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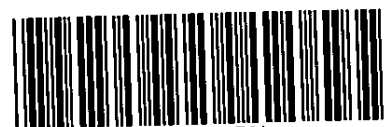
Domaine Developments Limited

Directors' report and financial statements

Year ended 31 March 2010

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
S Mulryan
D Brophy
J Mulryan

Secretary

B Fagan

Registered office

St John's House
5 South Parade
Summertown
Oxford
OX2 7JL

Auditor

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

Solicitors

Howard Kennedy
Harcourt House
19 Cavendish Square
London W1A 2AW

Domaine Developments Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2010

Principal activity and review of business

The principal activity of the company is that of 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 in an acceptable timeframe.

The carrying value of the company's financial fixed assets as at 31 March 2010, comprising investments in subsidiary undertakings, all of which are involved in property related activities, was £8.6 million (2009 £8.6 million).

The carrying value of stock as at 31 March 2010 was £37.4 million (2009 £36.7 million). The difference in stock arises from the continued development and enhancement of existing development properties together with diminutions arising from the directors' review of its carrying value.

Results and dividends

The loss for the year after taxation amounted to £42,107,152.

The directors do not recommend the payment of a dividend.

Directors

The directors who held office at 31 March 2010 and since year end are listed on page 1.

D. Badger resigned as a director on 10 July 2009. J. Mulryan was appointed as a director on 14 October 2009.

Future developments in the business

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.

Domaine Developments Limited

Directors' report (*continued*)

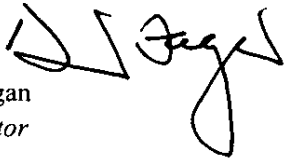
Disclosure of information to auditor

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 directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office

On behalf of the board

B Fagan
Director

A handwritten signature in black ink, appearing to read 'B Fagan', written over the printed name.

Domaine Developments Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. 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

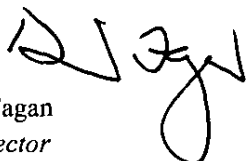
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate 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 2006. 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

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 Domaine Developments Limited

We have audited the financial statements of Domaine Developments Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit includes obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. Further details of the scope of an audit of financial statements are provided on the Auditing Practices Board's website at <http://www.frc.org.uk/apb/scope/UKNP.cfm>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent auditor's report to the members of Domaine Developments Limited
(continued)

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 9 concerning the uncertainty associated with the assessment of the carrying value of property assets under current market conditions

The company is a member of a group headed by Ballymore Properties. Note 1 sets out a number of material uncertainties which may cast significant doubt on the ability of the group to continue as a going concern. These matters include the acceptance by NAMA of the group's business plan, the ability of the group to successfully repay, refinance or renew bank facilities as they fall due, and to secure continuing support where bank covenants are breached. While the ultimate outcome of these matters cannot be assessed with certainty at this time, the directors are of the opinion that, based on the current discussions with the group's lenders, it is appropriate to prepare the financial statements on the going concern basis.

Given the inherent subjectivity in the assessment of the carrying value of property assets under current market conditions, we also draw your attention to this uncertainty, as outlined in Note 9.

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 development properties or receivables or if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Gary Britton (Senior Statutory Auditor)

16 December 2010

for and on behalf of KPMG, Statutory Auditor
Dublin

Domaine Developments Limited

Profit and loss account

for the year ended 31 March 2010

	Notes	2010 £	2009 £
Turnover - continuing operations	2	58,871	572,552
Cost of sales		<u>(17,306,768)</u>	<u>(1,125,653)</u>
Gross loss		(17,247,897)	(553,101)
Administration expenses	3	<u>(24,965,795)</u>	<u>(22,185)</u>
Operating loss - continuing operations	3	(42,213,692)	(575,286)
Investment income	4	438,460	1,445,762
Interest payable and similar charges	5	<u>(331,920)</u>	<u>(320,593)</u>
(Loss) / profit on ordinary activities before taxation		(42,107,152)	549,883
Tax on (loss) / profit on ordinary activities	6	<u>-</u>	<u>-</u>
(Loss) / profit for the financial year	13 / 14	<u>(42,107,152)</u>	<u>549,883</u>

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

Domaine Developments Limited

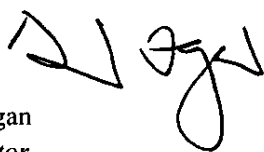
Balance sheet

at 31 March 2010

		2010 £	2009 £
	<i>Notes</i>		
Fixed assets			
Investments	8	<u>8,597,449</u>	<u>8,597,449</u>
Current assets			
Stocks	9	37,367,028	36,707,347
Debtors	10	28,425,904	54,281,736
Cash at bank and in hand		<u>282,758</u>	<u>1,199,138</u>
		66,075,690	92,188,221
Creditors: amounts falling due within one year	11	<u>(119,637,756)</u>	<u>(103,643,135)</u>
Net current liabilities		<u>(53,562,066)</u>	<u>(11,454,914)</u>
Net liabilities		<u>(44,964,617)</u>	<u>(2,857,465)</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	<u>(44,964,618)</u>	<u>(2,857,466)</u>
Shareholders' deficit	14	<u>(44,964,617)</u>	<u>(2,857,465)</u>

The financial statements were approved by the board of directors on 16/12/2010 and were signed on its behalf by

B Fagan
Director



Domaine Developments Limited

Notes

forming part of the financial statements

Domaine Developments Limited

Notes *(continued)*

1 Statements of accounting policies

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

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

The financial statements are prepared in UK sterling which is the reporting currency of the company

The company is a member of a group headed by Ballymore Properties. An intermediate parent company, Ballymore Properties Holdings Limited has indicated that it will continue to support the company and accordingly the financial statements have been prepared on a going concern basis

However the future performance of the Ballymore Properties group ("the group") in the markets in which it operates will be influenced by the macro-economic, financial, credit and property industry conditions, which are outside of the group's control. Ongoing difficulties in the economic environment, with continued negative repercussions for both financial institutions and the property market, could materially impact the property portfolio assembled by Ballymore Properties and affect the group's ability to meet its longer term financing requirements

In addition, a significant proportion of the group's bank borrowings (including the company's bank borrowings) previously held by Irish financial institutions have now been transferred to the National Asset Management Agency ("NAMA")

NAMA is a special purpose vehicle that has been established by the Irish government on a statutory basis in order to manage acquired loans with the aim of achieving the best possible return for the Irish taxpayer over a 7 to 10 year timeframe

As required by NAMA, the group has submitted a detailed business plan with a view to seeking NAMA's approval of that plan. While formal approval of the group's business plan has yet to be completed, the directors are confident that such approval will be forthcoming and hence have prepared the financial statements on a going concern basis

The directors of the company assess the basis of preparation of the financial statements each year, and whether it is appropriate to prepare them on a going concern basis. In doing so, they assess the financial plan and cashflow projections for the group. The following represent the key assumptions of that financial plan

-The acceptance by NAMA of the group's business plan, and the ability of the group to successfully implement the plan,

-bank loans falling due for repayment in the coming financial year with NAMA and other financial institutions will be renewed on terms consistent with the existing loan arrangements,

Domaine Developments Limited

Notes *(continued)*

1 Statement of accounting policies *(continued)*

-in the case of current breaches of bank covenants and any future breaches of bank covenants that arise, that the related loan facilities will be re-negotiated and renewed,

-the group will continue to realise sufficient cash through bank financing and property disposal transactions during the course of 2010/2011 that will enable it to meet working capital and other commitments as they arise

Based on the above assumptions, the directors believe that the group will have sufficient cash reserves and debt facilities to meet its ongoing requirements for at least 12 months from the date of approval of the financial statements

The directors of the company have concluded that the above factors represent material uncertainties. Failure to deliver on the above assumptions may cast significant doubt on the ability of the group and company to continue as a going concern and it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, having considered the basis of preparation and the assumptions underlying the group's cashflow projections together with assessing the status of negotiations with NAMA and the group's other lenders, and assuming the renewal of expiring facilities and continued forbearance of its lenders, the directors of the group and company have a reasonable expectation that the group and company will be able to meet its liabilities as they fall due for the foreseeable future.

It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustment that would result from the going concern basis of preparation being inappropriate.

Turnover

Turnover represents amounts derived from rental income and is recognised on an accruals basis.

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:

Fixtures, fittings and equipment - 15 - 50% per annum

1 Statement of accounting policies *(continued)*

Domaine Developments Limited

Notes *(continued)*

Investments

Investments are stated at cost less provisions for impairment in value. Income from investments is recognised in the profit and loss account in the year in which it is received.

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.

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.

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Domaine Developments Limited

Notes *(continued)*

1 Statement of accounting policies (continued)

Consolidated accounts

The company has taken advantage of the exemption under S400 of the Companies Act 2006, not to prepare consolidated financial statements

Cash flow statement

As the company qualifies as a small company, the directors have availed of the exemption contained in Financial Reporting Standard 1 and, accordingly, no cash flow statement is presented

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

Interest bearing borrowings

Immediately after issue, debt is stated at the fair value of the consideration received on the issued of the capital instruments after deduction of issue costs. The financial cost of debt is allocated to periods over the term of the debt at a constant rate on the carrying amount

2 Turnover

The analysis of turnover by activity is as follows

	2010 £	2009 £
<i>By activity</i>		
Rental income	<u>58,871</u>	<u>572,552</u>

All turnover is generated in the United Kingdom

Domaine Developments Limited

Notes (continued)

3 Statutory and other information

Operating loss is stated after charging

Auditor's remuneration	9,813	-
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In the prior year audit fees were discharged by another group company. No emoluments are paid to directors of the company. The company has no employees.

Cost of sales includes a provision for impairment against stock of £16.75 million.

Administration expenses include provisions against intercompany receivables of £24,955,667 (2009: £nil). This provision reflects falls in the underlying asset value in the debtor group companies.

4 Investment income

	2010 £	2009 £
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Interest receivable from joint ventures	438,460	1,445,762
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5 Interest payable and similar charges

	2010 £	2009 £
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On bank loans, overdrafts and other loans wholly repayable within five years	3,518,448	3,217,446
Less: capitalised interest included in stock	(3,149,008)	(2,837,481)
Less: interest recharged to group companies	(37,520)	(59,372)
	<u>331,920</u>	<u>320,593</u>

Domaine Developments Limited

Notes *(continued)*

6	Tax on (loss) / profit on ordinary activities	2010 £	2009 £
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Tax on (loss) / profit on ordinary activities	-	-
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The current tax charge for the year differs from the standard rate of corporation tax in the UK. The differences are explained below

	2010 £	2009 £
<i>Current tax reconciliation</i>		
(Loss)/ profit on ordinary activities before tax	(42,107,152)	549,883
Current tax at 28%	(11,790,003)	153,967
<i>Effects of</i>		
Expenses not deductible for tax purposes	6,987,587	840
Difference between capital allowances and depreciation	-	(698)
Movement in tax losses	4,826,306	-
Group relief	-	(60,639)
Transfer pricing adjustment	(23,890)	(93,470)
Movement in tax losses	-	-
Total current tax charge	-	-

There is no unprovided deferred tax at 31 March 2010 (31 March 2009 £nil)

Domaine Developments Limited

Notes (continued)

7 Tangible fixed assets

	Fixtures, fittings and equipment £
<i>Cost</i>	
At beginning and end of year	54,864
<i>Depreciation</i>	
At beginning and end of year	54,864
<i>Net book values</i>	
At 31 March 2010	-
At 31 March 2009	-

8 Investments

	Shares in group undertakings £	Investment in joint ventures £	Total £
<i>Cost</i>			
At beginning and end of year	6,096,035	2,501,414	8,597,449

Name	Proportion held	Principal activity
<i>Subsidiary undertakings</i>		
Bristol Exeter House Limited	100%	Property investment
RT Group Developments (Snow Hill) Limited	100%	Property development

Domaine Developments Limited

Notes (continued)

8 Investments (continued)

Joint ventures

	2010	2009
	£	£
Cost		
At beginning of year	2,501,414	2,491,664
Additions	-	9,750
	<u>2,501,414</u>	<u>2,501,414</u>

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 2008 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

9 Stocks	2010	2009
	£	£
Development properties	<u>37,367,028</u>	<u>36,707,347</u>

The amount at which stock is stated includes capitalised interest of £10,954,499 (2009 £7,805,491)

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

Domaine Developments Limited

Notes (continued)

10	Debtors	2010 £	2009 £
	<i>Amounts falling due within one year</i>		
	Trade debtors	30,361	34,313
	Amounts owed by group undertakings	20,896	28,488,974
	Amounts owed by related parties	26,544,074	25,657,876
	Other debtors	1,830,573	100,573
		<u>28,425,904</u>	<u>54,281,736</u>
	<i>Amounts due from related parties</i>		
	Bishopsgate Goodsynd Regeneration Limited	22,492,023	22,055,825
	Central Regeneration Limited Partnership	3,918,878	3,468,878
	Renshaw Regeneration LLP	133,173	133,173
		<u>26,544,074</u>	<u>25,657,876</u>

During the year a provision against intercompany receivables of £24,955,667 was made. This provision reflects falls in the underlying asset value in the debtor group companies.

11	Creditors: amounts falling due within one year	2010 £	2009 £
	Trade creditors	43,969	43,969
	Amounts owed to group undertakings	61,797,358	59,442,690
	Accruals	13,870,822	203,984
	Bank loans	43,925,607	43,952,492
		<u>119,637,756</u>	<u>103,643,135</u>

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

12	Called up share capital	2010 £	2009 £
	<i>Authorised</i>		
	1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<i>Allotted, called up and fully paid</i>		
	1 ordinary share of £1	<u>1</u>	<u>1</u>

Domaine Developments Limited

Notes *(continued)*

13	Profit and Loss Account	2010 £	2009 £
	At beginning of year	(2,857,466)	(3,407,349)
	(Loss) / profit for the financial year	(42,107,152)	549,883
	At end of year	(44,964,618)	(2,857,466)

14	Reconciliation of movements in shareholders' deficit	2010 £	2009 £
	Opening shareholders' deficit	(2,857,465)	(3,407,348)
	(Loss) / profit for the financial year	(42,107,152)	549,883
	Closing shareholders' deficit	(44,964,617)	(2,857,465)

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 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 John's 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 and its subsidiary companies.

16 Post balance sheet events

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

17 Fair value of assets and liabilities

The company has a derivative financial instrument, being an interest rate swap, that it has not recognised at fair value. The fair value of this liability is £2,444,629 (2009: £3,076,391).

Domaine Developments Limited

Notes (*continued*)

18 Approval of financial statements

The directors approved the financial statements on 16 December 2010 .