

Cuba Street Limited

Directors' report and
financial statements

Year ended 31 March 2009

Registered Number 05655406

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Cuba Street Limited

Directors' report and financial statements

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Cuba Street Limited

Directors and other information

Directors

B Fagan
D Brophy
J Mulryan

Registered office

St Johns House
5 South Parade
Summertown
Oxford
OX2 7JL

Registered number

05655406

Secretary

B Fagan

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

Bankers

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

Anglo Irish Bank Corporation
10 Old Jewry
London
EC2R 8DN

Cuba Street Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2009. The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activity and results, review of the business and dividend

The principal activity of the company during the year was property development. There has been no significant change to this activity during the year. However, the operating environment for the business has proven to be difficult.

The results for the year are set out on page 9 of the financial statements. The profit for the year was £237,806 (2008: £286,764). The directors do not recommend the payment of a dividend.

The carrying value of stock as at 31 March 2009 was £13.6 million (2008: £12.5 million). The increase in stock arises from costs incurred during the planning process.

Each year, the directors review the carrying values of stock in the context of the current market conditions, and where necessary, state these assets at the lower of cost and net realisable value. In determining the realisable value, the directors appraise the eventual financial outcome on the stock item. They consider the various risks associated with development, including planning risk, construction risk and programme risk. They also examine the prudence of the assumptions underlying an appraisal including the timeline to complete, future attributable costs to complete (including planning, construction, marketing and financial costs where appropriate) and the eventual proceeds the group would expect to receive from the sale of the stock item. On this basis, the directors have valued the stock at cost.

Directors

The directors and secretary who held office during the year end and subsequent to the year end are listed on page 1.

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

Mr. D. Badger was appointed as a director of the company on 19 November 2008 and resigned on 10 July 2009.

Mr. R. Hardy resigned as a director of the company on 21 January 2009.

Mr. J. Mulryan was appointed as a director of the company on 14 October 2009.

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.

Cuba Street Limited

Directors' report *(continued)*

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG, Chartered Accountants will therefore continue in office

On behalf of the board

B Fagan
Director

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

11 November 2009

Cuba Street 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 year

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





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

Independent auditor's report to the members of Cuba Street Limited

We have audited the financial statements of Cuba Street Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the Statement of Directors' Responsibilities on page 4, the 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, in our opinion, 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 Cuba Street 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 2009 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.

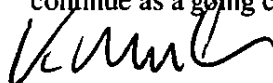
Emphases of matter – valuation of properties and going concern

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

The company has bank loans of £11.4 million repayable within one year. As outlined in Note 1, to which we draw your attention, the company's ability to continue as a going concern is largely dependent on the continued financial support of its bank.

The company's principal asset comprises property held for sale with a carrying value of £13.6 million. Given the inherent subjectivity in the assessment of the carrying value of property assets under current market conditions, we draw your attention to the uncertainty, as outlined in Note 7.

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 stock or if the company was unable to continue as a going concern.



Chartered Accountants
Registered Auditor

11 November 2009

Dublin

Cuba Street Limited

Statement of accounting policies

for the year ended 31 March 2009

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 generally accepted accounting principles 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

Consolidation

The company has taken advantage of the exemption under S228 (2) of the Companies Act 1985, not to prepare consolidated financial statements

Turnover

Turnover, which is stated net of VAT, represents the net invoice value of development sales contracts completed and rental income recognised on an accruals basis. Turnover is attributable to the principal activities of the company, and is earned entirely within the United Kingdom

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

Interest payable

Interest payable, which has not been capitalised, is charged to the profit and loss account in the financial period 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

Cuba Street Limited

Statement of accounting policies *(continued)*

Stock *(continued)*

Properties held for resale

Properties held for resale, on which no further development is required, are stated at the lower of cost and net realisable value. Net realisable value is defined as the current selling price less all further costs to completion as estimated by the directors.

Current financial assets

The investment in the subsidiary undertaking is shown at cost less provision for any impairment in value where applicable.

Cuba Street Limited

Profit and loss account for the year ended 31 March 2009

	<i>Note</i>	2009 £	2008 £
Turnover – continuing operations	2	239,480	394,425
Cost of sales		-	(111,262)
		<hr/>	<hr/>
Gross profit		239,480	283,163
Administration expenses		(1,674)	(1,480)
		<hr/>	<hr/>
Operating profit - continuing operations		237,806	281,683
Interest receivable & similar income	3(a)	-	5,081
Interest payable and similar charges	3(b)	-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	4	237,806	286,764
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Profit for the year	14	237,806	286,764
		<hr/>	<hr/>


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

Cuba Street Limited

Balance sheet as at 31 March 2009

	<i>Note</i>	2009 £	2008 £
Current assets			
Stock	7	13,592,407	12,484,385
Debtors	8	44,227	7,015
Current financial assets	9	202,448	202,448
Cash and bank		803,268	10,326
		<hr/>	<hr/>
		14,642,350	12,704,174
Creditors: amounts falling due within one year	10	(14,922,732)	(3,222,362)
		<hr/>	<hr/>
Net current (liabilities)/assets		(280,382)	9,481,812
		<hr/>	<hr/>
Total assets less current liabilities		(280,382)	9,481,812
Creditors: amounts falling due after one year	11	-	(10,000,000)
		<hr/>	<hr/>
Net liabilities		(280,382)	(518,188)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	(280,383)	(518,189)
		<hr/>	<hr/>
Shareholders' deficit	15	(280,382)	(518,188)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 11 November 2009 and were signed on its behalf by


 B Fagan
 Director

Cuba Street Limited

Notes (forming part of the financial statements)

1 Basis of preparation – going concern

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, as promulgated by the Institute of Chartered Accountants in England and Wales

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

The 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 its bank. The directors reviewed financial projections for a period of 12 months from the date of approval of these financial statements and assessed the company's required credit facilities. The directors also note that, notwithstanding the difficult market conditions, the company continues to negotiate the renewal of its banking facilities and continues to put in place new credit facilities with its bank. On the basis of the company's existing credit facilities, its strong ongoing relationships with its bank, the continuation of funding and having reviewed financial projections, the directors believe that appropriate funding will be available to the company to meet its obligations for the foreseeable future.

The company is a wholly owned subsidiary of Ballymore Properties Holdings Limited which has also indicated that it will continue to provide funds to enable the company to meet its obligations as they fall due for the next twelve months. However, there are a number of material uncertainties which may cast doubt on the ability of the Ballymore Properties Holdings Limited group to continue as a going concern. These matters include the ability of the group to successfully repay, refinance or renew bank facilities of £1,295 million which fall due by 31 March 2010 and £7 million which falls due by 31 March 2011 and to secure continuing support from the group's bankers in the event of any breaches of covenants in a climate of deteriorating property values. While the ultimate outcome of these matters cannot be assessed with certainty at this time, nevertheless, having considered the basis of preparation and the assumptions underlying the group's cashflow projections together with assessing the current status of negotiations with the group's current lenders, the directors of the group have a reasonable expectation that the group will be able to meet its liabilities as they fall due for the foreseeable future.

It is on the basis of the above factors that the directors consider it appropriate to prepare the financial statements on a going concern basis.

2 Turnover

	2009 £	2008 £
Turnover is analysed as follows:		
Rental and sundry income	239,480	394,425

Cuba Street Limited

Notes (continued)

3 (a) Interest receivable

	2009 £	2008 £
Interest receivable on bank deposits	-	5,081
	<hr/>	<hr/>

(b) Interest payable and similar charges

	2009 £	2008 £
On bank loans and overdrafts due to be repaid wholly within five years, none of which are repayable by instalments	761,223	794,753
Less capitalised interest included in stock	(761,223)	(794,753)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

4 Statutory information

	2009 £	2008 £
Profit on ordinary activities before taxation is stated after charging		
Director's remuneration	-	-
Auditor's remuneration	-	-
	<hr/>	<hr/>

Audit fees are discharged by another group company

Cuba Street Limited

Notes (continued)

5 Taxation

	2009 £	2008 £
Tax on profit on ordinary activities	-	-

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

	2009 £	2008 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	237,806	286,764
Current tax at 28% (2008 30%)	66,586	86,029
<i>Effects of</i> Group relief	(66,586)	(86,029)
Total current tax charge	-	-

The UK corporation tax rate is currently 28% It was reduced from 30% 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

Cuba Street Limited

Notes (continued)

7 Stock	2009	2008
	£	£
Property held for sale	13,592,407	12,484,385

The amount at which stock is stated includes capitalised interest of £1,555,976 (2008 £794,753)

The valuation of the company's stock 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.

8 Debtors	2009	2008
	£	£
Trade debtors	-	7,014
Amounts owed by group undertakings	44,227	1
	44,227	7,015

Cuba Street Limited

Notes (continued)

9	Current financial assets	2009	2008
		£	£
	Investment in subsidiary undertaking	202,448	202,448
		<hr/>	<hr/>
	Subsidiary undertaking	Country of incorporation	Principal activity
			Percentage of shares held
	Ballymore (Cuba Street) Limited (formerly Thompson and Son (Millwall) Limited)	United Kingdom	Non trading
			100%
10	Creditors: amounts falling due within one year	2009	2008
		£	£
	Bank loans (note 12)	11,409,405	301,445
	Amounts owed to group undertakings	2,643,290	2,809,258
	Taxation creditors	1,500	-
	Accruals and deferred income	868,537	111,659
		<hr/>	<hr/>
		14,922,732	3,222,362
		<hr/>	<hr/>
11	Creditors: amounts falling due after one year	2009	2008
		£	£
	Bank loans	-	10,000,000
		<hr/>	<hr/>

The bank loan is secured by fixed and floating charges over the assets of the company and cross guarantees by certain group undertakings

Cuba Street Limited

Notes (continued)

12 Bank borrowings	Within one year	Between two and five years	Total £
Repayable other than by instalments			
Bank loans	11,409,405	-	11,409,405
	<u> </u>	<u> </u>	<u> </u>
13 Share capital		2009 £	2008 £
<i>Authorised:</i>			
1,000 ordinary shares of £1 each		1,000	1,000
		<u> </u>	<u> </u>
<i>Allotted, called up, and fully paid:</i>			
1 ordinary share of £1 each		1	1
		<u> </u>	<u> </u>
14 Reconciliation of profit and loss account		2009 £	2008 £
At beginning of year		(518,189)	(804,953)
Profit for the year		237,806	286,764
		<u> </u>	<u> </u>
At end of year		(280,383)	(518,189)
		<u> </u>	<u> </u>
15 Reconciliation of movement in shareholders' deficit		2009 £	2008 £
At beginning of year		(518,188)	(804,952)
Profit for the year		237,806	286,764
		<u> </u>	<u> </u>
At end of year		(280,382)	(518,188)
		<u> </u>	<u> </u>

Cuba Street Limited

Notes (*continued*)

16 Related parties and control

The company is a subsidiary of Ballymore Developments 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 Limited. The consolidated financial statements of Ballymore Limited and Ballymore Properties 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 Properties Holdings Limited and its subsidiary undertakings.

17 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.

18 Post balance sheet events

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

19 Approval of financial statements

The directors approved the financial statements on 11 November 2009.