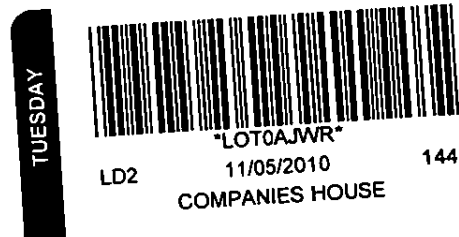


# Ballymore Properties (Lanark Square) Limited

Directors' report and  
financial statements

**Year ended 31 March 2009**

*Registered Number 04065907*



# Ballymore Properties (Lanark Square) Limited

## Directors' report and financial statements

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# Ballymore Properties (Lanark Square) Limited

## Directors and other information

### Directors

B Fagan  
D Brophy  
J Mulryan

### 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  
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 2009. The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

### Principal activity and results, review of the business and dividend

The principal activity of the company is that of property investment. There has been no significant change to this activity during the year. However, the operating environment for the business has proven to be difficult.

The results for the year are set out on page 7 of the financial statements. The loss for the year was £314,300 (2008 profit £77,172) having provided for an impairment to tangible fixed assets of £355,572. The directors do not recommend the payment of a dividend.

The carrying value of the company's tangible fixed assets as at 31 March 2009 is £4.2 million (2008 £4.6 million). The investment property is stated in the financial statements at open market value.

### Directors

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

Mr T Farrow resigned as a director of the company on 11 November 2008.

Mr D Badger was appointed as a director of the company on 19 November 2008 and resigned on 10 July 2009.

Mr R Hardy resigned as a director of the company on 21 January 2009.

Mr J Mulryan was appointed as a director of the company 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 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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG, Chartered Accountants will therefore continue in office.

On behalf of the board

  
B Fagan  
Director

# 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 and applicable law (UK Generally Accepted Accounting Practice)

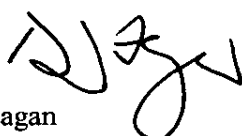
The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that year

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 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 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

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 2009 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Note of Historical Cost Profit and Losses, 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 directors are responsible for preparing the Directors' Report and 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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, 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 the 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 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

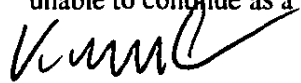
#### *Emphases of matter – valuation of properties and going concern*

In forming our opinion on these financial statements, which is not qualified, we have considered the adequacy of the disclosures made in (i) Note 1 concerning the company's ability to continue as a going concern and (ii) Note 8 concerning the uncertainty associated with the assessment of the carrying value of property assets under current market conditions

The company has bank loans of £4.2 million. 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 continued financial support of its bank

The company's principal asset comprises investment properties with a carrying value of £4.2 million. Given the inherent subjectivity in the assessment of the carrying value of property assets under current market conditions, we draw your attention to the uncertainty, as outlined in Note 8.

The financial statements do not include any adjustments or disclosures that would be required if the company was unable to recover the full carrying value of its investment properties or if the company was unable to continue as a going concern.

  
Chartered Accountants  
Registered Auditor  
Dublin

11 November 2009

# Ballymore Properties (Lanark Square) Limited

## Statement of accounting policies

*for the year ended 31 March 2009*

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 as promulgated by the Institute of Chartered Accountants in England and Wales

### **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.

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 2009

	Notes	2009 £	2008 £
<b>Turnover – continuing operations</b>	2	<b>351,146</b>	419,612
Cost of sales	3	(364,345)	-
		<hr/>	<hr/>
<b>Gross (loss)/profit</b>		<b>(13,199)</b>	419,612
Administration expenses		(13,037)	(18,644)
		<hr/>	<hr/>
<b>Operating (loss)/profit – continuing operations</b>		<b>(26,236)</b>	400,968
Interest payable and similar charges	4(a)	(289,725)	(326,568)
Interest receivable and similar income	4(b)	1,661	2,772
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>	5	<b>(314,300)</b>	77,172
Tax on (loss)/profit on ordinary activities	6	-	-
		<hr/>	<hr/>
<b>(Loss)/profit for the year</b>	15	<b>(314,300)</b>	77,172
		<hr/>	<hr/>

# Ballymore Properties (Lanark Square) Limited

## Statement of total recognised gains and losses for the year ended 31 March 2009

	<i>Note</i>	<b>2009 £'000</b>	<b>2008 £'000</b>
<b>(Loss)/profit for the financial year</b>	<i>15</i>	<b>(314,300)</b>	<b>77,172</b>
Unrealised deficit on revaluation of investment property	<i>14</i>	<b>(69,428)</b>	<b>-</b>
		<hr/>	<hr/>
<b>Total recognised gains and losses for the year</b>	<i>16</i>	<b>(383,728)</b>	<b>77,172</b>
		<hr/>	<hr/>

## Note of historical cost profits and losses for the year ended 31 March 2009

	<i>Note</i>	<b>2009 £'000</b>	<b>2008 £'000</b>
<b>Reported (loss)/profit on ordinary activities before taxation</b>	<i>14</i>	<b>(314,300)</b>	<b>77,172</b>
Revaluation surplus realised on disposal of investment property		<b>-</b>	<b>-</b>
		<hr/>	<hr/>
<b>Historical cost (loss)/profit on ordinary activities before taxation</b>		<b>(314,300)</b>	<b>77,172</b>
		<hr/>	<hr/>
<b>Historical cost (loss)/profit for the year</b>		<b>(314,300)</b>	<b>77,172</b>
		<hr/>	<hr/>

# Ballymore Properties (Lanark Square) Limited

## Balance sheet as at 31 March 2009

	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Tangible fixed assets	8	4,175,000	4,600,000
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	9	151,282	130,910
<b>Creditors: amounts falling due within one year</b>	10	(114,264)	(4,335,164)
		<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>		37,018	(4,204,254)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		4,212,018	395,746
		<hr/>	<hr/>
<b>Creditors: amounts falling due after one year</b>	11	(4,200,000)	-
		<hr/>	<hr/>
<b>Net assets</b>		12,018	395,746
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Revaluation reserve	14	-	69,428
Profit and loss account	15	12,017	326,317
		<hr/>	<hr/>
<b>Shareholders' funds</b>	16	12,018	395,746
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 11 November 2009 and were signed on its behalf by

B Fagan  
Director



# Ballymore Properties (Lanark Square) Limited

## Notes *(forming part of the financial statements)*

### **1 Basis of preparation – going concern**

The financial statements are 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 realise the value of its property related assets and continue as a going concern is largely dependent on the continued financial support of its bank. The directors reviewed financial projections for a period of 12 months from the date of approval of these financial statements and assessed the company's required credit facilities. The directors also note that, notwithstanding the difficult market conditions, the company continues to negotiate the renewal of its banking facilities and continues to put in place new credit facilities with its bank. On the basis of the company's existing credit facilities, its strong ongoing relationships with its bank, the continuation of funding and having reviewed financial projections, the directors believe that appropriate funding will be available to the company to meet its obligations for the foreseeable future.

It is on the basis of the above factors that the directors consider it appropriate to prepare the financial statements on a going concern basis.

### **2 Turnover**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Rental income	<b>351,146</b>	<b>419,612</b>
	<hr/>	<hr/>

All turnover is generated in the United Kingdom.

### **3 Cost of sales**

Cost of sales includes a provision of £355,572 (2008 Nil) in respect of tangible fixed assets.

# Ballymore Properties (Lanark Square) Limited

## Notes (continued)

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

	2009 £	2008 £
On bank loans and overdrafts due to be repaid wholly within five years none of which are repayable other than by instalments	289,725	326,568

### (b) Interest receivable and similar income

	2009 £	2008 £
Interest receivable on bank deposits	1,661	2,772

### 5 Statutory information

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation is stated after charging		
Auditor's remuneration	-	-
Directors' remuneration	-	-

Audit fees are discharged by another group company

# Ballymore Properties (Lanark Square) Limited

## Notes (continued)

### 6 Taxation

	2009 £	2008 £
Tax on (loss)/profit on ordinary activities	-	-

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

	2009 £	2008 £
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(314,300)	77,172
Current tax at 28% (2008 30%)	(88,004)	23,152
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	349
Group relief	(11,556)	(23,501)
Write down of capital assets	99,560	-
<b>Total current tax charge</b>	-	-

The UK corporation tax is currently 28% It was reduced from 30% effective from 1 April 2008

### 7 Staff numbers and costs

The company has no employees. No emoluments are paid to the directors of the company.

### 8 Tangible fixed assets

	Freehold investment properties 2009 £
<i>Cost or valuation</i>	
At beginning of year	4,600,000
Revaluation	(69,428)
Impairment	(355,572)
<b>At end of year</b>	<b>4,175,000</b>

# Ballymore Properties (Lanark Square) Limited

## Notes (continued)

### 8 Tangible fixed assets (continued)

The investment property was valued by the directors of the company on an open market basis at 31 March 2009 at £4,175,000.

The valuation of the investment properties as at the date of approval of the financial statements is subject to uncertainty in light of current market conditions where property assets are relatively illiquid

The historical cost of the investment property is £4,175,000 (2008. £4,530,572)

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

<b>9 Debtors</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	99,612	43,873
Amounts due from group undertakings	51,670	87,037
	<hr/>	<hr/>
	<b>151,282</b>	<b>130,910</b>
	<hr/>	<hr/>
<b>10 Creditors: amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loan (note 12)	-	4,200,000
Corporation tax	103,515	103,515
Accruals and deferred income	10,749	31,649
	<hr/>	<hr/>
	<b>114,264</b>	<b>4,335,164</b>
	<hr/>	<hr/>
<b>11 Creditors: amounts falling due after more than one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loan (note 12)	4,200,000	-
	<hr/>	<hr/>

# Ballymore Properties (Lanark Square) Limited

## Notes (continued)

<b>12 Bank borrowings</b>	<b>Within two and five years £</b>	<b>Total £</b>
Repayable other than by instalments		
Bank loans	<b>4,200,000</b>	<b>4,200,000</b>

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

<b>13 Share capital</b>	<b>2009 £</b>	<b>2008 £</b>
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	<b>1</b>	<b>1</b>

<b>14 Revaluation reserve</b>	<b>2009 £</b>	<b>2008 £</b>
At beginning of year	<b>69,428</b>	<b>69,428</b>
Unrealised deficit on revaluation of investment property	<b>(69,428)</b>	<b>-</b>
<b>At end of year</b>	<b>-</b>	<b>69,428</b>

<b>15 Reconciliation of profit and loss account</b>	<b>2009 £</b>	<b>2008 £</b>
At beginning of year	<b>326,317</b>	<b>249,145</b>
(Loss)/profit for the year	<b>(314,300)</b>	<b>77,172</b>
<b>At end of year</b>	<b>12,017</b>	<b>326,317</b>



# Ballymore Properties (Lanark Square) Limited

## Notes (continued)

<b>16 Reconciliation of movement in shareholders' funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>395,746</b>	318,574
Total recognised gains and losses for the year	<b>(383,728)</b>	77,172
	<hr/>	<hr/>
<b>At end of year</b>	<b>12,018</b>	395,746
	<hr/>	<hr/>

## **17 Related parties and control**

The company is a wholly owned 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 are consolidated is that headed by Ballymore Properties.

The smallest group in which the results of the company are 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 Limited and its subsidiary undertakings.

## **18 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 Limited and its subsidiaries.

## **19 Post balance sheet events**

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

## **20 Approval of financial statements**

The directors approved the financial statements on 11 November 2009.