

# Ballymore Properties (Lanark Square) Limited

Directors' report and  
financial statements

**Year ended 31 March 2007**

*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

### Directors

R Hardy  
B Fagan  
T Farrow (appointed 27 September 2006)  
P Bacon (appointed 20 December 2006)

### Registered office

St Johns House  
5 South Parade  
Summertown  
Oxford  
OX2 7JL

### Registered number

04065907

### Secretary

B Fagan

### Auditor

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

### Solicitors

Howard Kennedy  
Harcourt House  
19 Cavendish Square  
London W1A 2AW

### Bankers

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 2007

### 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 profit of the company for the year was £21,412 (2006 loss of £85,149)

### Directors

The directors who held office during the year are listed on page 1. Mr Timothy Farrow was appointed as a director of the company on 27 September 2006. Dr Peter Bacon was appointed as a director of the company on 20 December 2006.

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.

### 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 a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### 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

Director



19 JUNE 2007

# 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

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 2007 which comprise the profit and loss account, balance sheet, 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 2007 and of its profit for the year then ended, and
- have been properly prepared in accordance with the Companies Act, 1985.

*Chartered Accountants  
Registered Auditor*

19 June 2007

# Ballymore Properties (Lanark Square) Limited

## Statement of accounting policies

*for the year ended 31 March 2007*

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 2007

	Notes	Year ended 31 March 2007 £	Year ended 31 March 2006 £
<b>Turnover – continuing operations</b>	<b>1</b>	<b>338,785</b>	<b>297,725</b>
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		<b>338,785</b>	<b>297,725</b>
Administration expenses		(33,432)	(112,605)
		<hr/>	<hr/>
<b>Operating profit – continuing operations</b>	<b>2</b>	<b>305,353</b>	<b>185,120</b>
Interest payable and similar charges	3(a)	(283,941)	(270,646)
Interest receivable and similar income	3(b)	-	377
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>21,412</b>	<b>(85,149)</b>
Tax on profit/(loss) on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>9</b>	<b>21,412</b>	<b>(85,149)</b>
		<hr/>	<hr/>

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

# Ballymore Properties (Lanark Square) Limited

## Balance sheet as at 31 March 2007

	<i>Notes</i>	<b>31 March 2007 £</b>	<b>31 March 2006 £</b>
<b>Tangible assets</b>	5	<b>4,600,000</b>	4,600,000
<b>Current assets</b>			
Debtors	6	54,201	26,966
<b>Creditors: amounts falling due within one year</b>	7	<b>(4,335,627)</b>	(4,329,804)
<b>Net current liabilities</b>		<b>(4,281,426)</b>	(4,302,838)
<b>Total assets less current liabilities</b>		<b>318,574</b>	297,162
<b>Net assets</b>		<b>318,574</b>	297,162
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Revaluation reserve	10	69,428	69,428
Profit and loss account	9	249,145	227,733
<b>Shareholders' funds</b>	11	<b>318,574</b>	297,162

These financial statements were approved by the board of directors on 19 June 2007 and were signed on its behalf by

Director 

# Ballymore Properties (Lanark Square) Limited

## Notes

*forming part of the financial statements*

### 1 Turnover

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Rental income	338,785	297,725

All turnover is generated in the United Kingdom

### 2 Operating profit

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Operating profit is stated after charging		
Auditor's remuneration	-	-
Directors' remuneration	-	-

Audit fees are discharged by another group company

### 3(a) Interest payable and similar charges

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
On bank loans and overdrafts due to be repaid wholly within five years none of which are repayable other than by instalments	283,941	270,646

### (b) Interest received and similar income

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Interest receivable on bank deposits	-	377

# Ballymore Properties (Lanark Square) Limited

## Notes (continued)

### 4 Taxation

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Corporation tax	-	-

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

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	21,412	(85,149)
Current tax at 30%	6,424	(25,545)
Group relief/ (losses) carried forward	(6,424)	25,545
Total current tax charge (see above)	-	-

# Ballymore Properties (Lanark Square) Limited

Notes (continued)

<b>5 Tangible fixed assets</b>	<b>Freehold investment properties 2007 £</b>
<i>Cost or valuation</i>	
At beginning of year	4,600,000
Revaluation	
<b>At end of year</b>	<b>4,600,000</b>
 Cost	 -
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 2007 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 (2006 £4,530,572)

No provision has been made for deferred tax on gains recognized on revaluing property to its market value. At present it is not envisaged that any tax will become payable in the foreseeable future

<b>6 Debtors</b>	<b>2007 £</b>	<b>2006 £</b>
Trade debtors	5,044	10,201
Amounts due by group undertaking	49,157	16,765
	<b>54,201</b>	<b>26,966</b>
 <b>7 Creditors: amounts falling due within one year</b>	 <b>2007 £</b>	 <b>2006 £</b>
Bank loan	4,201,547	4,200,000
Accruals and deferred income	30,567	26,290
Corporation tax	103,513	103,514
	<b>4,335,627</b>	<b>4,329,804</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</b>	<b>Share capital</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	<i>Authorised</i>		
	1,000 ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>
		<hr/>	<hr/>
	<i>Allotted, called up and fully paid</i>		
	1 ordinary share of £1 each	<b>1</b>	<b>1</b>
		<hr/>	<hr/>
<b>9</b>	<b>Reconciliation of profit and loss account</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Profit and loss account at beginning of year	<b>227,733</b>	<b>312,882</b>
	Profit/(loss) for the year	<b>21,412</b>	<b>(85,149)</b>
		<hr/>	<hr/>
	<b>Profit and loss account at end of year</b>	<b>249,145</b>	<b>227,733</b>
		<hr/>	<hr/>
<b>10</b>	<b>Revaluation reserve</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	At beginning of year and end of year	<b>69,428</b>	<b>69,428</b>
		<hr/>	<hr/>
<b>11</b>	<b>Reconciliation of movement in shareholders' funds</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Shareholder's funds at 1 April 2006	<b>297,162</b>	<b>382,311</b>
	Total recognised gains and (losses)	<b>21,412</b>	<b>(85,149)</b>
		<hr/>	<hr/>
	<b>Shareholders' funds at 31 March 2007</b>	<b>318,574</b>	<b>297,162</b>
		<hr/>	<hr/>

# Ballymore Properties (Lanark Square) Limited

Notes *(continued)*

## 12 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.

## 13 Cash flow statement

A separate cash flow statement has not been prepared under FRS 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.

## 14 Approval of financial statements

The directors approved the financial statements on 19 June 2007.