

Ghostcharm Limited

Directors' report and
financial statements

**From the date of incorporation
(2 May 2007) to 31 March 2008**

Registered number: 06235593

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Ghostcharm Limited

Directors' report and financial statements

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Ghostcharm Limited

Directors' report

Directors

B. Fagan
R. Hardy
T. Farrow
D Brophy

Registered office

St John's House
5 South Parade
Summertown
Oxford
OX2 7JL

Registered number

06235593

Secretary

B. Fagan

Auditor

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

Solicitors

Howard Kennedy
Harcourt House
19 Cavendish Square
London
W1A 2AW

Bankers

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

Bank of Ireland
Lower Baggot Street
Dublin 2.
Ireland

Ghostcharm Limited

Directors' report

The directors present their report and audited financial statements for the period from incorporation (2 May 2007) to 31 March 2008.

Principal activity and results, review of business and dividend

The principal activity of the company is that of property development. There has been no significant change in these activities during the year. However, the operating environment for the business has proven to be difficult during the year.

The carrying value of stock is £79.9 million. Stock primarily arises from the acquisition of a development property from a fellow group company and, secondly, from the continued development and enhancement of the property.

The results for the period are given on page 10 of the financial statements. The loss for the company for the period was £50,173. The directors do not recommend the payment of a dividend.

Future developments

The directors expect the general level of activity to be significantly impacted by the adverse conditions in the property market. Through prudent business planning, the directors make appropriate commercial decisions to commence, or otherwise, future development projects in line with market conditions.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

- The risk of interest rate movements, the availability of finance and inflation having an adverse impact on markets.
- The risk of unrealistic increases in development and operating costs impacting adversely on competitiveness of the company.
- The impact of planning decisions on the company's assets.

These risks are managed by due consideration of the interest rate environment, business planning, strict cost controls and management of planning applications. In response to the current economic environment, the group has introduced a cost reduction programme.

Market risk

The directors of the company manage market risk through careful attention to residential and commercial property markets and through appropriate business planning and pricing.

Ghostcharm Limited

Directors' report *(continued)*

Principal risks and uncertainties *(continued)*

Financial risk

The credit crisis and prevailing economic conditions have affected the availability of development and working capital in the property sector as well as impacting prospective property purchasers. The directors are working closely with the group's key stakeholders in order to mitigate these factors.

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

Key performance indicators used by management include assessment of turnover, unit completions and profitability per unit.

Directors and secretary

The directors and secretary who held office at the period end are listed on page 1.

Raymond Hardy was appointed as a director of the company on 11 June 2007.

Timothy Farrow was appointed as a director of the company on 11 June 2007, and subsequently resigned as a director of the company on 11 November 2008.

David Brophy was appointed as a director of the company on 28 November 2007.

Stephen Marshall was appointed as a director of the company on 1 November 2007 and subsequently resigned on 4 February 2008.

Peter Bacon was appointed as a director of the company on 11 June 2007 and subsequently resigned on 31 December 2007.

SDG Registrars Limited was appointed as a director of the company on 22 May 2007 and subsequently resigned on 11 June 2007.

SDG Secretaries Limited was appointed as a secretary of the company on 22 May 2007 and subsequently resigned on 11 June 2007.

Brian Fagan was appointed as a director and secretary of the company on 11 June 2007.

Political and charitable contributions

The company made no political or charitable contributions during the year.

Post balance sheet events

No events affecting the company have taken place since the end of the financial year which requires disclosure in the financial statements.

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.

Ghostcharm Limited

Directors' report *(continued)*

Auditor

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG, Chartered Accountants, as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board

B. Fagan
Director

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

18 December 2008

Ghostcharm 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).

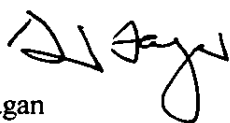
The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

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 Ghostcharm Limited

We have audited the financial statements of Ghostcharm Limited for the period from incorporation (2 May 2007) to 31 March 2008 which comprises 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 Ghostcharm 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 2008 and of its results for the period 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.



Chartered Accountants
Registered Auditor
Dublin

22 December 2008

Ghostcharm Limited

Statement of accounting policies

for the period from incorporation (2 May 2007) to 31 March 2008

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 (see note 1).

Joint arrangements

Where the company is party to a joint arrangement that is not an entity, the company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows.

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 developments less all further costs to completion and selling costs as estimated by the directors.

Turnover

Turnover, which is stated net of VAT, represents rental income recognised on an accruals basis. Turnover 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.

Ghostcharm Limited

Statement of accounting policies *(continued)*
for the period from incorporation (2 May 2007) to 31 March 2008

Interest receivable

Interest receivable is recognised as a credit to the profit and loss account on an accruals basis.

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.

Ghostcharm Limited

Profit and loss account

for the period from incorporation (2 May 2007) to 31 March 2008

	<i>Note</i>	Period ended 31 March 2008 £
Turnover – continuing operations	2	77,844,247
Cost of sales		(78,081,682)
		<hr/>
Gross loss		(237,435)
Administration expenses		(238)
		<hr/>
Operating loss – continuing operations		(237,673)
Interest receivable and similar income	<i>3(a)</i>	187,500
Interest payable and similar charges	<i>3(b)</i>	-
		<hr/>
Loss on ordinary activities before taxation	4	(50,173)
Tax on loss on ordinary activities	5	-
		<hr/>
Loss for the period	13	(50,173)
		<hr/>

The company had no recognised gains or losses in the period other than those dealt with in the profit and loss account.

Ghostcharm Limited

Balance sheet as at 31 March 2008

	<i>Note</i>	31 March 2008 £
Current assets		
Stock	7	79,926,507
Debtors	8	6,972,680
		<hr/>
		86,899,187
Creditors: amounts falling due within one year	9	(43,413,568)
		<hr/>
Net current assets		43,485,619
Creditors: amounts falling due after more than one year	10	(43,535,791)
		<hr/>
Net liabilities		(50,172)
		<hr/>
Capital and reserves		
Called up share capital	12	1
Profit and loss account	13	(50,173)
		<hr/>
Shareholders' deficit	14	(50,172)
		<hr/>

These financial statements were approved by the board of directors on 18 December 2008 and were signed on its behalf by:

B. Fagan
Director



Ghostcharm Limited

Notes

forming part of the financial statements

1 Basis of preparation and going concern

The company is a member of the group headed by Ballymore Properties Holdings Limited (note 15). The company's ability to continue as a going concern is linked to the group's ability to continue as a going concern.

The principal risks and uncertainties faced by the group and the company and the steps taken by the directors to address them are set out in the Directors' Report. The group and 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 their banks and other funders. The directors reviewed financial projections for a period of 12 months from the date of approval of these financial statements and assessed the group and company's required credit facilities. The directors also note that, notwithstanding the difficult market conditions, the group continues to negotiate the renewal of its banking facilities and continues to put in place new credit facilities with its bankers.

On the basis of the group's existing credit facilities, its strong ongoing relationships with its bankers, the continuation of funding and having reviewed financial projections, the directors believe that appropriate funding will be available to the group and company to meet their obligations for the foreseeable future. Ballymore Properties Holdings Limited has indicated that it will continue to provide funds to enable the company to meet its obligations as they fall due. Accordingly, the directors consider it appropriate to prepare the financial statements on the going concern basis.

2 Turnover

	Period ended 31 March 2008 £
Sale of property	77,500,000
Rental income	344,247
	<hr/>
	77,844,247
	<hr/>

All turnover is generated in the United Kingdom.

Ghostcharm Limited

Notes (continued)

3 (a) Interest receivable and similar income	Period ended 31 March 2008 £
Interest receivable	187,500
	<hr/>
3 (b) Interest payable and similar charges	Period ended 31 March 2008 £
On bank loans and overdrafts due to be repaid wholly within five years, none of which are repayable by instalments	1,432,080
Less: capitalised interest included in cost of sales/fixed assets under construction/work in progress	(1,432,080)
	<hr/>
	<hr/>
4 Statutory information	Period ended 31 March 2008 £
Loss on ordinary activities before taxation is stated after charging:	
Auditor's remuneration	-
Directors' remuneration	-
	<hr/>
Audit fees are discharged by another group company.	

Ghostcharm Limited

Notes (continued)

5 Taxation	Period ended 31 March 2008 £
Tax on loss on ordinary activities	-
<p>The current tax charge for the period differs from the standard rate of corporation tax in the UK. The differences are explained below.</p>	
	Period ended 31 March 2008 £
<i>Current tax reconciliation</i>	
Loss on ordinary activities before tax	(50,173)
Current tax at 30%	(15,052)
<i>Effect of:</i>	
Group relief	15,052
Total current tax charge	-

The UK corporation tax rate is currently 30% but is expected to be reduced to 28% 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.

7 Stock	2008 £
Development properties, stated at cost	79,926,507

The amount at which development properties are stated includes capitalised interest of £1,432,080.

There are no material differences between the replacement cost of stock and balance sheet amounts.

Ghostcharm Limited

Notes (continued)

8 Debtors			2008
			£
Trade debtors			139,720
Other debtors			2,188
Amounts owed by group undertakings			1,554,392
Prepayments and accrued income			5,276,380
			<hr/>
			6,972,680
			<hr/>
9 Creditors: amounts falling due within one year			2008
			£
Other creditors			117,880
Amounts owed to group companies			43,295,688
			<hr/>
			43,413,568
			<hr/>
10 Creditors: amounts falling due after more than one year			2008
			£
Bank loans (note 11)			43,535,791
			<hr/>
11 Bank borrowings	Within one year	Between two and five years	Total £
Repayable other than by instalments:			
Bank loans	-	43,535,791	43,535,791
	<hr/>	<hr/>	<hr/>

The bank loan is secured by fixed and floating charges over the assets of the company.

Ghostcharm Limited

Notes (continued)

12 Share capital	2008 £
<i>Authorised</i>	
1,000 ordinary shares of £1 each	1,000
	<hr/>
<i>Allotted, called up and fully paid</i>	
1 ordinary shares of £1 each	1
	<hr/>
13 Reconciliation of profit and loss account	2008 £
Loss for the period	(50,173)
	<hr/>
At end of period	(50,173)
	<hr/>
14 Reconciliation of movement in shareholders' deficit	2008 £
Share capital issued	1
Loss for the period	(50,173)
	<hr/>
At end of period	(50,172)
	<hr/>

15 Related parties and control

The company is a 100% 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. 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.

Ghostcharm Limited

Notes (continued)

15 Related parties and control (continued)

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 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.

16 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.

17 Post balance sheet events

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

18 Joint arrangements

<i>Name</i>	<i>Proportion held by company</i>	<i>Activity</i>
Thames Royal Docklands	50%	Property development
The trading address of Thames Royal Docklands is Pointe North, 3 Greenwich View Place, London E14 9NN.		

Where the company is party to a joint arrangement, which is not an entity, the company accounts directly for its part of the income, expenditure, assets, liabilities, and cash flows.

19 Approval of financial statements

The directors approved the financial statements on 18 December 2008.