

Headaid Limited

Directors' report and financial statements

Year ended 31 March 2010

Registered number 03658993

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Headaid Limited

Directors' report and financial statements

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Headaid Limited

Directors and other information

Directors

B Fagan
D Brophy
J Mulryan
S Mulryan

Secretary

B Fagan

Registered office

St Johns 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

Headaid Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2010

Principal activities and business review

The principal activity of the company is that of property investment. All the company's property was sold during the year.

The results for the year are set out on page 6 of the financial statements.

Directors

The directors and secretary who held office at the year end and subsequent to the year end are listed on page 1.

D Badger resigned as director on 10 July 2009. J Mulryan was appointed as a director on 14 October 2009.

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

B Fagan
Director

A handwritten signature in black ink, appearing to read 'B Fagan', is written over the printed name and title.

Headaid 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 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 UK Accounting Standards.

The financial statements are required by law to 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 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

On behalf of the board

B Fagan
Director





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

Independent auditor's report to the members of Headaid Limited

We have audited the financial statements of Headaid Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, Balance Sheet, the Statement of Total Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom 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, the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

Scope of the audit of the financial statements

An audit includes obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. Further details of the scope of an audit of financial statements are provided on the Auditing Practices Board's website at <http://www.frc.org.uk/apb/scope/UKNP.cfm>.



Independent auditor's report to the members of Headaid Limited

(continued)

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 2010 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 Act 2006

Emphasis of matter

In forming our opinion on these financial statements, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 concerning the company's ability to continue as a going concern.

As outlined in Note 1, to which we draw your attention, the company's ability to continue as a going concern is largely dependent on the forbearance of its parent company, Ballymore Properties Limited, in respect of amounts owed to it

The financial statements do not include any adjustments or disclosures that would be required 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

Gary Britton (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Dublin

16 December 2010

Headaid Limited

Profit and loss account

for the year ended 31 March 2010

	Notes	2010 £	2009 £
Turnover - continuing operations	2	231,701	1,067,400
Cost of sales	3	<u>(1,500)</u>	<u>(6,457,158)</u>
Gross profit / (loss)		230,201	(5,389,758)
Administration expenses		<u>(19,598)</u>	<u>(1,500)</u>
Operating profit / (loss) - continuing operations	4	210,603	(5,391,258)
(Loss) on sale of fixed assets		<u>(509,418)</u>	<u>-</u>
Loss on ordinary activities before interest		(298,815)	(5,391,258)
Investment income	5	523	4,914
Interest payable and similar charges	6	<u>(156,223)</u>	<u>(909,356)</u>
Loss on ordinary activities before taxation		(454,515)	(6,295,700)
Tax on loss on ordinary activities	7	<u>133,456</u>	<u>-</u>
Loss for the financial year	12 / 13	<u>(321,059)</u>	<u>(6,295,700)</u>

On behalf of the board

B Fagan
Director



Headaid Limited

Statement of total recognised gains and losses *for the year ended 31 March 2010*

	2010	2009
	£	£
Loss for the financial year	(321,059)	(6,295,700)
Unrealised deficit on revaluation of property	-	(118,392)
Total recognised gains and losses relating to the year	<u>(321,059)</u>	<u>(6,414,092)</u>

Headaid Limited

Balance sheet at 31 March 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	8	-	13,435,000
Current assets			
Cash at bank and in hand		495	291,523
Creditors: amounts falling due within one year	9	(5,440,469)	(18,845,438)
Net current liabilities		(5,439,974)	(18,553,915)
Net liabilities		(5,439,974)	(5,118,915)
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	(5,439,976)	(5,118,917)
Shareholders' deficit	12	(5,439,974)	(5,118,915)

The financial statements were approved by the board of directors on 16/12/2010 and were signed on its behalf by


B Fagan
Director

Headaid 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 - going concern

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 reporting currency of the company

The company's ability to continue as a going concern is largely dependent on the forbearance of its parent company, Ballymore Properties Limited, in respect of amounts owed to it of £5.4million

Ballymore Properties Limited has confirmed that it will not seek repayment of amounts owed to it for at least 12 months from the date of approval of the financial statements

It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis

Turnover

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

Interest payable

Interest payable, which has not been capitalised, is charged to the profit and loss account in the financial period in which it is incurred

Headaid Limited

Notes (continued)

Significant accounting policies (Continued)

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

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.

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.

Headaid Limited

Notes (continued)

2 Turnover

	2010 £	2009 £
Rental income	<u>231,701</u>	<u>1,067,400</u>

All turnover is generated in the United Kingdom

3 Cost of sales

Prior year cost of sales included a provision for impairment of £6,446,608 in respect of tangible fixed assets

4 Statutory and other information

Operating profit / (loss) is stated after charging

Auditor's remuneration	<u>19,569</u>	<u>-</u>
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In the prior year audit fees were discharged by a group undertaking. No emoluments are paid to the directors of the company. The company has no employees (2009: none)

5 Interest receivable	2010 £	2009 £
Interest receivable on bank deposits	<u>523</u>	<u>4,914</u>

6 Interest payable and similar charges	2010 £	2009 £
On bank loans, overdrafts due to be repaid wholly within five years, none of which are repayable by instalments	<u>156,223</u>	<u>909,356</u>

Headaid Limited

Notes (continued)

7 Tax on loss on ordinary activities

	2010 £	2009 £
<i>Current tax</i>		
Adjustment relating to an earlier period	(133,456)	-
Tax on loss on ordinary activities	<u>(133,456)</u>	<u>-</u>

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

	2010 £	2009 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	<u>(454,515)</u>	<u>(6,295,700)</u>
Current tax at 28%	<u>(127,264)</u>	<u>(1,762,796)</u>
<i>Effects of</i>		
Adjustments to tax charge in respect of previous periods	(133,456)	-
Other timing differences (deferred tax not recognised)	11,667	-
Net gain/ (loss) on disposal	130,970	-
Group relief	(15,373)	(42,254)
Write down of capital assets	-	1,805,050
Total current tax charge	<u>(133,456)</u>	<u>-</u>

Headaid Limited

Notes (continued)

8	Tangible fixed assets	Freehold investment properties £	
	<i>Cost</i>		
	At beginning of year	13,435,000	
	Disposals in year	(13,435,000)	
	At end of year	-	
	<i>Net book values</i>		
	At 31 March 2010	-	
	At 31 March 2009	13,435,000	
9	Creditors: amounts falling due within one year	2010	2009
		£	£
	Bank loans	-	13,019,805
	Amounts owed to group undertakings	5,420,899	5,422,730
	Corporation tax payable	-	133,456
	Accruals	19,570	269,447
		<u>5,440,469</u>	<u>18,845,438</u>
10	Called up share capital	2010	2009
		£	£
	<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>		
	2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
11	Reconciliation of profit and Loss account	2010	2009
		£	£
	At beginning of year	(5,118,917)	1,176,783
	Loss for the financial year	<u>(321,059)</u>	<u>(6,295,700)</u>
	At end of year	<u>(5,439,976)</u>	<u>(5,118,917)</u>

Headaid Limited

Notes (continued)

12 Reconciliation of movements in shareholders' deficit	2010	2009
	£	£
At beginning of year	(5,118,915)	1,295,177
Loss for the financial year	(321,059)	(6,295,700)
Revaluation of property	-	(118,392)
At end of year	<u>(5,439,974)</u>	<u>(5,118,915)</u>

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 Limited, a company incorporated in England and Wales whose 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 year by Mr S Mulryan.

The largest group in which the results of the company is consolidated is that headed by Ballymore Properties.

The smallest group in which the results of the company is consolidated is that headed by Ballymore Properties Limited. The consolidated financial statements of Ballymore Properties 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, from disclosing transactions with Ballymore Properties and its subsidiary companies.

14 Post balance sheet events

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

15 Approval of financial statements

The directors approved the financial statements on 16 December 2010.