

Registered number: 05892771

BALLYMORE (CARMEN STREET) LIMITED

Directors' report and financial statements

for the year ended 31 March 2012

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BALLYMORE (CARMEN STREET) LIMITED

Contents

	Page
Company information page	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 13

BALLYMORE (CARMEN STREET) LIMITED

Company Information

DIRECTORS	B. Fagan D. Pearson (appointed 30 May 2012)
COMPANY SECRETARY	B. Fagan
COMPANY NUMBER	05892771
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 (CARMEN STREET) 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 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.

RESULTS

The loss for the year, after taxation, amounted to £5,794,823 (2011 - loss £441,899).

DIRECTOR

The director who served during the year was:

B. Fagan

BALLYMORE (CARMEN STREET) 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. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Ballymore (Carmen Street) Limited

We have audited the financial statements of Ballymore (Carmen Street) 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 (i) Note 1 concerning material uncertainties affecting the company's ability to continue as a going concern and (ii) Note 4 concerning the uncertainty associated with the assessment of the carrying value of the company's property assets under current market conditions.

The company is a member of a group headed by Ballymore Properties ("the group"). At 31 March 2012 the company had net liabilities of £6,665,523 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 company's principal assets comprise development property with a carrying value of £6,000,000. Given the materiality of these amounts and the inherent subjectivity in the assessment of the carrying value of those assets, we draw your attention to the uncertainty underlying those valuations, as outlined in Note 4.

The financial statements do not include any adjustments that would result if the company was unable to recover the full carrying value of its development properties or if the company was unable to continue as a going concern.



BALLYMORE (CARMEN STREET) LIMITED

Independent auditor's report to the members of Ballymore (Carmen Street) 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 (CARMEN STREET) LIMITED

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

	Note	2012 £	2011 £
Provision for impairment of stock		(5,699,820)	(384,022)
Administrative expenses		(95,253)	(57,877)
OPERATING LOSS	2	(5,795,073)	(441,899)
Interest receivable and similar income		250	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,794,823)	(441,899)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR	8	(5,794,823)	(441,899)

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 (CARMEN STREET) LIMITED
Registered number: 05892771

**Balance sheet
as at 31 March 2012**

	Note	£	2012 £	£	2011 £
CURRENT ASSETS					
Stocks	4	6,000,000		11,200,000	
Debtors	5	1		1	
Cash at bank		257,380		385,687	
		<u>6,257,381</u>		<u>11,585,688</u>	
CREDITORS: amounts falling due within one year	6	(12,922,904)		(12,456,388)	
NET CURRENT LIABILITIES			(6,665,523)		(870,700)
NET LIABILITIES			(6,665,523)		(870,700)
CAPITAL AND RESERVES					
Called up share capital	7		1		1
Profit and loss account	8		(6,665,524)		(870,701)
SHAREHOLDERS' DEFICIT	9		(6,665,523)		(870,700)

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 (CARMEN STREET) 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 £6,665,523 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. 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 (CARMEN STREET) LIMITED

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

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.

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. Cost comprises purchase price and where initial planning and development work has commenced, development costs and interest. Net realisable value is defined as the estimated selling price of the completed developments less all further costs to completion and selling costs as estimated by the directors.

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.

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.

BALLYMORE (CARMEN STREET) LIMITED

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

2. OPERATING LOSS

The operating loss is stated after charging:

	2012 £	2011 £
Auditor's remuneration	5,000	2,972

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 on ordinary activities before tax	(5,794,823)	(441,899)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(1,506,654)	(123,732)
Effects of:		
Unrelieved tax losses carried forward	1,506,654	123,732
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 £1,546,732 in respect of unutilised tax losses.

BALLYMORE (CARMEN STREET) LIMITED

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

4. STOCKS

	2012 £	2011 £
Development properties at cost	12,083,842	11,584,022
Impairment provision	(6,083,842)	(384,022)
	<u>6,000,000</u>	<u>11,200,000</u>

The company continued to progress planning on its development property during the year. The amount at which development properties are stated includes capitalised interest of £1,921,169 (2011: £1,650,847).

Each year, the directors review the carrying value of the company's stock in the context of current market conditions, and, where necessary, restate these assets at the lower of cost and net realisable value. In determining the realisable value, the directors appraise the eventual financial outcome on each stock item. They consider the various risks associated with development, including planning risk, construction risk and finance 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 company can expect to receive from the sale of the stock. On this basis during the current year the directors have provided for a diminution in the carrying value of the development properties of £5.7 million (2011: £0.38 million).

Net realisable value includes significant estimates concerning the timing and quantum of developments, estimated realisable values for developed properties and the cost of construction. There are significant judgements in determining the carrying value of the properties under development.

The underlying assumptions used in the estimates may be impacted by matters such as: the state of the general economy, the state of the UK and global property market, the availability of UK mortgage financing, the timing of future sales, the costs of completing the build programme which in turn may be impacted by UK and global raw materials costs and inflation rates.

5. DEBTORS

	2012 £	2011 £
Amounts owed by group undertakings	<u>1</u>	<u>1</u>

6. CREDITORS:

Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	8,632,549	8,497,226
Amounts owed to group undertakings	4,238,682	3,914,109
Accruals and deferred income	51,673	45,053
	<u>12,922,904</u>	<u>12,456,388</u>

Bank loans comprise amounts owed to NAMA.

The loans are secured by fixed and floating charges over the assets of the company

BALLYMORE (CARMEN STREET) LIMITED

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

7. SHARE CAPITAL

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

8. RESERVES

	Profit and loss account £
At 1 April 2011	(870,701)
Loss for the year	<u>(5,794,823)</u>
At 31 March 2012	<u>(6,665,524)</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2012 £	2011 £
Opening shareholders' deficit	(870,700)	(428,801)
Loss for the year	<u>(5,794,823)</u>	<u>(441,899)</u>
Closing shareholders' deficit	<u>(6,665,523)</u>	<u>(870,700)</u>

10. RELATED PARTY TRANSACTIONS AND CONTROL

The company is a wholly owned 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 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 companies

BALLYMORE (CARMEN STREET) LIMITED

**Notes to the financial statements
for the year ended 31 March 2012**

11. POST BALANCE SHEET EVENTS

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