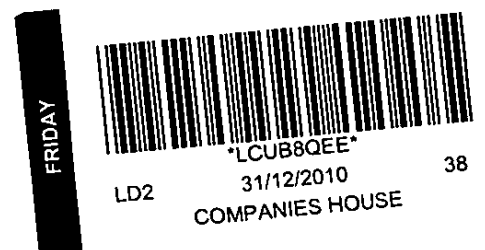


Ballymore (Carmen Street) Limited

Director's report and financial statements

Year ended 31 March 2010

Registered number 05892771



Ballymore (Carmen Street) Limited

Director's report and financial statements

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Ballymore (Carmen Street) Limited

Directors and other information

Director	B Fagan
Secretary	B Fagan
Registered office	St John's House 5 South Parade Summertown Oxford OX2 7JL
Auditor	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2
Solicitors	Howard Kennedy Harcourt House 19 Cavendish Square London W1A 2AW

Ballymore (Carmen Street) Limited

Director's report

The director presents his annual report and the audited financial statements for the year ended 31 March 2010

Principal activity

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 and dividends

The results for the year are set out on page 7 of the financial statements. The loss for the year after taxation amounted to £56,398. The director does not recommend the payment of a dividend.

The carrying value of stock is £11.3 million (2009: £11.1 million).

Each year, the directors review the carrying values of stock in the context of the 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 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 company would expect to receive from the sale of the stock item. On this basis, the directors have valued the stock at cost.

Directors

The director who held office at 31 March 2010 and since year end was

B. Fagan

Mr J. Brennan resigned as a director on 28 August 2009.

Disclosure of information to auditor

The director who held office at the date of approval of this Director's Report confirms that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and the director has taken all the steps that he ought to have taken as director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Ballymore (Carmen Street) Limited

Director's report (*continued*)

Auditor

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

On behalf of the board

B Fagan
Director

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

Ballymore (Carmen Street) Limited

Statement of director's responsibilities in respect of the Director's report and the financial statements

The director is responsible for preparing the Director's Report and financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with UK Accounting Standards

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that its financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Under applicable law the director is also responsible for preparing a Director's Report that complies with that law

On behalf of the board

B Fagan
Director





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

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is responsible for preparing the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

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



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

Opinion on financial statements *(Continued)*

Emphases of matter - valuation of properties and going concern

In forming our opinion on these financial statements, which is not qualified, we have considered the adequacy of the disclosures made in (i) Note 1 concerning the company's ability to continue as a going concern and (ii) Note 5 concerning the uncertainty associated with the assessment of the carrying value of property assets under current market conditions

The company owes amounts to group undertakings of £3.8 million and has bank loans of £8.5 million which are repayable on demand. 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 forbearance of Ballymore Properties Limited in respect of amounts owed to it and the continued financial support of its lender.

The company's principal asset comprises development properties with a carrying value of £11.3 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 5.

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

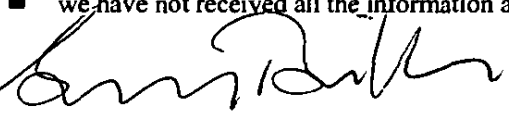
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


Gary Britton (Senior Statutory Auditor)

16 December 2010

for and on behalf of KPMG, Statutory Auditor

Dublin

Ballymore (Carmen Street) Limited

Profit and loss account


for the year ended 31 March 2010

	Notes	2010 £	2009 £
Turnover - continuing operations		1,835	20,135
Cost of sales		<u>(43,239)</u>	<u>(171,730)</u>
Gross loss		(41,404)	(151,595)
Administration expenses		<u>(14,994)</u>	<u>-</u>
Operating loss - continuing operations	3	(56,398)	(151,595)
Tax on (loss) on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the financial year	9 / 10	<u>(56,398)</u>	<u>(151,595)</u>

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

On behalf of the board

B Fagan
Director



Ballymore (Carmen Street) Limited

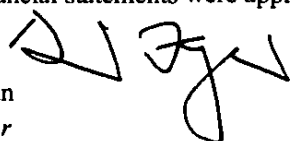
Balance sheet

at 31 March 2010

	Notes	2010 £	2009 £
Current assets			
Stocks	5	11,329,038	11,079,209
Debtors	6	606	606
Cash at bank and in hand		636,164	-
		<u>11,965,808</u>	<u>11,079,815</u>
Creditors: amounts falling due within one year	7	<u>(12,394,609)</u>	<u>(11,452,218)</u>
Net liabilities		<u>(428,801)</u>	<u>(372,403)</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	<u>(428,802)</u>	<u>(372,404)</u>
Shareholders' deficit	10	<u>(428,801)</u>	<u>(372,403)</u>

The financial statements were approved by the director on 16 December 2010.

B Fagan
Director



Ballymore (Carmen Street) Limited

Notes

forming part of the financial statements

1 Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation - 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 forbearance of its fellow group company, Ballymore Properties Limited, in respect of amounts owed to it of £3.8 million and the continued financial support of its lender.

The company's ability to continue as a going concern is largely dependent on the continued financial support of its lender. The company's bank borrowings have now been transferred to the National Asset Management Agency ("NAMA")

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

The company is reliant on NAMA to continue to renew terms, extend facilities and waive covenants as deemed appropriate, on the company's loans. This forbearance is necessary for the company to continue as a going concern

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

Turnover

Turnover, which is stated net of VAT, represents the net value of development and residential sales contracts completed together with construction income, rental income and project management fees on an accruals basis. All turnover arises in the United Kingdom

Ballymore (Carmen Street) Limited

Notes *(continued)*

Statement of accounting policies *(continued)*

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 current selling price of the completed developments less all further costs to completion and selling costs as estimated by the directors.

Taxation

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

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

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

Cash flow statement

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

Interest payable

Interest payable, which has not been capitalised, is charged to the profit and loss account in the financial year in which it is incurred.

Ballymore (Carmen Street) Limited

Notes (continued)

2	Interest payable and similar charges	2010	2009
		£	£
	On bank loans, overdrafts and other loans wholly repayable within five years	251,954	558,633
	Less capitalised interest included in stock	(251,954)	(558,633)
		<u>-</u>	<u>-</u>
3	Statutory and other information	2010	2009
		£	£
	<i>Operating loss is stated after charging</i>		
	Auditor's remuneration	9,785	-

Prior year audit fees were discharged by a group undertaking. No emoluments are paid to the director of the company. The company has no employees (2009 none)

Ballymore (Carmen Street) Limited

Notes (continued)

4	Tax on (loss) on ordinary activities	2010 £	2009 £
	Current tax	-	-
	Deferred tax	-	-
	Tax on (loss) on ordinary activities	-	-

The current tax charge for the year differs from the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(56,398)	(151,595)
Current tax at 28%	(15,791)	(42,447)
<i>Effects of</i>		
Movement in tax losses	15,791	-
Group relief	-	42,447
Total current tax charge	-	-

5	Stocks	2010 £	2009 £
	Development properties	11,329,038	11,079,209

The amount at which development properties are stated includes capitalised interest of £1,398,804 (2009 £1,146,850)

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

Ballymore (Carmen Street) Limited

Notes (continued)

6	Debtors	2010	2009
		£	£
	<i>Amounts falling due within one year</i>		
	Trade debtors	605	605
	Amounts owed by group undertakings	1	1
		<u>606</u>	<u>606</u>
7	Creditors: amounts falling due within one year	2010	2009
		£	£
	Bank loans	8,497,227	8,497,228
	Amounts owed to group undertakings	3,844,235	2,854,956
	Accruals	53,147	100,034
		<u>12,394,609</u>	<u>11,452,218</u>
	The loans are secured by fixed and floating charges over the assets of the company		
8	Called up share capital	2010	2009
		£	£
	<i>Authorised</i>		
	1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<i>Allotted, called up and fully paid</i>		
	1 ordinary share of £1	<u>1</u>	<u>1</u>
9	Profit and loss account	2010	2009
		£	£
	At beginning of year	(372,404)	(220,809)
	Loss for the financial year	<u>(56,398)</u>	<u>(151,595)</u>
	At end of year	<u>(428,802)</u>	<u>(372,404)</u>

Ballymore (Carmen Street) Limited

Notes (continued)

10	Reconciliation of movements in shareholders' deficit	2010 £	2009 £
	Opening shareholders' deficit	(372,403)	(220,808)
	Loss for the financial year	(56,398)	(151,595)
	Closing shareholders' deficit	<u>(428,801)</u>	<u>(372,403)</u>

11 Related parties 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 Limited. The consolidated financial statements of Ballymore 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.

12 Post balance sheet events

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

13 Approval of financial statements

The director approved the financial statements on 16 December 2010.