

# Ballymore Properties (Thames Royal) Limited

*(formerly Ghostcharm Limited)*

Directors' report and  
financial statements

**Year ended 31 March 2009**

*Registered number 06235593*



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# **Ballymore Properties (Thames Royal) Limited**

*(formerly Ghostcharm Limited)*

## **Directors' report and financial statements**

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# Ballymore Properties (Thames Royal) Limited

(formerly *Ghostcharm Limited*)

## Directors and other information

<b>Directors</b>	B Fagan D Brophy J Mulryan
<b>Registered office</b>	St John's House 5 South Parade Summertown Oxford OX2 7JL
<b>Registered number</b>	06235593
<b>Secretary</b>	B. Fagan
<b>Auditor</b>	KPMG Chartered Accountants 1 Stokes Place St Stephen's Green Dublin 2
<b>Solicitors</b>	Howard Kennedy Harcourt House 19 Cavendish Square London W1A 2AW
<b>Bankers</b>	Allied Irish Bank 1136 High Road North Finchley London N20 0RA  Bank of Ireland Lower Baggot Street Dublin 2 Ireland

# Ballymore Properties (Thames Royal) Limited

*(formerly Ghostcharm Limited)*

## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 March 2009

On 31 July 2009, the company changed its name from Ghostcharm Limited to Ballymore Properties (Thames Royal) Limited

### **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 £53.3 million (2008: £79.9m). Each year, the directors review the carrying value of the company's stock in the context of 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 each 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 will expect to receive from the sale of the stock.

On this basis the directors have provided for a diminution in the value of stock of £30 million (2008: £nil).

The results for the year are given on page 9 of the financial statements. The loss for the company for the year was £35,121,489 (2008: £50,173) having provided for a diminution in the carrying value of stock of £30 million. 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.

# Ballymore Properties (Thames Royal) Limited

*(formerly Ghostcharm Limited)*

## Directors' report *(continued)*

### **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.

#### *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 company'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 year end and subsequent to 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.

# Ballymore Properties (Thames Royal) Limited

*(formerly Ghostcharm Limited)*

## Directors' report *(continued)*

### **Financial instruments**

Due to the nature of its business, the company is exposed to the effects of fluctuations in interest rates. In order to manage these exposures, the company has entered into a hedging arrangement with a commercial bank. This arrangement comprises the use of interest rate swaps. Further details are set out in note 16 to the financial statements.

### **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.

### **Auditor**

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

On behalf of the board

  
B Fagan  
Director

11 November 2009

# Ballymore Properties (Thames Royal) Limited

*(formerly 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 year

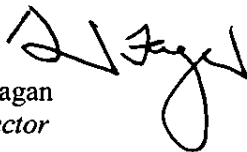
In preparing these financial statements, the directors are required to

- 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 Ballymore Properties (Thames Royal) Limited (*formerly Ghostcharm Limited*)**

We have audited the financial statements of Ballymore Properties (Thames Royal) 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 5, 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 Ballymore Properties (Thames Royal) Limited (*formerly 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 2009 and of its loss 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 8 concerning the uncertainty associated with the assessment of the carrying value of property assets under current market conditions.

The company has bank loans of £46.9 million which are 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 development properties with a carrying value of £53.3 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 8.

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.

Chartered Accountants  
Registered Auditor

Dublin

11 November 2009

# Ballymore Properties (Thames Royal) Limited

*(formerly, Ghostcharm 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

### **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

### **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

# Ballymore Properties (Thames Royal) Limited

(formerly Ghostcharm Limited)

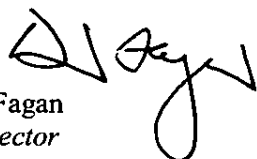
## Profit and loss account

for the year ended 31 March 2009

	Note	Year ended 31 March 2009 £	Period ended 31 March 2008 £
<b>Turnover – continuing operations</b>	2	425,837	77,844,247
Cost of sales	3	(30,126,332)	(78,081,682)
		<hr/>	<hr/>
<b>Gross loss</b>		(29,700,495)	(237,435)
Administration expenses		(5,957,538)	(238)
		<hr/>	<hr/>
<b>Operating loss – continuing operations</b>		(35,658,033)	(237,673)
Interest receivable and similar income	4(a)	774,184	187,500
Interest payable and similar charges	4(b)	(237,640)	-
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	5	(35,121,489)	(50,173)
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
<b>Loss for the year</b>	14	(35,121,489)	(50,173)
		<hr/>	<hr/>

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

B Fagan  
Director



# Ballymore Properties (Thames Royal) Limited


(formerly Ghostcharm Limited)

## Balance sheet

as at 31 March 2009

	<i>Note</i>	<b>31 March 2009 £</b>	<b>31 March 2008 £</b>
<b>Current assets</b>			
Stock	8	53,337,075	79,926,507
Debtors			
- due within one year	9	405,352	5,418,288
- due in more than one year	9	47,597	1,554,392
Cash at bank		490,748	-
		<hr/>	<hr/>
		54,280,772	86,899,187
<b>Creditors</b> amounts falling due within one year	10	(89,452,433)	(43,413,568)
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		(35,171,661)	43,485,619
<b>Creditors:</b> amounts falling due after more than one year	11	-	(43,535,791)
		<hr/>	<hr/>
<b>Net liabilities</b>		(35,171,661)	(50,172)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Profit and loss account	14	(35,171,662)	(50,173)
		<hr/>	<hr/>
<b>Shareholders' deficit</b>	15	(5,171,661)	(50,172)
		<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

# Ballymore Properties (Thames Royal) Limited

*(formerly Ghostcharm 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 also dependent on the forbearance of its parent company, Ballymore Developments Limited, in respect of amounts owed to it (£40.4 million) in order to continue as a going concern. Ballymore Developments Limited 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.

# Ballymore Properties (Thames Royal) Limited

(formerly Ghostcharm Limited)

## Notes (continued)

### 2 Turnover

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Sale of property	-	77,500,000
Rental income	425,837	344,247
	<u>425,837</u>	<u>77,844,247</u>

All turnover is generated in the United Kingdom

### 3 Cost of sales

Cost of sales includes a provision of £30,000,000 (2008 nil) in respect of stock

### 4(a) Interest receivable and similar income

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Interest receivable	774,184	187,500
	<u>774,184</u>	<u>187,500</u>

### 4(b) Interest payable and similar income

	Year ended 31 March 2009 £	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	3,366,146	1,432,080
Less capitalised interest included in cost of sales/fixed assets under construction/work in progress	(3,128,506)	(1,432,080)
	<u>237,640</u>	<u>-</u>

# Ballymore Properties (Thames Royal) Limited

(formerly Ghostcharm Limited)

## Notes (continued)

### 5 Statutory information

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
Loss on ordinary activities before taxation is stated after charging		
Auditor's remuneration	-	-
Directors' remuneration	-	-

Audit fees are discharged by another group company

### 6 Taxation

	Year ended 31 March 2009 £	Period ended 31 March 2008 £
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 differences are explained below

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(35,121,489)	(50,173)
Current tax at 28% (2008 30%)	(9,834,017)	(15,052)
<i>Effect of</i>		
Group relief	1,247,697	15,052
Movement in tax losses	8,586,320	-
<b>Total current tax charge</b>	-	-

The UK corporation tax rate is currently 28%. It was reduced from 30% effective from 1 April 2008

### 7 Staff numbers and costs

The company has no employees. No emoluments are paid to the directors of the company.

# Ballymore Properties (Thames Royal) Limited

(formerly Ghostcharm Limited)

## Notes (continued)

<b>8 Stock</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Development properties	<b>53,337,075</b>	<b>79,926,507</b>

The amount at which development properties are stated includes capitalised interest of £4,560,586 (2008. £1,432,080)

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

<b>9 Debtors</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade debtors	<b>64,300</b>	<b>139,720</b>
Amounts due from related parties	<b>312,748</b>	<b>-</b>
Other debtors	<b>12,427</b>	<b>2,188</b>
Prepayments and accrued income	<b>15,877</b>	<b>5,276,380</b>
	<b>405,352</b>	<b>5,418,288</b>
<b>Amounts falling due after more than one year</b>		
Amounts due from group undertakings	<b>47,597</b>	<b>1,554,392</b>
	<b>452,949</b>	<b>6,972,680</b>

The company has made full provision against a receivable of £5 957 million from its co-owner, RQB (Isle of Man) Ltd, as it is unlikely this will be recovered in the current climate.

<b>10 Creditors: amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (note 12)	<b>46,901,936</b>	<b>-</b>
Amounts owed to group companies	<b>41,834,595</b>	<b>43,295,688</b>
Amounts owed to related parties	<b>232,388</b>	<b>-</b>
Other creditors	<b>117,808</b>	<b>117,880</b>
Accruals and deferred income	<b>365,706</b>	<b>-</b>
	<b>89,452,433</b>	<b>43,413,568</b>



# Ballymore Properties (Thames Royal) Limited

(formerly Ghostcharm Limited)

## Notes (continued)

<b>11 Creditors:</b> amounts falling due after more than one year	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loans (note 12)	-	43,535,791
	<hr/>	<hr/>

<b>12 Bank borrowings</b>	<b>Within one year</b>	<b>Between two and five years</b>	<b>Total</b>
			<b>£</b>
Repayable other than by instalments			
Bank loans	46,901,936	-	46,901,936
	<hr/>	<hr/>	<hr/>

The company is jointly and severally liable for bank borrowings with its co-owner, RQB (Isle of Man) Ltd. The above amount represents the company's share of this liability. The debt is secured by fixed and floating charges over the assets of the co-ownership, together with capital and interest guarantees from both a parent company of the company and individuals connected with RQB (Isle of Man) Ltd.

<b>13 Share capital</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	1	1
	<hr/>	<hr/>

<b>14 Reconciliation of profit and loss account</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
At beginning of year	(50,173)	-
Loss for the year	(35,121,489)	(50,173)
	<hr/>	<hr/>
At end of year	(35,171,662)	(50,173)
	<hr/>	<hr/>

# Ballymore Properties (Thames Royal) Limited

(formerly *Ghostcharm Limited*)

## Notes (continued)

<b>15 Reconciliation of movement in shareholders' funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
At beginning of year	(50,172)	-
Share capital issued	-	1
Loss for the year	(35,121,489)	(50,173)
	<hr/>	<hr/>
<b>At end of year</b>	<b>(35,171,661)</b>	<b>(50,172)</b>
	<hr/>	<hr/>

## 16 Fair value of assets and liabilities

The co-ownership, of which the company holds a 50% interest, has a derivative financial instrument, being an interest rate swap with a commercial bank that it has not recognised at fair value. The fair value of the company's share of this financial instrument is a liability of £2,895,932 (2008 £nil).

## 17 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 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.

## 18 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.

# Ballymore Properties (Thames Royal) Limited

(formerly *Ghostcharm Limited*)

## Notes (continued)

### 19 Post balance sheet events

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

### 20 Joint arrangements

<i>Name</i>	<i>Proportion held by company</i>	<i>Activity</i>
Thames Royal Docklands	50%	Property development

The company has entered a co-ownership arrangement for the property with RQB (Isle of Man) Ltd. Each party is a 50% stakeholder in the co-ownership, Thames Royal Docklands. 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.

### 21 Approval of financial statements

The directors approved the financial statements on 11 November 2009.