



# Ballymore Properties (Lanark Square) Limited

Directors' report and  
financial statements

**Year ended 31 March 2006**

*Registered Number: 04065907*

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# Ballymore Properties (Lanark Square) Limited

## Directors' report and financial statements

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## Ballymore Properties (Lanark Square) Limited

### Directors and other information

<b>Directors</b>	R. Hardy B. Fagan
<b>Registered office</b>	St Johns House 5 South Parade Summertown Oxford OX2 7JL
<b>Registered number</b>	04065907
<b>Secretary</b>	B. Fagan
<b>Auditor</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
<b>Solicitors</b>	Howard Kennedy Harcourt House 19 Cavendish Square London W1A 2AW
<b>Bankers</b>	Anglo Irish Bank Corporation plc 10 Old Jewry London EC2R 8DN

# Ballymore Properties (Lanark Square) Limited

## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2006.

### Principal activity

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

### Results and review of the business

A summary of the results for the year is given on page 7 of the financial statements. The loss of the company for the year was £85,149 (2005: profit £199,138).

### Directors

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

None of the directors serving at the year end held any beneficial interest in the share capital of the company or group companies.


### Dividends

The directors do not recommend the payment of a dividend.

### Auditor

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

On behalf of the board



B Fagan  
Director

19 June 2006

## Ballymore Properties (Lanark Square) Limited

### Statement of directors' responsibilities

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 period. 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; 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 proper 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, 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.

The directors are also responsible for preparing a directors' report that complies with the Companies Act, 1985.

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 Ballymore Properties (Lanark Square) Limited**

We have audited the financial statements of Ballymore Properties (Lanark Square) Limited for the year ended 31 March 2006 which comprise the profit and loss account, balance sheet, statement of recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 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 described in the statement of directors' responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

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 other transactions is not disclosed.

We read the directors' report and consider implications for our report if we become aware of any apparent misstatements within it.

Independent auditor's report to the members of Ballymore Properties (Lanark Square) Limited *(continued)*

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act, 1985.

  
Chartered Accountants  
Registered Auditor

27 July 2006

# Ballymore Properties (Lanark Square) Limited

## Statement of accounting policies

*for the year ended 31 March 2006*

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.

### **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.

### **Turnover**

Turnover, which is stated net of VAT, represents rental income on an accruals basis. Turnover is attributable to the principal activity of the company, which is continuing and 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. Where properties are acquired during the year, and the directors are of the view that cost equates to market value, they are carried at this amount.

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.

### **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.

# Ballymore Properties (Lanark Square) Limited

## Profit and loss account

for the year ended 31 March 2006

	Notes	Year ended 31 March 2006 £	Year ended 31 March 2005 £
<b>Turnover</b>	1	297,725	684,954
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		297,725	684,954
Administration expenses		(112,605)	(119,808)
		<hr/>	<hr/>
<b>Operating profit</b>	2	185,120	565,146
Interest payable and similar charges	3(a)	(270,646)	(280,388)
Interest receivable and similar income	3(b)	377	380
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>		(85,149)	285,138
Tax on (loss)/profit on ordinary activities	4	-	(86,000)
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities after taxation</b>	10	(85,149)	199,138
		<hr/>	<hr/>

# Ballymore Properties (Lanark Square) Limited

## Statement of recognised gains and losses for the year ended 31 March 2006

	Year ended 31 March 2006 £	Year ended 31 March 2005 £
(Loss)/profit for the financial year	(85,149)	199,138
Unrealised profit on revaluation of investment properties	-	69,428
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(85,149)	268,566
	<hr/>	<hr/>

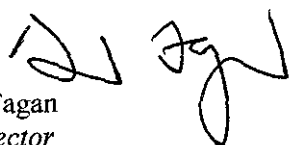
# Ballymore Properties (Lanark Square) Limited

## Balance sheet as at 31 March 2006

	Notes	31 March 2006 £	31 March 2005 £
<b>Tangible assets</b>	5	4,600,000	4,600,000
<b>Current assets</b>			
Debtors	6	26,966	188,306
<b>Creditors: amounts falling due within one year</b>	7	(4,329,804)	(205,995)
<b>Net current liabilities</b>		(4,302,838)	(17,689)
<b>Total assets less current liabilities</b>		297,162	4,582,311
<b>Creditors: amounts falling due after more than one year</b>	8	-	(4,200,000)
<b>Net assets</b>		297,162	382,311
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	227,733	312,882
Revaluation reserve		69,428	69,428
<b>Shareholders' funds - equity interests</b>	11	297,162	382,311

These financial statements were approved by the board of directors on 19 June 2006 and were signed on its behalf by:

B. Fagan  
Director



# Ballymore Properties (Lanark Square) Limited

## Notes

*forming part of the financial statements*

<b>1 Turnover</b>	<b>Year ended 31 March 2006 £</b>	<b>Year ended 31 March 2005 £</b>
Rental income	<b>297,725</b>	<b>684,954</b>

All turnover is generated in the United Kingdom.

<b>2 Operating profit</b>	<b>Year ended 31 March 2006 £</b>	<b>Year ended 31 March 2005 £</b>
Operating profit is stated after charging:		
Auditor's remuneration	-	-
Directors' remuneration	-	-

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

<b>3(a) Interest payable and similar charges</b>	<b>Year ended 31 March 2006 £</b>	<b>Year ended 31 March 2005 £</b>
On bank loans and overdrafts due to be repaid wholly within five years none of which are repayable other than by instalments	<b>270,646</b>	<b>280,388</b>

<b>(b) Interest received and similar income</b>	<b>Year ended 31 March 2006 £</b>	<b>Year ended 31 March 2005 £</b>
Interest receivable on bank deposits	<b>377</b>	<b>380</b>

# Ballymore Properties (Lanark Square) Limited

Notes (continued)

## 4 Taxation

	Year ended 31 March 2006 £	Year ended 31 March 2005 £
Corporation tax	-	86,000

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

	2006 £	2005 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	(85,149)	285,138
Current tax at 30%	(25,545)	85,541
Expenses not deductible	-	459
Group relief	25,545	-
Total current tax charge (see above)	-	86,000

# Ballymore Properties (Lanark Square) Limited

Notes (continued)

5	Tangible fixed assets	Freehold investment properties 2006 £
	<i>Cost or valuation</i>	
	At beginning of year	4,600,000
	Revaluation	-
	<b>At end of year</b>	<b>4,600,000</b>
	<i>Cost</i>	-
	Valuation	4,600,000
	<b>At end of year</b>	<b>4,600,000</b>

The investment property was valued at £4,600,000 on 31 March 2006 on an open market value basis by Mr. Ray Hardy, BSc MRICS, a director of the company.

The historical cost of the investment property is £4,530,572 (2005: £4,530,572).

6	Debtors	2006 £	2005 £
	Trade debtors	10,201	177,110
	Amounts due by group undertaking	16,765	11,196
		<b>26,966</b>	<b>188,306</b>
7	Creditors: amounts falling due within one year	2006 £	2005 £
	Bank loan	4,200,000	-
	Accruals and deferred income	26,290	102,480
	Corporation tax	103,514	103,515
		<b>4,329,804</b>	<b>205,995</b>

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

# Ballymore Properties (Lanark Square) Limited

Notes (continued)

<b>8 Creditors: amounts falling due after one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank loan	-	4,200,000
	<hr/>	<hr/>
<b>9 Share capital</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	1	1
	<hr/>	<hr/>
<b>10 Reconciliation of profit and loss account</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit and loss account at beginning of year	312,882	113,744
(Loss)/profit for the year	(85,149)	199,138
	<hr/>	<hr/>
<b>Profit and loss account at end of year</b>	<b>227,733</b>	<b>312,882</b>
	<hr/>	<hr/>
<b>11 Revaluation reserve</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At beginning of year	69,428	69,428
Surplus on revaluation of investment property	-	-
	<hr/>	<hr/>
<b>At end of year</b>	<b>69,428</b>	<b>69,428</b>
	<hr/>	<hr/>
<b>12 Reconciliation of movement in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Shareholder's funds at 1 April 2005	382,311	113,745
Total recognised gains and losses	(85,149)	268,566
	<hr/>	<hr/>
<b>Shareholders' funds at 31 March 2006</b>	<b>297,162</b>	<b>382,311</b>
	<hr/>	<hr/>

## Ballymore Properties (Lanark Square) 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 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 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, from 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 19 June 2006.