

Registered number: 02747805

BALLYMORE COMMERCIAL LIMITED

Directors' report and financial statements
for the year ended 31 March 2012

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BALLYMORE COMMERCIAL LIMITED

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BALLYMORE COMMERCIAL LIMITED

Company Information

DIRECTORS	D. Pearson (appointed 9 November 2011) D. Brophy (resigned 4 November 2011) S. Mulryan J. Mulryan B. Fagan
COMPANY SECRETARY	B. Fagan
COMPANY NUMBER	02747805
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 COMMERCIAL 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 investment. However, the company disposed of its property during the year.

RESULTS

The loss for the year, after taxation, amounted to £841,825 (2011 - loss £515,800).

DIRECTORS

The directors who served during the year were:

D. Pearson (appointed 9 November 2011)
D. Brophy (resigned 4 November 2011)
S. Mulryan
J. Mulryan
B. Fagan

BALLYMORE COMMERCIAL 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 mark.

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 Commercial Limited

We have audited the financial statements of Ballymore Commercial 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 Note 1 concerning material uncertainties affecting the company's ability to continue as a going concern.

The company is a member of a group headed by Ballymore Properties ("the group"). At 31 March 2012 the company had net liabilities of £1,946,106 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 financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.



BALLYMORE COMMERCIAL LIMITED

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

G. Mullen (Senior statutory auditor)
for and on behalf of
KPMG
Chartered Accountants
Dublin

31 July 2012

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

	Note	2012 £	2011 £
TURNOVER	2	58,476	51,081
Cost of sales		<u>(40,674)</u>	<u>12,330</u>
GROSS PROFIT		17,802	63,411
Administrative expenses		<u>(2,713,233)</u>	<u>(579,235)</u>
OPERATING LOSS	3	(2,695,431)	(515,824)
EXCEPTIONAL ITEMS			
Net profit on sale of tangible fixed assets		<u>1,853,471</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(841,960)	(515,824)
Interest receivable and similar income	4	<u>135</u>	<u>24</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(841,825)	(515,800)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	10	<u>(841,825)</u>	<u>(515,800)</u>

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 COMMERCIAL LIMITED
Registered number: 02747805

Balance sheet
as at 31 March 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	6		-		855,500
CURRENT ASSETS					
Debtors	7	75,304		60,629	
CREDITORS: amounts falling due within one year	8	<u>(2,021,410)</u>		<u>(2,020,410)</u>	
NET CURRENT LIABILITIES			<u>(1,946,106)</u>		<u>(1,959,781)</u>
NET LIABILITIES			<u>(1,946,106)</u>		<u>(1,104,281)</u>
CAPITAL AND RESERVES					
Called up share capital	9		2		2
Profit and loss account	10		<u>(1,946,108)</u>		<u>(1,104,283)</u>
SHAREHOLDERS' DEFICIT	11		<u>(1,946,106)</u>		<u>(1,104,281)</u>

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 COMMERCIAL 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, as modified to include the revaluation of investment properties, 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 £1,946,106 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.

BALLYMORE COMMERCIAL LIMITED

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

1. ACCOUNTING POLICIES (continued)

Going concern (continued)

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. 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.

Turnover

Turnover comprises rental income recognised on an accruals basis.

Tangible fixed asset 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 by the directors. 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. 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. The accounting policy adopted is therefore necessary, in the directors' opinion, for the financial statements to give a true and fair view.

BALLYMORE COMMERCIAL LIMITED

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

1. ACCOUNTING POLICIES (continued)

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.

2. TURNOVER

All turnover arose within the United Kingdom.

Turnover is analysed as follows:

	2012 £	2011 £
Rental income	<u>58,476</u>	<u>51,081</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2012 £	2011 £
Auditor's remuneration	5,000	5,945
Provision against intercompany debtor	<u>2,708,228</u>	<u>554,812</u>

During the year, no director received any emoluments (2011 - £NIL). The company has no employees (2011: none).

4. INTEREST RECEIVABLE

	2012 £	2011 £
Other interest receivable	<u>135</u>	<u>24</u>

BALLYMORE COMMERCIAL LIMITED

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

5. 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	<u>(841,825)</u>	<u>(515,800)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(218,875)	(144,424)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	712,535	155,347
Capital allowances for year in excess of depreciation	-	(10,923)
Utilisation of tax losses	(54,621)	-
Book profit on chargeable assets	(481,902)	-
Capital gains	42,863	-
Current tax charge for the year	<u>-</u>	<u>-</u>

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 £22,642 in respect of unutilised tax losses.

6. TANGIBLE FIXED ASSETS

	Freehold property £	L/Term Leasehold Property £	Total £
Cost or valuation			
At 1 April 2011	105,500	750,000	855,500
Disposals	(105,500)	(750,000)	(855,500)
At 31 March 2012	<u>-</u>	<u>-</u>	<u>-</u>

7. DEBTORS

	2012 £	2011 £
Trade debtors	62,869	3,188
Other debtors	12,435	43,725
Prepayments and accrued income	-	13,716
	<u>75,304</u>	<u>60,629</u>

BALLYMORE COMMERCIAL LIMITED

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

7. DEBTORS (continued)

The amount of receivables due from group undertakings is £nil stated net of provisions. At 31 March 2012 the gross amount receivable from group undertakings was £4,137,375. Provisions have been made to reflect impairments arising from falls in the underlying asset value of the debtor group companies. At 31 March 2012 provisions totalling £4,137,375 have been made against such receivables (of which £2,708,228 was provided in the current financial year).

**8. CREDITORS:
Amounts falling due within one year**

	2012 £	2011 £
Amounts owed to group undertakings	2,020,410	2,020,410
Accruals and deferred income	1,000	-
	<u>2,021,410</u>	<u>2,020,410</u>

9. SHARE CAPITAL

	2012 £	2011 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. RESERVES

	Profit and loss account £
At 1 April 2011	(1,104,283)
Loss for the year	(841,825)
At 31 March 2012	<u>(1,946,108)</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2012 £	2011 £
Opening shareholders' deficit	(1,104,281)	(588,481)
Loss for the year	(841,825)	(515,800)
Closing shareholders' deficit	<u>(1,946,106)</u>	<u>(1,104,281)</u>

BALLYMORE COMMERCIAL LIMITED

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

12. RELATED PARTY TRANSACTIONS 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 Muiryan.

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.