

Registered number: 05409636

BALLYMORE INVESTMENTS LIMITED

Directors' report and financial statements
for the year ended 31 March 2012

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BALLYMORE INVESTMENTS LIMITED

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BALLYMORE INVESTMENTS LIMITED

Company Information

DIRECTORS	B.Fagan D.Pearson (appointed 9 November 2011) J.Mulryan D.Brophy (resigned 4 November 2011)
COMPANY SECRETARY	B.Fagan
COMPANY NUMBER	05409636
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 Ireland
SOLICITORS	Howard Kennedy Harcourt House 19 Cavendish Square London W1A 2AW

BALLYMORE INVESTMENTS LIMITED

Directors' report For the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments 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;
- 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company is that of an investment holding company. There has been no significant change in this activity during the year.

RESULTS

The loss for the year, after taxation, amounted to £1,358,070 (2011 - profit £738,733).

DIRECTORS

The directors who served during the year were:

B Fagan
D.Pearson (appointed 9 November 2011)
J.Mulryan
D.Brophy (resigned 4 November 2011)

BALLYMORE INVESTMENTS LIMITED

**Directors' report
For the year ended 31 March 2012**

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

AUDITOR

Under section 487(2) of the Companies Act 2006, KPMG will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D. Pearson', written over a circular stamp or seal.

D. Pearson
Director
Date: 31 July 2012



KPMG
Chartered Accountants
1 Stokes Place
St. Stephens Green
Dublin 2
Ireland

Independent auditor's report to the members of Ballymore Investments Limited

We have audited the financial statements of Ballymore Investments Limited for the year ended 31 March 2012, set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.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 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER

In forming our opinion on these financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 concerning material uncertainties affecting the company's ability to continue as a going concern.

The company is a member of a group headed by Ballymore Properties ("the group"). At 31 March 2012 the company had net liabilities of £19,542,358 and is dependent for its working capital on funds provided to it by the group. The group is in turn dependent on the ongoing financial support of its lenders to continue as a going concern. These conditions, together with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.



BALLYMORE INVESTMENTS LIMITED

Independent auditor's report to the members of Ballymore Investments Limited

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared 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.

C. Mullen (Senior statutory auditor)
for and on behalf of
KPMG
Chartered Accountants
Dublin

31 July 2012

BALLYMORE INVESTMENTS LIMITED

**Profit and loss account
For the year ended 31 March 2012**

	Note	2012 £	2011 £
Administrative expenses		<u>(1,358,070)</u>	<u>738,733</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,358,070)	738,733
Tax on (loss)/profit on ordinary activities	3	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	8	<u>(1,358,070)</u>	<u>738,733</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account


The notes on pages 8 to 13 form part of these financial statements.

BALLYMORE INVESTMENTS LIMITED
Registered number: 05409636

Balance sheet
As at 31 March 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investments	4		16		17
CURRENT ASSETS					
Debtors	5	-	1,362,000		
Cash at bank		285	355		
		<u>285</u>	<u>1,362,355</u>		
CREDITORS: amounts falling due within one year	6	<u>(19,542,659)</u>	<u>(19,546,660)</u>		
NET CURRENT LIABILITIES			<u>(19,542,374)</u>		<u>(18,184,305)</u>
NET LIABILITIES			<u>(19,542,358)</u>		<u>(18,184,288)</u>
CAPITAL AND RESERVES					
Called up share capital	7		1		1
Profit and loss account	8		<u>(19,542,359)</u>		<u>(18,184,289)</u>
SHAREHOLDERS' DEFICIT	9		<u>(19,542,358)</u>		<u>(18,184,288)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


D. Pearson
Director
Date. 31 July 2012

BALLYMORE INVESTMENTS LIMITED

Notes to the financial statements For the year ended 31 March 2012

1. 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 of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in UK Sterling, which is the functional currency of the company.

Going concern

The company is a member of a group headed by Ballymore Properties ("the group"), a company incorporated in the Republic of Ireland.

Notwithstanding having net liabilities of £19,542,358 at 31 March 2012, the financial statements of the company are prepared on the going concern basis, which the directors believe to be appropriate for the following reasons.

The company is dependent for its working capital on funds provided to it by the group. The group has confirmed that it will continue to make available such funds as are needed by the company and in particular, will not seek repayment of amounts owed to it for at least 12 months from the date of approval of the financial statements. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

The Ballymore Properties group is in turn dependent on the ongoing financial support of its lenders to continue as a going concern. The group's bank borrowings are provided by Irish, UK and European financial institutions. During 2010, a significant proportion of the group's bank borrowings previously held by Irish financial institutions were transferred to NAMA. The National Asset Management Agency ("NAMA") is a special purpose vehicle that was established by the Irish government on a statutory basis in order to manage loans acquired from financial institutions with the aim of achieving the best possible return for the Irish taxpayer over a 7 to 10 year timetable.

During 2011, the Ballymore Properties group submitted a detailed business plan to NAMA. This plan has now been approved by NAMA and a Memorandum of Understanding ("MoU") has been signed. This MoU, together with the business plan, sets out the various conditions and key performance indicators that the group is required to achieve in order to ensure NAMA's continued support.

As part of their assessment of the appropriateness of the going concern basis of preparation of financial statements by group companies, the directors of Ballymore Properties have carried out a detailed assessment of the group's business plan, the status of its funding arrangements and its relationship with its key financiers including NAMA. The key assumption underlying this assessment is that the group will meet the financial targets agreed with NAMA and will formalise the arrangements set out in the MoU by completing binding facility agreements. Based on this assessment, the directors of Ballymore Properties have a reasonable expectation that the group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The directors of the company assess the basis of preparation of the company's financial statements each year, and whether it is appropriate to prepare them on a going concern basis. In doing so, they assess the appropriateness of the assumption that the group, and consequently the company, will continue as a going concern.

BALLYMORE INVESTMENTS LIMITED

Notes to the financial statements For the year ended 31 March 2012

1. ACCOUNTING POLICIES (continued)

Going concern (continued)

The directors of the company have concluded that the above factors represent material uncertainties that may cast significant doubt on the ability of the group 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, given that the directors of the group have a reasonable expectation that the group will have sufficient cash resources available to meet their liabilities for at least 12 months from the date of approval of these financial statements, the directors of the company expect that its support from the Ballymore Properties group will continue for at least 12 months from the date of approval of these financial statements. As with any group company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these indications, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, this material uncertainty may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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.

Cash flow statement

The directors have availed of the exemption contained in Financial Reporting Standard 1 and, accordingly, no cash flow statement is presented.

Financial fixed assets

Financial fixed assets are shown at cost less provisions for impairments in value. Income from financial fixed assets, together with any related tax cost, is recognised in the profit and loss account in the year in which it is received.

Consolidated accounts

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

BALLYMORE INVESTMENTS LIMITED

Notes to the financial statements For the year ended 31 March 2012

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting):

	2012 £	2011 £
Auditor's remuneration	2,000	2,972
Provision/(reversal of provision) against intercompany receivables	1,356,000	(762,750)

During the year, no director received any emoluments (2011 - £NIL). The company has no employees (2011 none).

3. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below:

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	(1,358,070)	738,733
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(353,098)	206,845
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	(213,570)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	352,560	-
Utilisation of tax losses	-	6,725
Unrelieved tax losses carried forward	538	-
Current tax charge for the year	-	-

Factors that may affect future tax charges

The corporation tax rate of 26% effective from 1 April 2011 will continue to reduce gradually to 22% by 2014.

At 31 March 2012 there is an unrecognised deferred tax asset of £22,167 in respect of unutilised tax losses.

BALLYMORE INVESTMENTS LIMITED

Notes to the financial statements
For the year ended 31 March 2012

4. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2011	17
Disposals	(1)
At 31 March 2012	16
Net book value	
At 31 March 2012	16
At 31 March 2011	17

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Holding
Ballymore (Battersea Park Road) Limited	Property investment	100 %
Ballymore Cornwall Street Limited	Property investment	100 %
Ballymore Colmore Row Limited	Property investment	100 %
Ballymore Fulham Limited	Property development	100 %
Milltop Limited	Property development	100 %
Arrowhead Commercial Limited	Property development	100 %
Ballymore Snow Hill (Hotel) Limited	Dormant	100 %
Property Company 2007 Limited	Non-trading	100 %
Ballymore (Battersea) Limited	Non-trading	100 %
Ballymore Properties Management Limited	Property investment	100 %
Blazecourt Limited	Non-trading	100 %
Peergate Limited	Property investment	100 %

All subsidiaries are incorporated in the United Kingdom having their registered offices at St. John's House, 5 South Parade, Summertown, Oxford OX2 7JL and operate in the United Kingdom.

The investment in Ballymore Projects (Unex) Limited was transferred to another group company during the year.

BALLYMORE INVESTMENTS LIMITED

Notes to the financial statements For the year ended 31 March 2012

5. DEBTORS

	2012	2011
	£	£
Trade debtors	-	6,000
Amounts owed by group undertakings	-	1,356,000
	<u>-</u>	<u>1,362,000</u>

The amount of receivables due from group undertakings is £nil stated net of provisions. At 31 March 2012 the gross amount receivable from group undertakings was £2,499,998 (2011: £19,449,997). During the year an amount receivable from another group company of £16,949,999 was waived. This debt had been partly provided for in prior year and therefore, the provision of £15,593,999 previously recognised has now been fully utilised. A further £1,356,000 was provided for in the current financial year. Full provision was also made in prior year for the remaining debtor of £2,499,998.

6. CREDITORS: **Amounts falling due within one year**

	2012	2011
	£	£
Amounts owed to group undertakings	19,456,512	19,456,512
Accruals and deferred income	86,147	90,148
	<u>19,542,659</u>	<u>19,546,660</u>

7. SHARE CAPITAL

	2012	2011
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

8. RESERVES

	Profit and loss account £
At 1 April 2011	(18,184,289)
Loss for the year	(1,358,070)
At 31 March 2012	<u>(19,542,359)</u>

BALLYMORE INVESTMENTS LIMITED

Notes to the financial statements For the year ended 31 March 2012

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2012	2011
	£	£
Opening shareholders' deficit	(18,184,288)	(18,923,021)
(Loss)/profit for the year	(1,358,070)	738,733
Closing shareholders' deficit	<u>(19,542,358)</u>	<u>(18,184,288)</u>

10. RELATED PARTY TRANSACTIONS AND CONTROL

The company is a wholly owned subsidiary of Ballymore Limited, a company incorporated in England and Wales. That company's parent is Ballymore Properties Holdings Limited, a company incorporated in England and Wales. The company's ultimate parent company is Ballymore Properties, a company incorporated in the Republic of Ireland. The company was controlled throughout the period by Mr S Mulryan.

The largest group in which the results of the company and its subsidiary undertakings are consolidated is that headed by Ballymore Properties

The smallest group in which the results of the company and its subsidiary undertakings are consolidated is that headed by Ballymore Properties Holdings Limited. The consolidated financial statements of Ballymore Properties Holdings Limited are available from the company's registered office which is St. 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 undertakings

11. POST BALANCE SHEET EVENTS

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

12. COMMITMENTS AND CONTINGENCIES

The company has guaranteed the indebtedness of group undertakings to certain financial institutions. The indebtedness is secured by charges on the assets of the various group undertakings and on the shares in the companies held by this company. The amounts outstanding in respect of guarantee facilities at 31 March 2012 were £47 million (2011: £47 million).

The company is party to an agreement along with various companies in the group, of which the company is a member, whereby the group's funding institutions which are ultimately controlled by the National Asset Management Agency (NAMA) have cross guarantees over the company's assets. In the event that any of the companies subject to the guarantee are unable to repay amounts owed to NAMA then it may call on this company or any of the other companies party to the guarantee for repayment of amounts due.