

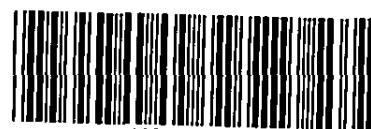
Domaine Developments Limited

Directors' report and
financial statements

Year ended 31 March 2008

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
T. Wells
D. Brophy

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 2008.

Principal activity and results, review of the business and dividend

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 profitability within an acceptable timeframe.

The results for the year are set out on page 9 of the financial statements. The profit for the year was £7,602,029 (2007: £1,185,464). The directors do not recommend the payment of a dividend.

The carrying value of the company's financial fixed assets as at 31 March 2008, comprising investments in subsidiary undertakings, all of which are involved in property related activities, was £8.6 million (2007: £8.2 million).

The carrying value of stock as at 31 March 2008 was £33.0 million (2007: £48.2 million). The difference in stock arises from the continued development and enhancement of existing development properties, net of the sale of a development property to a fellow group company.

Future developments

The directors expect the general level of activity to be significantly impacted by the adverse conditions in the property market. Through prudent business planning, the directors make appropriate commercial decisions to commence, or otherwise, future development projects in line with market conditions.

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 rate movements, the availability of finance and 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, business planning and strict cost controls. In response to the current economic environment, the group has introduced a cost reduction programme.

Market risk

The directors of the company manage market risk through careful attention to residential and commercial property markets and through appropriate business planning and pricing.

Domaine Developments Limited

Directors' report *(continued)*

Principal risks and uncertainties *(continued)*

Financial risk

The credit crisis and prevailing economic conditions have affected the availability of development and working capital in the property sector as well as impacting prospective property purchasers. The directors are working closely with the group's key stakeholders in order to mitigate these factors.

Directors and secretary

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

Dr. P. Bacon resigned as a director of the company on 31 December 2007.

Mr. D. Brophy was appointed as a director of the company on 28 November 2007.

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

Disclosure of information to auditor

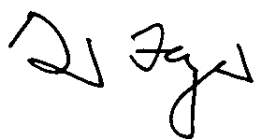
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make 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, Chartered Accountants, as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board

B. Fagan
Director



18 December 2008

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 and applicable law (UK Generally Accepted Accounting Practice).

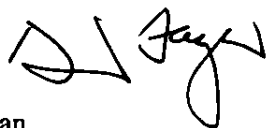
The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

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 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

18 December 2008



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 2008 which comprises 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 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 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 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 2008 and of its profit 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.



Chartered Accountants
Registered Auditor
Dublin

22 December 2008

Domaine Developments Limited

Statement of accounting policies

for the year ended 31 March 2008

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 and promulgated by the Institute of Chartered Accountants in England and Wales (see note 1).

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.

Stock

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 2008*

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 2008

	<i>Note</i>	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Turnover – continuing operations	2	50,861,863	18,584,907
Cost of sales		(44,117,765)	(16,370,480)
Gross profit		6,744,098	2,214,427
Administration expenses		(80,128)	(240,311)
Operating profit - continuing operations		6,663,970	1,974,116
Interest payable and similar charges	4(a)	(267,603)	(845,260)
Interest receivable and similar income	4(b)	1,312,146	56,608
Profit on ordinary activities before taxation	3	7,708,513	1,185,464
Tax on profit on ordinary activities	5	(106,484)	-
Profit for the year	15	7,602,029	1,185,464

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.

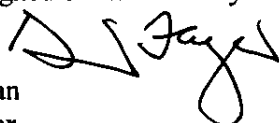
Domaine Developments Limited

Balance sheet as at 31 March 2008

	<i>Note</i>	31 March 2008 £	31 March 2007 £
Fixed assets			
Tangible assets	7	-	128
Financial assets	8	8,587,700	8,222,862
		<hr/>	<hr/>
		8,587,700	8,222,990
		<hr/>	<hr/>
Current assets			
Stock	9	32,952,121	48,243,308
Debtors	10	51,872,892	48,416,127
Cash at bank and in hand		146,948	211,524
		<hr/>	<hr/>
Creditors: amounts falling due within one year	11	84,971,961 (59,182,295)	96,870,959 (11,969,568)
		<hr/>	<hr/>
Net current assets		25,789,666	84,901,391
		<hr/>	<hr/>
Total assets less current liabilities		34,377,366	93,124,381
		<hr/>	<hr/>
Creditors: amounts falling due after one year	12	(37,784,714)	(104,133,758)
		<hr/>	<hr/>
Net liabilities		(3,407,348)	(11,009,377)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account	15	(3,407,349)	(11,009,378)
		<hr/>	<hr/>
Shareholders' deficit	16	(3,407,348)	(11,009,377)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 18 December 2008 and were signed on its behalf by:

B. Fagan
Director



Domaine Developments Limited

Notes

forming part of the financial statements

1 Basis of preparation

The company is a member of the group headed by Ballymore Properties Holdings Limited (note 17). The company's ability to continue as a going concern is linked to the group's ability to continue as a going concern.

The principal risks and uncertainties faced by the group and the company and the steps taken by the directors to address them are set out in the Directors' Report. The group and 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 their banks and other funders. The directors reviewed financial projections for a period of 12 months from the date of approval of these financial statements and assessed the group and company's required credit facilities. The directors also note that, notwithstanding the difficult market conditions, the group continues to negotiate the renewal of its banking facilities and continues to put in place new credit facilities with its bankers.

On the basis of the group's existing credit facilities, its strong ongoing relationships with its bankers, the continuation of funding and having reviewed financial projections, the directors believe that appropriate funding will be available to the group and company to meet their obligations for the foreseeable future. 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. Accordingly, the directors consider it appropriate to prepare the financial statements on the going concern basis.

2 Turnover

Turnover is analysed as follows:

	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Sale of land	42,524,780	6,052,500
Rental and sundry income	8,337,083	12,532,407
	<hr/>	<hr/>
	50,861,863	18,584,907
	<hr/>	<hr/>

All turnover is generated in the United Kingdom.

Domaine Developments Limited

Notes (continued)

3	Statutory information	Year ended 31 March 2008 £	Year ended 31 March 2007 £
	Profit on ordinary activities before taxation is stated after charging		
	Depreciation of tangible fixed assets	128	9,695
	Auditor's remuneration	-	-
	Directors' remuneration	-	-
		<hr/>	<hr/>
	Audit fees are discharged by a group company.		
4	(a) Interest payable and similar charges	Year ended 31 March 2008 £	Year ended 31 March 2007 £
	On bank loans and overdrafts due to be repaid wholly within five years, none of which are repayable by instalments	4,671,960	7,070,932
		<hr/>	<hr/>
		4,671,960	7,070,932
	Less: capitalised interest included in stock	(3,843,453)	(4,222,418)
	Less: interest recharged to group companies	(560,904)	(2,003,254)
		<hr/>	<hr/>
		267,603	845,260
		<hr/>	<hr/>
	(b) Interest received and similar income	Year ended 31 March 2008 £	Year ended 31 March 2007 £
	Other interest	1,312,146	56,608
		<hr/>	<hr/>

Domaine Developments Limited

Notes (continued)

5 Taxation	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Current tax	106,484	-
Total current tax	106,484	-
Tax on profit on ordinary activities	106,484	-

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

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	7,708,513	1,185,464
Current tax at 30%	2,312,554	355,639
Expenses not deductible	8,310	(726,565)
Capital allowances for period in excess of depreciation	(1,207)	1,248
Group relief	(2,213,173)	369,678
Total current tax	106,484	-

The UK corporation tax rate is currently 30% but is expected to be reduced to 28% effective from 1 April 2008.

6 Staff numbers and costs

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

Domaine Developments Limited

Notes (continued)

7	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	-	-	-
		<hr/>	<hr/>	<hr/>
	At end of year	12,500	42,364	54,864
		<hr/>	<hr/>	<hr/>
	<i>Depreciation</i>			
	At beginning of year	12,500	42,236	54,736
	Charge for year	-	128	128
		<hr/>	<hr/>	<hr/>
	At end of year	12,500	42,364	54,864
		<hr/>	<hr/>	<hr/>
	<i>Net book value</i>			
	At 31 March 2008	-	-	-
		<hr/>	<hr/>	<hr/>
	At 31 March 2007	-	128	128
		<hr/>	<hr/>	<hr/>
8	Financial fixed assets		2008 £	2007 £
	Shares in subsidiary undertakings	(i)	6,096,036	5,841,038
	Investment in joint venture	(ii)	2,491,664	2,381,824
			<hr/>	<hr/>
			8,587,700	8,222,862
			<hr/>	<hr/>

Domaine Developments Limited

Notes (continued)

8 Financial fixed assets (continued)

(i) Subsidiary undertakings	2008	2007
	£	£
<i>Cost</i>		
At beginning of year	5,841,038	5,841,038
Additions	254,998	-
	<hr/>	<hr/>
At end of year	6,096,036	5,841,038
	<hr/>	<hr/>

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

(ii) Investment in joint ventures	2008	2007
	£	£
At beginning of year	2,381,824	2,381,824
Additions	109,840	-
	<hr/>	<hr/>
At end of year	2,491,664	2,381,824
	<hr/>	<hr/>

The Company owns 50% of the issued share capital of the property development company, Bishopsgate Goodsynd 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, Altrincham, Cheshire, WA15 9NN.

During the year the company acquired a 25% interest in Renshaw Regeneration LLP, whose business is property development and whose registered office is Halebrook House, Scott Drive, Altrincham, Cheshire WA15 8AB, at a cost of £50.

Domaine Developments Limited

Notes (continued)

9	Stock	2008	2007
		£	£
	Development properties stated at cost	32,952,121	26,259,557
	Work in progress stated at cost	-	21,983,751
		<hr/>	<hr/>
		32,952,121	48,243,308
		<hr/>	<hr/>

There are no material differences between the replacement cost of stock and the balance sheet amounts. The amount at which stock is stated includes capitalised interest of £4,968,010 (2007: £4,874,773)

10	Debtors	2008	2007
		£	£
	Trade debtors	165,381	131,325
	Other debtors	581,504	2,764,357
	Amounts owed by group undertakings	28,613,273	30,331,021
	Amount owed by related parties	22,512,734	15,189,424
		<hr/>	<hr/>
		51,872,892	48,416,127
		<hr/>	<hr/>

Amounts owed by related parties

Bishopsgate Goodsyrd Regeneration Limited	19,655,049	14,132,974
Central Regeneration Limited Partnership	2,731,250	1,056,450
Renshaw Regeneration LLP	126,435	-
	<hr/>	<hr/>
	22,512,734	15,189,424
	<hr/>	<hr/>

Domaine Developments Limited

Notes (continued)

11	Creditors: amounts falling due within one year	2008	2007
		£	£
	Trade creditors	2,607	2,657
	Accruals and deferred income	446,922	4,200,492
	Amounts owed to group undertakings	58,732,766	7,088,685
	Other creditors including tax and social welfare	-	677,734
		<hr/>	<hr/>
		59,182,295	11,969,568
		<hr/>	<hr/>

12	Creditors: amounts due after one year	2008	2007
		£	£
	Bank loan (note 13)	37,784,714	104,133,758
		<hr/>	<hr/>

13	Bank borrowings	Within one year	Between one and two years	Total Stg £
	Repayable other than by instalments:			
	Bank loans	-	37,784,714	37,784,714
		<hr/>	<hr/>	<hr/>

The bank loan is secured by a fixed and floating charge over the assets and undertakings of the company and certain subsidiary companies.

14	Share capital	2008	2007
		£	£
	<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/>

Domaine Developments Limited

Notes (continued)

15	Reconciliation of profit and loss account	2008	2007
		£	£
	At beginning of year	(11,009,378)	(12,194,842)
	Profit for the year	7,602,029	1,185,464
		<hr/>	<hr/>
	At end of year	(3,407,349)	(11,009,378)
		<hr/>	<hr/>
16	Reconciliation of movement in shareholders' deficit	2008	2007
		£	£
	At beginning of year	(11,009,377)	(12,194,841)
	Profit for the year	7,602,029	1,185,464
		<hr/>	<hr/>
	At end of year	(3,407,348)	(11,009,377)
		<hr/>	<hr/>

17 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 undertakings.

Domaine Developments Limited

Notes *(continued)*

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 Holdings 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 18 December 2008.