59,890	-
	<hr/>	<hr/>

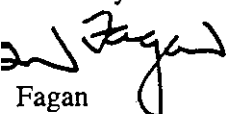
The company had no recognised gains or losses in the financial year or preceding financial period other than those dealt with in the profit and loss account.

Leadaid Limited

Balance sheet
at 31 March 2002

	Note	31 March 2002 £	31 March 2001 £
Intangible assets	5	19,881,608	2
Debtors	6	-	2
Creditors: amounts falling due within one year	7	(5,009,216)	-
Net current (liabilities)/assets		(5,009,216)	2
Total assets less current liabilities		14,872,392	2
Debtors: amounts falling due after more than one year	8	(14,812,500)	-
Net assets		59,892	2
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		59,890	-
Shareholders' funds - equity interests	11	59,892	2

These financial statements were approved by the board of directors on 29 May 2002 and were signed on behalf by:


Fagan
Director

Leadaid Limited

Notes

forming part of the financial statements

	Year ended 31 March 2002 £	Period ended 31 March 2001 £
Turnover		
Rental income	360,287	-

All turnover is generated in the United Kingdom.

	Year ended 31 March 2002 £	Period ended 31 March 2001 £
Operating profit		
Operating profit is stated after charging:		
Auditors' remuneration	-	-

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

	Year ended 31 March 2002 £	Period ended 31 March 2001 £
Interest payable and similar charges		

On bank loans and overdrafts due to be repaid wholly within five years, none of which are repayable by instalments	263,169	-
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Headaid Limited

Notes (continued)

Taxation	Year ended	Period ended
	31 March 2002 £	31 March 2001 £
Corporation tax	26,500	-

The current tax charge for the period is higher than the standard rate of corporation tax (30%). The differences are explained below.

	2002 £
<i>Current tax reconciliation</i>	
Profit on ordinary activities before tax	86,390
Current tax at 30%	25,917
<i>Effects of:</i>	
Expenses not deductible	583
Total current tax charge	26,500

5 Tangible fixed assets	Freehold investment properties £
<i>Cost or valuation</i>	
At beginning of year	-
Additions	19,881,608
At end of year	19,881,608
Cost	19,881,608
Valuation	-
At end of year	19,881,608

The investment property is stated in the financial statements at cost, which the directors believe is also the open market value given the proximity of the date of purchase to the year end.

Headaid Limited

Notes (continued)

6 Debtors	2002	2001
	£	£
Other debtors	-	2
	<u> </u>	<u> </u>
7 Creditors: amounts falling due within one year	2002	2001
	£	£
Accruals & deferred income	419,746	-
Other creditors including tax and social welfare	62,280	-
Amounts owed to group undertakings	4,527,190	-
	<u> </u>	<u> </u>
	5,009,216	-
	<u> </u>	<u> </u>
8 Creditors: Amounts falling due after one year	2002	2001
	£	£
Bank loans (Note 9)	14,812,500	-
	<u> </u>	<u> </u>

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

9 Bank borrowings	Within one year	Between two and five years	Total
	£	£	£
Repayable other than by instalments	-	14,812,500	14,812,500
	<u> </u>	<u> </u>	<u> </u>

10 Share capital	2002	2001
	£	£
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	1	1
	<u> </u>	<u> </u>

Headaid Limited

Notes (continued)

11 Reconciliation of movement in shareholders' funds	2002	2001
	£	£
Shareholders funds at 1 April 2001	2	-
Allotment of share capital	-	2
Profit for the year	59,890	-
	<hr/>	<hr/>
Shareholders' funds at 31 March 2002	59,892	2
	<hr/>	<hr/>

12 Related parties and control

The company is a wholly owned subsidiary of Ballymore Properties Limited (a UK registered company) which prepares consolidated financial statements incorporating the results of this company. Copies of the consolidated financial statements can be obtained from the company's registered office which is Pointe North, 3 Greenwich View Place, London, E14 9NN.

The company's ultimate parent company is Ballymore Properties Limited, incorporated in the Republic of Ireland. The largest group in which the results of the company are consolidated is that headed by Ballymore Properties Limited (R of I). The consolidated financial statements of the parent company are filed at the Companies Registration Office, Parnell Square, Dublin 1, Ireland.

The company is under the control of Mr. S. Mulryan by virtue of his controlling interest in the shares of the company's parent company.

The company is taking advantage of the exemption available in Financial Reporting Standard No. 8 Related Party Disclosures from disclosing intercompany and related party transactions, on the grounds that the company is a 100% subsidiary and that consolidated financial statements are publicly available.

13 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 Limited and its subsidiaries.

14 Approval of financial statements

The directors approved the financial statements on 29 May 2002.

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 2002

	Year ended 31 March 2002 £	Period ended 31 March 2001 £
Turnover	360,287	-
Cost of sales	-	-
	<hr/>	<hr/>
Operating profit	360,287	-
Administration expenses	(10,728)	-
Interest payable	(263,169)	-
	<hr/>	<hr/>
Profit on ordinary activities before taxation	86,390	-
	<hr/>	<hr/>