

# Domaine Developments Limited

Directors' report and  
financial statements

**Year ended 31 March 2007**

*Registered number 04152665*

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# Domaine Developments Limited

## Directors' report and financial statements

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# Domaine Developments Limited

## Directors and other information

### Directors

B Fagan  
R Hardy  
S Mulryan  
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

04152665

### Secretary

B Fagan

### Auditor

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

### Solicitors

Howard Kennedy  
Harcourt House  
19 Cavendish Street  
London  
W1A 2AW

### Bankers

Anglo Irish Bank plc  
10 Old Jewry  
London  
EC2R 8DN

Allied Irish Bank plc  
North Finchley Branch  
1136 High Road  
London N20 0RA

# Domaine Developments Limited

## Directors' report

The directors present the annual report and audited financial statements for the year ended 31 March 2007

### Principal activity

The company's principal activity during the year was property development. The company acquired properties for the purposes of commercial development and is now in the process of formulating designs and plans for the developments. The directors anticipate that the developments will be completed profitably within an acceptable timeframe.

### Results and review of the business

A summary of the results of the trading is given on page 9 of the financial statements. The profit for the year was £1,185,464 (2006 loss of £1,399,159).

### Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

#### *Economic risk*

- The risk of interest rates and/or inflation having an adverse impact on markets
- The risk of unrealistic increases in development and operating costs impacting adversely on competitiveness

These risks are managed by due consideration of the interest rate environment and strict cost controls.

#### *Market risk*

The directors of the company manage market risk through careful attention to residential and commercial property markets and through innovative product design and pricing.

#### *Financial risk*

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

Key performance indicators used by management include assessment of turnover, unit completions and profitability per unit.

# Domaine Developments Limited

## Directors' report *(continued)*

### Directors

The current directors are listed on page 1

Mr Timothy Farrow was appointed as a director on 27 September 2006 and Dr Peter Bacon was appointed as a director on 20 December 2006

The directors serving at the year end who held beneficial interests in the issued share capital of group companies were as follows -

Name of director		Ordinary shares	
		31 March 2007 € 1 each	31 March 2006 €1 each
S Mulryan	<b>Ballymore Properties</b> (incorporated in Ireland)	<b>12,935</b> =====	12,935 =====

### 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

# Domaine Developments 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

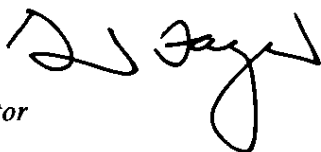
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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



2007



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

## **Independent auditor's report to the members of Domaine Developments Limited**

We have audited the financial statements of Domaine Developments 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 4, 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 Domaine Developments 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



# Domaine Developments 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 applicable accounting standards under the historical cost accounting convention and comply with financial reporting standards of the Accounting Standards Board

Ballymore Properties Holdings Limited has indicated that it will continue to provide funds to enable the company to meet its obligations as they fall due, and accordingly the financial statements have been prepared on a going concern basis

### **Consolidation**

The company has taken advantage of the exemption under S228(2) of the Companies Act 1985, not to prepare consolidated financial statements. The immediate parent company is Ballymore Properties Limited, which is a subsidiary of Ballymore Properties Holdings Limited, a company incorporated in England and Wales, which prepares consolidated financial statements, incorporating the results of this company

### **Turnover**

Turnover represents amounts derived from rental income collected on the properties and from the sale of properties net of value added tax. All turnover relates to the UK.

### **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.

### **Stocks**

#### *Development properties*

Development properties are properties acquired for future development and properties on which only initial development has commenced. These are stated at the lower of cost and net realisable value. Net realisable value is defined as the current selling price of the completed development less all further costs to completion as estimated by the directors.

#### *Work in progress*

Work in progress comprises properties currently being developed stated at the lower of cost and net realisable value. Net realisable value is defined as the current selling price of the completed development less all further costs to completion as estimated by the directors. Costs include interest and finance fees which are capitalised from date of commencement of development until the development is complete. Interest is calculated by reference to specific borrowings.

# Domaine Developments Limited

## Statement of accounting policies *(continued)* *for the year ended 31 March 2007*

### **Stocks *(continued)***

#### *Work in progress (continued)*

Work in progress represents costs incurred, net of amounts transferred to cost of sales, less foreseeable losses

Profits on housing developments are not recognised until properties are structurally complete and legally transferred to the purchaser. Residential developments in progress and/or unsold at the balance sheet date and development land are stated at the lower of cost and net realisable value.

### **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.

### **Joint ventures**

Joint venture undertakings are those undertakings over which the company exercises control with another party.

Investments in joint ventures are shown in the company balance sheet at cost less provisions for permanent diminution in value.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The charge for depreciation is calculated using the straight line method at rates estimated to charge to the profit and loss account the cost of each asset less its residual value over its estimated useful life. The following rates have been applied:

Office furniture and equipment - 15% per annum

Computer equipment - 50% per annum

# Domaine Developments Limited

## Profit and loss account for the year ended 31 March 2007

	<i>Note</i>	<b>Year ended 31 March 2007 £</b>	<b>Year ended 31 March 2006 £</b>
<b>Turnover – continuing operations</b>	<i>1</i>	<b>18,584,907</b>	9,176,034
Cost of sales		<b>(16,370,480)</b>	(8,425,082)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>2,214,427</b>	750,952
Administration expenses		<b>(240,311)</b>	(262,776)
		<hr/>	<hr/>
<b>Operating profit - continuing operations</b>	<i>2</i>	<b>1,974,116</b>	488,176
Interest payable and similar charges	<i>3(a)</i>	<b>(845,260)</b>	(1,892,935)
Interest receivable and similar income	<i>3(b)</i>	<b>56,608</b>	5,600
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>1,185,464</b>	(1,399,159)
Taxation on profit/(loss) on ordinary activities	<i>4</i>	<b>-</b>	-
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities after taxation</b>	<i>13</i>	<b>1,185,464</b>	(1,399,159)
		<hr/>	<hr/>

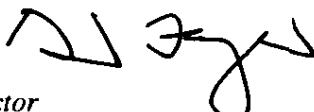
The company had no recognised gains or losses in the financial year or in the preceding financial year other than those dealt with in the profit and loss account

# Domaine Developments Limited

## Balance sheet as at 31 March 2007

	Note	31 March 2007 £	31 March 2006 £
<b>Fixed assets</b>			
Tangible assets	6	128	9,823
Financial assets	7	8,222,862	8,222,862
		<u>8,222,990</u>	<u>8,232,685</u>
<b>Current assets</b>			
Stock	8	48,243,308	36,650,557
Debtors	9	48,416,127	12,725,111
Cash at bank and in hand		211,524	179,524
		<u>96,870,959</u>	<u>49,555,192</u>
<b>Creditors: amounts falling due within one year</b>	10	(11,969,568)	(12,755,429)
		<u>84,901,391</u>	<u>36,799,763</u>
<b>Net current assets</b>			
		<u>83,124,381</u>	<u>45,032,448</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after one year</b>	11	(104,133,758)	(57,227,289)
		<u>(11,009,377)</u>	<u>(12,194,841)</u>
<b>Net liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account	13	(11,009,378)	(12,194,842)
		<u>(11,009,377)</u>	<u>(12,194,841)</u>
<b>Shareholders' deficit</b>	14		
		<u>(11,009,377)</u>	<u>(12,194,841)</u>

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

  
Director

# Domaine Developments Limited

## Notes

forming part of the financial statements

### 1 Turnover

Turnover is analysed as follows

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Sale of land	6,052,500	5,350,000
Rental and sundry income	12,532,407	3,826,034
	<u>18,584,907</u>	<u>9,176,034</u>

### 2 Operating profit

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

Audit fees are discharged by a 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 by instalments	7,070,932	3,250,255
	<u>7,070,932</u>	<u>3,250,255</u>
Less capitalised interest included in work in progress	(4,222,418)	(652,355)
Less interest recharged to group companies	(2,003,254)	(704,965)
	<u>845,260</u>	<u>1,892,935</u>
Charged to profit and loss account		

# Domaine Developments Limited

## Notes (continued)

3(b) Interest received and similar income	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Interest on deposits	56,608	5,600

4 Taxation on profit on ordinary activities	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	1,185,464	(1,399,159)
Current tax at 30%	355,639	(419,748)
Expenses not deductible	(726,565)	202
Capital allowances for period in excess of depreciation	1,248	2,018
Group relief	369,678	417,528
Total current tax charge (see above)	-	-

# Domaine Developments Limited

## Notes (continued)

### 5 Staff numbers and costs

The average weekly number of employees employed within the company including executive directors, during the year was nil (2006 2)

	2007	2006
Administration	-	2

The aggregate payroll costs of employees were

	2007 £	2006 £
Wages and salaries	-	130,622
Social security costs	-	15,570
	-	146,192

The employees previously employed by Domaine Developments Limited were transferred to the Ballymore Properties Limited payroll in April 2006

### 6 Tangible fixed assets

	Computer equipment £	Furniture and fittings £	Total £
<i>Cost or valuation</i>			
At beginning of year	12,500	42,364	54,864
Additions	-	-	-
<b>At end of year</b>	<b>12,500</b>	<b>42,364</b>	<b>54,864</b>
<i>Depreciation</i>			
At beginning of year	12,500	32,541	45,041
Charge for year	-	9,695	9,695
<b>At end of year</b>	<b>-</b>	<b>42,236</b>	<b>54,736</b>
<i>Net book value</i>			
At 31 March 2007	-	128	128
At 31 March 2006	-	9,823	9,823

# Domaine Developments Limited

## Notes (continued)

<b>7 Financial fixed assets</b>		<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
Shares in subsidiary undertakings	(i)	<b>5,841,038</b>	5,841,038
Investment in joint venture	(ii)	<b>2,381,824</b>	2,381,824
		<hr/>	<hr/>
		<b>8,222,862</b>	8,222,862
		<hr/>	<hr/>

<b>(i) Subsidiary undertakings</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
At beginning and end of the year	<b>5,841,038</b>	5,841,038
	<hr/>	<hr/>

<b>Name</b>	<b>Proportion held by company</b>	<b>Activity</b>
Bristol Exeter House Limited	100%	Property investment
RT Group Developments (Snow Hill) Limited	100%	Property development
Domaine Projects Limited	100%	Non trading company
Domaine Properties Limited	100%	Non trading company

<b>(ii) Investment in joint ventures</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
At beginning and end of year	<b>2,381,824</b>	2,381,824
	<hr/>	<hr/>

The Company owns 50% of the issued share capital of the property investment company, Bishopsgate Goodsyrd Regeneration Limited, a company which is registered and operates in the United Kingdom

During 2004 the company contributed £1 as a limited partner to the capital of Central Regeneration Limited Partnership, whose business is property development and whose registered office is 26 Park Road, Hale, Atrincham, Cheshire, WA 15 9NN



# Domaine Developments Limited

## Notes (continued)

<b>8 Stocks</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Development properties and related assets stated at cost	<b>26,259,557</b>	25,948,281
Work in progress stated at cost	<b>21,983,751</b>	10,702,276
	<hr/>	<hr/>
	<b>48,243,308</b>	36,650,557
	<hr/>	<hr/>

There are no material differences between the replacement cost of stock and the balance sheet amounts. The amount at which work in progress is stated includes capitalised interest of £2,374,102.

<b>9 Debtors</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>131,325</b>	210,469
Other debtors	<b>2,764,357</b>	239,015
Amounts due from group undertakings	<b>30,331,021</b>	11,331,009
Related party debtor	<b>15,189,424</b>	944,618
	<hr/>	<hr/>
	<b>48,416,127</b>	12,725,111
	<hr/>	<hr/>

<b>10 Creditors: amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>2,657</b>	4,995
Accruals and deferred income	<b>4,200,492</b>	3,705,311
Amounts owed to parent company	<b>7,088,685</b>	9,039,914
Other creditors including tax and social welfare	<b>677,734</b>	5,209
	<hr/>	<hr/>
	<b>11,969,568</b>	12,755,429
	<hr/>	<hr/>

# Domaine Developments Limited

## Notes (continued)

<b>11 Creditors: amounts due after one year</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank loan	<b>104,133,758</b>	<b>57,227,289</b>

The above loan from Anglo Irish Bank is secured by a fixed and floating charge over the assets and undertakings of the company and certain subsidiary companies. The loan is repayable between one and two years.

<b>12 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>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	<b>1</b>	<b>1</b>

<b>13 Reconciliation of profit and loss account</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit and loss account at beginning of the year	<b>(12,194,842)</b>	<b>(10,795,683)</b>
Profit/(loss) for the year	<b>1,185,464</b>	<b>(1,399,159)</b>
Profit and loss account at end of the year	<b>(11,009,378)</b>	<b>(12,194,842)</b>

<b>14 Reconciliation of movement in shareholders' deficit</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Shareholders' deficit at 1 April 2006	<b>(12,194,841)</b>	<b>(10,795,682)</b>
Profit/(loss) for the year	<b>1,185,464</b>	<b>(1,399,159)</b>
Shareholders' deficit at 31 March 2007	<b>(11,009,377)</b>	<b>(12,194,841)</b>

# Domaine Developments Limited

## Notes (continued)

### 15 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 Property Holdings Limited. The consolidated financial statements of Ballymore Property 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 Property Holdings Limited and its subsidiary companies.

### 16 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.

### 17 Post balance sheet events

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

### 18 Approval of financial statements

The directors approved the financial statements on 19 June 2007.