

**Registered number: 05409636**

## **BALLYMORE INVESTMENTS LIMITED**

**Directors' report and financial statements**

**for the year ended 31 March 2013**

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**BALLYMORE INVESTMENTS LIMITED**

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**BALLYMORE INVESTMENTS LIMITED**

**Company Information**

<b>DIRECTORS</b>	B.Fagan D Pearson J Mulryan
<b>COMPANY SECRETARY</b>	B Fagan
<b>REGISTERED NUMBER</b>	05409636
<b>REGISTERED OFFICE</b>	St John's House 5 South Parade Summertown Oxford OX2 7JL
<b>INDEPENDENT AUDITOR</b>	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2 Ireland
<b>SOLICITORS</b>	Howard Kennedy Harcourt House 19 Cavendish Square London W1A 2AW

## **BALLYMORE INVESTMENTS LIMITED**

### **Directors' report For the year ended 31 March 2013**

The directors present their report and the financial statements for the year ended 31 March 2013.

#### **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 accounting 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 profit for the year, after taxation, amounted to £2,499,928 (2012 - loss £1,358,070)

#### **DIRECTORS**

The directors who served during the year were

B Fagan  
D Pearson  
J. Mulryan

**BALLYMORE INVESTMENTS LIMITED**

**Directors' report  
For the year ended 31 March 2013**

**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.

D.Pearson  
Director

Date 16 July 2013

A handwritten signature in black ink, consisting of a stylized 'D' and 'P' joined together, with a horizontal line extending to the right.



KPMG  
Chartered Accountants  
1 Stokes Place  
St Stephen's 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 2013, 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**

An audit involves 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 company's 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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2013 and of its profit 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 2013 the company had net liabilities of £17,042,430 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.



**BALLYMORE INVESTMENTS LIMITED**

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

The financial statements do not include any adjustments that would result 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 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, Statutory Auditor**  
Chartered Accountants  
Dublin

16 July 2013



**BALLYMORE INVESTMENTS LIMITED**

**Profit and loss account  
For the year ended 31 March 2013**

	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
Administrative expenses		<u>2,499,928</u>	<u>(1,358,070)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,499,928</b>	<b>(1,358,070)</b>
Tax on profit/(loss) on ordinary activities	3	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	8	<b><u>2,499,928</u></b>	<b><u>(1,358,070)</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 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 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Investments	4		15		16
<b>CURRENT ASSETS</b>					
Cash at bank		216		285	
<b>CREDITORS: amounts falling due within one year</b>	6	<b>(17,042,661)</b>		<b>(19,542,659)</b>	
<b>NET CURRENT LIABILITIES</b>			<b>(17,042,445)</b>		<b>(19,542,374)</b>
<b>NET LIABILITIES</b>			<b>(17,042,430)</b>		<b>(19,542,358)</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		1		1
Profit and loss account	8		<b>(17,042,431)</b>		<b>(19,542,359)</b>
<b>SHAREHOLDERS' DEFICIT</b>	9		<b>(17,042,430)</b>		<b>(19,542,358)</b>

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

D. Pearson  
Director

Date 16 July 2013



## **BALLYMORE INVESTMENTS LIMITED**

### **Notes to the financial statements For the year ended 31 March 2013**

#### **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 £17,042,430 at 31 March 2013, 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 lenders are Irish, UK and European financial institutions and the National Asset Management Agency ("NAMA"). 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

In December 2012, the group entered into a Connection Management Agreement ("CMA") with NAMA. The CMA is in addition to a detailed business plan and a Memorandum of Understanding ("MoU") that was signed in 2011. This CMA, MoU, and the business plan, set 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. 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. 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.

## **BALLYMORE INVESTMENTS LIMITED**

### **Notes to the financial statements For the year ended 31 March 2013**

#### **1. ACCOUNTING POLICIES (continued)**

##### **Going concern (continued)**

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 surtable 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 2013

### 2. OPERATING PROFIT/(LOSS)

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

	2013 £	2012 £
Auditor's remuneration	-	2,000
(Reversal of provision)/ Provision against intercompany receivables	(2,499,998)	1,356,000

During the year, no director received any emoluments (2012 - *£NIL*). The company has no employees (2012 none).

The audit fee was borne by another group entity

### 3. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - *higher than*) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
Profit/loss on ordinary activities before tax	2,499,928	(1,358,070)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	599,983	(353,098)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(600,000)	352,560
Unrelieved tax losses carried forward	17	538
Current tax charge for the year	-	-

Factors that may affect future tax charges

The corporation tax rate of 24% effective from 1 April 2012 will continue to reduce gradually to 20% by 2015.

At 31 March 2013 there is an unrecognised deferred tax asset of £21,259 (2012 £22,167) in respect of unutilised tax losses.

# **BALLYMORE INVESTMENTS LIMITED**

## **Notes to the financial statements For the year ended 31 March 2013**

### **4. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2012	16
Disposals	(1)
At 31 March 2013	<u>15</u>
<b>Net book value</b>	
At 31 March 2013	<u>15</u>
At 31 March 2012	<u>16</u>

### **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	Dormant	100%
Miltop Limited	Property development	100%
Arrowhead Commercial Limited	Property development	100%
Ballymore Snow Hill (Hotel) Limited	Dormant	100%
Property Company 2007 Limited	Dormant	100%
Ballymore (Battersea) Limited	Dormant	100%
Ballymore Properties Management Limited	Property investment	100%
Blazecourt Limited	Dormant	100%

The investment in Peergate Limited was disposed of during the year.

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

# **BALLYMORE INVESTMENTS LIMITED**

## **Notes to the financial statements For the year ended 31 March 2013**

### **5. DEBTORS**

The amount of receivables due from group undertakings at 31 March 2012 was £nil stated net of provisions of £2,499,998. The gross amount of receivables at 31 March 2013 was £nil accordingly the prior year provision has been released to the profit and loss account.

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

	2013 £	2012 £
Amounts owed to group undertakings	17,042,661	19,456,512
Accruals and deferred income	-	86,147
	<u>17,042,661</u>	<u>19,542,659</u>

### **7. SHARE CAPITAL**

	2013 £	2012 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

### **8. RESERVES**

	Profit and loss account £
At 1 April 2012	(19,542,359)
Profit for the year	2,499,928
At 31 March 2013	<u>(17,042,431)</u>

### **9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2013 £	2012 £
Opening shareholders' deficit	(19,542,358)	(18,184,288)
Profit/(loss) for the year	2,499,928	(1,358,070)
Closing shareholders' deficit	<u>(17,042,430)</u>	<u>(19,542,358)</u>

## **BALLYMORE INVESTMENTS LIMITED**

### **Notes to the financial statements For the year ended 31 March 2013**

#### **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. COMMITMENTS AND CONTINGENCIES**

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.

#### **12. POST BALANCE SHEET EVENTS**

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