

Ballymore Commercial Limited

Directors' report and financial statements

Year ended 31 March 2010

Registered number 02747805

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Ballymore Commercial Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes forming part of the financial statements	8 - 14

Ballymore Commercial Limited

Directors and other information

Directors

B Fagan
S Mulryan
J Haigh
D Brophy
J Mulryan

Secretary

B Fagan

Registered office

St Johns 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 Commercial Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2010

Principal activity and review of business

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

The carrying value of the company's tangible fixed assets at 31 March 2010 was £0.9 million (2009 £2.6 million). The decrease in tangible fixed assets primarily relates to the disposal of tangible fixed assets to third parties.

Results and dividends

The loss for the year after taxation amounted to £1,598,783.

Directors

The directors who currently hold office are listed on page 1.

D. Badger resigned as a director on 10 July 2009. J. Mulryan was appointed as a director on 14 October 2009.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as directors 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 auditor will be deemed to be reappointed and KPMG will therefore continue in office.

On behalf of the board


B Fagan
Director

Ballymore Commercial Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and 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 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 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 adequate 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 2006. 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

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law

On behalf of the board

B Fagan
Director





KPMG
Chartered Accountants
1 Stokes Place
St. Stephens Green
Dublin 2
Ireland

Independent auditor's report to the members of Ballymore Commercial Limited

We have audited the financial statements of Ballymore Commercial 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are 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>



Independent auditor's report to the members of Ballymore Commercial Limited

(continued)

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

Emphasis of matter - going concern

In forming our opinion on these financial statements, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 concerning the company's ability to continue as a going concern

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 forbearance of other group companies in respect of amounts owed to them.

The financial statements do not include any adjustments or disclosures that would be required 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 Directors' 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)
for and on behalf of KPMG, Statutory Auditor
Dublin

16 December 2010

Ballymore Commercial Limited

Profit and loss account

for the year ended 31 March 2010

	<i>Notes</i>	2010 £	2009 £
Turnover - continuing operations	2	20,109	116,119
Cost of sales		<u>(188,897)</u>	<u>(61,210)</u>
Gross (loss)/profit		(168,788)	54,909
Administration expenses		<u>(884,122)</u>	-
Operating (loss)/profit - continuing operations	3	(1,052,910)	54,909
Loss on sale of fixed assets		<u>(590,738)</u>	<u>(8,169)</u>
(Loss)/profit on ordinary activities before interest		(1,643,648)	46,740
Investment income	4	<u>-</u>	<u>83</u>
(Loss)/profit on ordinary activities before taxation		(1,643,648)	46,823
Tax on (loss)/profit on ordinary activities	5	<u>44,865</u>	-
(Loss) / profit for the financial year	<i>10 / 11</i>	<u>(1,598,783)</u>	<u>46,823</u>

Ballymore Commercial Limited

Balance sheet at 31 March 2010

	<i>Notes</i>	2010 £	2009 £
Fixed assets			
Tangible assets	6	<u>855,500</u>	<u>2,566,500</u>
Current assets			
Debtors	7	620,802	552,151
Creditors: amounts falling due within one year	8	<u>(2,064,783)</u>	<u>(2,108,349)</u>
Net current liabilities		<u>(1,443,981)</u>	<u>(1,556,198)</u>
Net (liabilities)/assets		<u>(588,481)</u>	<u>1,010,302</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	<u>(588,483)</u>	<u>1,010,300</u>
Shareholders' (deficit) / funds	11	<u>(588,481)</u>	<u>1,010,302</u>

The financial statements were approved by the board of directors on 16/12/2010 and were signed on its behalf by

B Fagan
Director



Ballymore Commercial Limited

Notes

forming part of the financial statements

1 Significant 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 have been prepared in accordance with generally accepted accounting principles under the historical cost convention as modified to include the revaluation of investment properties, and comply with financial reporting standards of the Accounting Standards, 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 continue as a going concern is largely dependent on the forbearance of its fellow group companies in respect of amounts owed to them of £2 0 million

The other group companies, Ballymore Properties (Plumbers Row) Limited and Landor (Dundee Wharf) Limited have confirmed that they will not seek repayment of amounts owed to them for at least 12 months from the date of approval of the financial statements

It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis

Turnover

Turnover represents rental income recognised on an accruals basis Turnover is earned entirely within the United Kingdom

Ballymore Commercial Limited

Notes (continued)

1 Significant accounting policies (continued)

Tangible fixed assets and depreciation

Investment properties and leasehold buildings

Investment properties and leasehold buildings are stated on the basis of open market value as defined by the Royal Institution of Chartered Surveyors. Investment properties are valued annually. Surpluses and deficits on valuation are taken directly to the revaluation reserve except for permanent deficits or their reversal which, on an individual property basis, are taken to the profit and loss account.

Profits and losses on the sale of investment properties and leasehold buildings included in the profit and loss account are calculated as the difference between the net sales proceeds and the carrying value.

No depreciation or amortisation is provided against investment properties or leasehold buildings which may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. These properties are not however held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary, in the directors' opinion, for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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.

Ballymore Commercial Limited

Notes (continued)

2 Turnover

The analyses of turnover by activity is as follows.

	2010 £	2009 £
<i>By activity</i>		
Rental income	<u>20,109</u>	<u>116,119</u>

All turnover is generated in the United Kingdom

3 Statutory and other information

Operating (loss)/profit is stated after charging

Auditor's remuneration	<u>9,785</u>	<u>-</u>
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In the previous year audit fees were discharged by another group company No emoluments are paid to directors of the company The company had no employees

Administration expenses includes provisions against intercompany receivables of £874,335 (2009 £nil) This provision reflects falls in the underlying asset value in the debtor group companies

4 Investment income	2010 £	2009 £
Deposit interest	<u>-</u>	<u>83</u>

Ballymore Commercial Limited

Notes (continued)

5	Tax on (loss)/profit on ordinary activities	2010	2009
		£	£
	Adjustment relating to an earlier period	(44,865)	-
	Tax on (loss)/profit on ordinary activities	<u>(44,865)</u>	<u>-</u>

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

	2010	2009
	£	£
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	<u>(1,643,648)</u>	<u>46,823</u>
Current tax at 28%	(460,221)	13,110
<i>Effects of</i>		
Expenses not deductible for tax purposes	244,814	3,385
Movement in tax losses	(46,160)	-
Adjustments to tax charge in respect of previous periods	(44,865)	-
Group relief	(143,816)	(40,722)
Net loss on disposal of fixed assets	405,383	24,227
Total current tax credit	<u>(44,865)</u>	<u>-</u>

There is no unprovided deferred tax at 31 March 2010 (31 March 2009 £nil)

6	Tangible fixed assets	Freehold investment properties	Leasehold properties	Total
		£	£	£
	<i>Cost or valuation</i>			
	At beginning of year	316,500	2,250,000	2,566,500
	Disposals in year	(211,000)	(1,500,000)	(1,711,000)
	At end of year	<u>105,500</u>	<u>750,000</u>	<u>855,500</u>

Ballymore Commercial Limited

Notes (continued)

7 Debtors	2010 £	2009 £
<i>Amounts falling due within one year</i>		
Trade debtors	610,120	82,536
Amounts owed by group undertakings	-	249,028
Other debtors	10,682	205,925
Prepayments and accrued income	-	14,662
	<u>620,802</u>	<u>552,151</u>

During the year a provision against intercompany receivables of £874,335 was made. This provision reflects falls in the underlying asset value in the debtor group companies.

8 Creditors: amounts falling due within one year	2010 £	2009 £
Amounts owed to group undertakings	2,022,042	2,063,484
Other creditors including tax and social welfare	-	44,865
Accruals	42,741	-
	<u>2,064,783</u>	<u>2,108,349</u>

Tax and social welfare included in other creditors

Corporation tax	-	44,865
	<u>-</u>	<u>44,865</u>

9 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>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

Ballymore Commercial Limited

Notes (continued)

10	Reserves	2010	2009
		£	£
	At beginning of year	1,010,300	951,977
	(Loss) / profit for the financial year	(1,598,783)	46,823
	Transfer from revaluation reserve	-	11,500
	At end of year	(588,483)	1,010,300

11	Reconciliation of movements in shareholders' funds	2010	2009
		£	£
	Opening shareholders' (deficit) / funds	1,010,302	963,479
	(Loss) / profit for the financial year	(1,598,783)	46,823
	Closing shareholders' (deficit) / funds	(588,481)	1,010,302

12 Related parties and control

The company is a subsidiary of Ballymore Properties 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 Limited. The consolidated financial statements of Ballymore Properties 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.

13 Post balance sheet events

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

Ballymore Commercial Limited

Notes *(continued)*

14 Approval of financial statements

The directors approved the financial statements on 16 December 2010.

15 Comparative information

Certain reclassifications have been made to prior year comparatives to conform to current year presentation