

Group accounts

Section 17 Companies (Amendment) Act 1986, as amended by Regulation 45 European Communities (Companies: Group Accounts) Regulations 1992 and section 65 Company Law Enforcement Act 2001 Companies Act 1990 (Form and Content of Documents Delivered to Registrar) Regulations 2002

This form must be completed when a number of annual returns for companies, which are parent or subsidiary undertakings of the same group, are being filed together with only one set of the consolidated group accounts



COMPANIES REGISTRATION OFFICE
AN OIFIG UM CHLÁRÚ CUIDEACHTÁI



4382233



CRO receipt date stamp
Companies Acts 1963 to 2009

B1u

Please complete using black typescript or BOLD CAPITALS, referring to explanatory notes

Parent company's name

note one

BECBAY Limited

Country of incorporation

IRELAND

Company number

4 2 4 8 1 4

If an Irish-registered company, is the parent company's annual return being filed now

Yes

No

note two

Returns made up to

note three

Day Month Year
3 1 0 7 2 0 0 9

Group accounts are annexed for financial year

note four

From Day Month Year To Day Month Year
0 1 0 1 2 0 0 8 3 1 1 2 2 0 0 8

Subsidiary undertakings

note five

Number of annual returns being filed including parent company if attached

3

Company number

7 4 4 6

Subsidiary undertaking's name

in full

SOUTH WHARF Limited

Company number

3 9 5 4 3 5

Subsidiary undertaking's name

in full

SOUTH BANK GLASS MANUFACTURING Limited

Presenter details

Name

GRATTAN PROPERTY COMPANY LIMITED

Address

87- 89 PEMBROKE ROAD,
BALLSBRIDGE, DUBLIN 4

DX number

DX exchange

Telephone number

01 231 6940

Fax number

Email

Reference number LE

Subsidiary undertakings contd

note five

Company number

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Subsidiary undertaking's name
in full

Limited

Company number

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Subsidiary undertaking's name
in full

Limited

Company number

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Subsidiary undertaking's name
in full

Limited

Company number

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Subsidiary undertaking's name
in full

Limited

Company number

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Subsidiary undertaking's name
in full

Limited

Company number

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Subsidiary undertaking's name
in full

Limited

Company number

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Subsidiary undertaking's name
in full

Limited

Company number

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Subsidiary undertaking's name
in full

Limited

Company number

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Subsidiary undertaking's name
in full

Limited

Company number

--	--	--	--	--	--	--	--

Subsidiary undertaking's name
in full

Limited

Copy of Guarantee

The following guarantee is in force in respect of all the of the companies listed herein:

BY THIS GUARANTEE

Copy of Notice

The following notice has been sent to all of the shareholders of the companies listed herein

It is hereby declared that the subsidiary undertakings listed herein have availed of the exemption under section 17 (section 17(1)(d)).

It is hereby declared that all the shareholders of the subsidiary undertakings listed herein have declared their consent to the exemption in accordance with the requirements of section 17 (1)(a) of the Companies Amendment Act 1986.

Certification

I hereby certify that the particulars contained in this form are correct and have been given in accordance with the Notes on Completion of Form B1u.

Signature 

Name *in block letters or typescript*

Patrick Cox

Director Secretary *note six*

Date 28/08/09

Becbay Limited

Directors' report and
consolidated financial
statements

for the year ended 31 December 2008

Registered number: 424814

Becbay Limited

Directors' report and consolidated financial statements

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Becbay Limited

Directors and other information

Directors

Bernard McNamara
Derek Quinlan
Mike Flannery
Owen Kelly (Alternate)

Joint Secretaries

Patrick Fox
Catherine Foy

Principal bankers

Anglo Irish Bank
Stephen Court
18/21 St. Stephen's Green
Dublin 2

Allied Irish Banks
152 Shelbourne Road
Ballsbridge
Dublin 4

Auditor

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

Solicitors

A&L Goodbody
IFSC
North Wall Quay
Dublin 1

Registered office

87-89 Pembroke Road
Ballsbridge
Dublin 4

Becbay Limited

Directors' report

The directors have pleasure in submitting their annual report together with the audited consolidated financial statements for the year ended 31 December 2008.

Principal activities, developments during the year and future developments, principal risks & uncertainties

The company is primarily engaged in dealing, enhancing and developing land in the Republic of Ireland. The company's principal asset is a 25 acre site in Ringsend, Dublin 4 (the former "Glass Bottle" site). Following a considerable deterioration in the Irish property market in the period since the site's acquisition, the directors consider that the value of the site is impaired and have written this down to their best estimate of its current value of approximately €50m.

The valuation of €50m is based on the combined opinions of the directors, and is not supported by an external valuation, although the directors are aware that one of the company's shareholders, the Dublin Docklands Development Authority have been provided with an external valuation (performed by Lisney, Chartered Surveyors) which supports the €50m valuation (as referenced in the publicly available financial statements of the DDDA for the year ended 31 December 2008).

The company is accordingly in a significant net liability position, all of its financing arrangements are due on demand, and the directors are in ongoing discussions with their finance providers and shareholders with regard to their continued support of the company. In particular, the directors await the implications to the company of the transfer of the underlying loans to NAMA. Over the coming months, in tandem with NAMA, the directors expect to agree a strategy for the underlying finance of the site going forward. At present the directors have not been given any indication that NAMA will not continue to provide the underlying debt facilities required and on this basis they continue to prepare the accounts of the company on a going concern basis. The directors are also aware of litigation involving two of the shareholders, the DDDA and Donatex Limited. As the matter is sub judice it is not appropriate for the directors to make any comment on the proceedings except that they all concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company. The directors are also aware of the outcome of the litigation involving Donatex Limited and Ringsend Property Limited and concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company.

The directors nonetheless consider it appropriate to prepare these financial statements on a going concern basis until such time as there is certainty with regard to the likely outcome of discussions with its financiers and shareholders, however the likely outcome at this stage is unknown. The financial statements do not contain any adjustments that would result if the company's finance providers or shareholders ceased their existing support of the company.

Key risks and uncertainties faced by the company are as follows:

- valuation – the site is included in 'work in progress' at 31 December 2008 at a carrying value of €50 million. In light of current market conditions, it is difficult to establish a valuation for the Glass Bottle site, however the directors have included an estimate of value, based on their combined opinions;
- current financing – the company is dependent on continuing financial support from its bankers/NAMA and negotiations are ongoing with a view to providing sufficient working capital and/or future funding to the company for the foreseeable future. The company is also dependent on the continuing support of its shareholders and its various shareholder loans, which are all demand arrangements, continuing to be available for the foreseeable future;

Becbay Limited

Directors' report (cont.)

- going concern – Becbay has incurred a loss for the period and is in a significant net liability position. As noted above, there is considerable uncertainty as to whether ongoing and future financing will be available to the company to allow it to continue in its current form;
- the directors are aware of litigation involving two of the shareholders, the DDDA and Donatex Limited. As the matter is sub judice it is not appropriate for the directors to make any comment on the proceedings except that they all concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company. The directors are also aware of the outcome of the litigation involving Donatex Limited and Ringsend Property Limited and concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company.

Key performance indicators, results and dividends

The key performance indicators identified by the directors include: property values, monitoring budgets and costs, banking parameters and its construction programme. The results of the group are set out on page 10 and in the related notes. The directors do not recommend the payment of a dividend for the year (2007: €Nil).

Directors and secretaries and their interests

The directors are not required to retire by rotation. Donatex Limited holds 41% of the issued share capital of the company. Bernard McNamara, a company director, holds the beneficial interest in all of the equity shares of Donatex Limited. Mempal Limited holds 33% of the issued share capital of the company. Derek Quinlan, a company director, holds the beneficial interest in all of the equity shares of Mempal Limited. Paul Maloney resigned from the board during 2009. David Higgins resigned from the board during 2010. Owen Kelly was appointed as an alternate director during 2010.

Post balance sheet events

The directors are in current negotiations with their funders to secure finance to enable the company to fund its working capital needs. However, the directors are aware of the fact that the company's debt facilities may be transferred to NAMA in the near future. It is unclear as to the terms on which NAMA may continue to finance the working capital requirements of the company in the future. The directors have not had any direct discussions with NAMA in this regard.

The directors are aware of litigation involving two of the shareholders, the DDDA and Donatex Limited. As the matter is sub judice it is not appropriate for the directors to make any comment on the proceedings except that they all concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company. The directors are also aware of the outcome of the litigation involving Donatex Limited and Ringsend Property Limited and concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the company are maintained at its registered address.

Becbay Limited

Directors' report (cont.)

Auditor

In accordance with Section 160 (2) of the Companies Act, 1963, the auditor, KPMG, will continue in office.

On behalf of the board


Director


Director

13 May 2010

Becbay Limited

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

The directors are responsible for preparing the directors' report and consolidated 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 Generally Accepted Accounting Practice in Ireland, comprising applicable company law and accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland. The company's financial statements are required by law to give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for the period.

In preparing the 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; 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 books of account which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible 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.

The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies' Acts 1963 to 2009.

On behalf of the board

Director 

Director 

13 May 2010



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

Independent auditor's report to the members of Becbay Limited

We have audited the financial statements of Becbay Limited for the year ended 31 December 2008 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 193 of the Companies Act 1990. 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 auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the statement of directors' responsibilities on page 5. 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 have been properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you, our opinion as to: whether proper books of account have been kept by the company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report. We read the directors' report and consider implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board except that the scope of our work was limited as explained below. 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.



Independent auditor's report to the members of Becbay Limited *(continued)*

Basis of audit opinion (cont.)

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 Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2008 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2009.

Emphasis of matter – going concern

In forming our opinion, we have considered the adequacy of the disclosures made in relation to the valuation of the company's principal site, for which there is a limited market, and the considerable uncertainty in relation to the company's ongoing financial position, as set out in the basis of preparation note on pages 8 to 9. In view of the significance of these matters, we consider that they should be drawn to your attention, however, our opinion is not qualified in this respect.

Other matters

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

The company is in a net liability position and, in our opinion, on that basis there did exist at 31 December 2008 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

KPMG

*Chartered Accountants
Registered Auditor
Dublin*

13 May 2010

Becbay Limited

Statement of accounting policies

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

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting practice in Ireland 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 Ireland.

Going concern and property valuation

The company is primarily engaged in dealing, enhancing and developing land in the Republic of Ireland. The company's principal asset is a 25 acre site in Ringsend, Dublin 4 (the former "Glass Bottle" site). Following a considerable deterioration in the Irish property market in the period since the site's acquisition, the directors consider that the value of the site is impaired and have written this down to their best estimate of its current value of approximately €50m.

The valuation of €50m is based on the combined opinions of the directors, and is not supported by an external valuation, although the directors are aware that one of the company's shareholders, the Dublin Docklands Development Authority have been provided with an external valuation (performed by Lisney, Chartered Surveyors) which supports the €50m valuation (as referenced in the publicly available financial statements of the DDDA for the year ended 31 December 2008).

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The directors nonetheless consider it appropriate to prepare these financial statements on a going concern basis until such time as there is certainty with regard to the likely outcome of discussions with its financiers and shareholders, however the likely outcome at this stage is unknown. The financial statements do not contain any adjustments that would result if the company's finance providers or shareholders ceased their existing support of the company.

Key risks and uncertainties faced by the company are as follows:

- valuation – the site is included in 'work in progress' at 31 December 2008 at a carrying value of €50 million. In light of current market conditions, it is difficult to establish a valuation for the Glass Bottle site, however the directors have included an estimate of value, based on their combined opinions;

Becbay Limited

Statement of accounting policies (cont.)

- current financing – the company is dependent on continuing financial support from its bankers/NAMA and negotiations are ongoing with a view to providing sufficient working capital and/or future funding to the company for the foreseeable future. The company is also dependent on the continuing support of its shareholders and its various shareholder loans, which are all demand arrangements, continuing to be available for the foreseeable future;
- going concern – Becbay has incurred a loss for the period and is in a significant net liability position. As noted above, there is considerable uncertainty as to whether ongoing and future financing will be available to the company to allow it to continue in its current form;
- the directors are aware of litigation involving two of the shareholders, the DDDA and Donatex Limited. As the matter is sub judice it is not appropriate for the directors to make any comment on the proceedings except that they all concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company. The directors are also aware of the outcome of the litigation involving Donatex Limited and Ringsend Property Limited and concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the company prepared to 31 December 2008. The results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition, or up to the date of disposal.

Where properties are acquired through company acquisition and there are no significant assets or liabilities acquired other than the property, the acquisition is treated as an asset acquisition.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The charge for depreciation is calculated to write down cost of tangible fixed assets to their estimated residual values by equal annual instalments over their expected useful lives which are as follows:

Equipment	5 years
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Stocks and work in progress

The company's interest in property is accounted for as stock as it the intention to develop or to otherwise dispose of the property held by the company in the future. Stocks and work in progress are stated at the lower of cost or net realisable value. Cost includes all associated expenditure, including interest and finance charges, which are incurred in the normal course of business in developing the company's investment in preparation for its ultimate sale. Net realisable value is the actual or the directors' estimate of the selling price, less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

Corporation tax

Corporation tax is provided on taxable profits at current rates. Full provision is made for all timing differences at the balance sheet date in accordance with Financial Reporting Standard No. 19 "Deferred Taxes". Provision is made at tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

Becbay Limited

Consolidated profit and loss account for the year ended 31 December 2008

	<i>Note</i>	Year ended 31 December 2008 €	From date of incorporation (11 August 2006) to 31 December 2007 €
Administrative expenses	1	(40,964)	(55,150)
Write down of trading stock	6	(452,847,942)	-
Loss on operating activities before interest and taxation		(452,888,906)	(55,150)
Interest receivable and similar income	2	528	91,716
Interest payable and similar charges	3	(582)	-
Loss/(profit) on ordinary activities before taxation		(452,888,960)	36,566
Tax (loss)/profit on ordinary activities	4	-	-
Loss/(profit) for the financial year	11	(452,888,960)	36,566

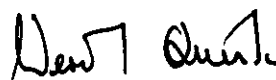
The group had no recognised gains or losses in the current year or preceding financial period other than those shown above and accordingly, no statement of total recognised gains and losses has been presented.

The accompanying notes form an integral part of these financial statements.

On behalf of the board

Director 

Director



13 May 2010

Becbay Limited

Consolidated balance sheet

at 31 December 2008

	Note	2008 €	2007 €
Fixed assets	5	3,143	-
Current assets			
Stock and work in progress	6	50,000,000	449,192,470
Debtors	7	623,587	189,311
Cash at bank and in hand		191,057	2,582,195
		<u>50,814,644</u>	<u>451,963,976</u>
Creditors: amounts falling due within one year	8	(503,670,081)	(8,378,832)
Net current (liabilities)/assets		<u>(452,855,437)</u>	<u>443,585,144</u>
Total assets less current liabilities		<u>(452,852,294)</u>	<u>443,585,144</u>
Creditors: amounts falling due after more than one year	9	-	(443,548,478)
Net (liabilities)/assets		<u>(452,852,294)</u>	<u>36,666</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	(452,852,394)	36,566
Shareholders' (deficit)/funds - equity		<u>(452,852,294)</u>	<u>36,666</u>

The accompanying notes form an integral part of these financial statements.

On behalf of the board

Director 

Director 

13 May 2010

Becbay Limited

Company balance sheet at 31 December 2008

	<i>Note</i>	2008 €	2007 €
Fixed assets	5	<u>3,143</u>	<u>-</u>
Current assets			
Stock and work in progress	6	50,000,000	449,192,470
Debtors	7	623,587	189,311
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Creditors: amounts falling due after more than one year	9	-	(443,548,478)
Net (liabilities)/assets		<u>(452,852,294)</u>	<u>36,666</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	(452,852,394)	36,566
Shareholders' (deficit)/funds - equity		<u>(452,852,294)</u>	<u>36,666</u>

On behalf of the board

Director 

Director 

13 May 2010

Becbay Limited

Consolidated cash flow statement for the year ended 31 December 2008

	<i>Note</i>	2008 €	2007 €
Net cash (outflow) from operating activities	<i>12</i>	(26,143,172)	(428,027,703)
Returns on investments and servicing of finance			
Interest received		528	91,716
Interest and similar charges paid		(24,832,995)	(18,341,959)
		<hr/>	<hr/>
		(50,975,639)	(446,277,946)
Capital expenditure	<i>5</i>	(3,929)	-
		<hr/>	<hr/>
Net cash (outflow) before financing		(50,979,568)	(446,277,946)
Financing			
Drawdown of bank loans	<i>13</i>	28,595,162	296,012,863
Issue of loan stock	<i>13</i>	-	138,400,387
(Repayment)/drawdown of director's loan account	<i>13</i>	(101,869)	101,869
Drawdown of loans from shareholders	<i>13</i>	16,102,314	11,606,276
Issue of share capital	<i>13</i>	-	100
		<hr/>	<hr/>
Net cash inflow from financing		44,595,607	446,121,495
		<hr/>	<hr/>
Decrease in cash	<i>14</i>	(6,383,961)	(156,451)
		<hr/> <hr/>	<hr/> <hr/>

Becbay Limited

Notes

forming part of the consolidated financial statements

1 Statutory and other information

	Year ended 31 December 2008 €	From date of incorporation (11 August 2006) to 31 December 2007 €
The loss on operating activities before interest and taxation is stated after charging:		
Auditor's remuneration	20,000	20,000

Directors are not remunerated for their services to the company. The company has no employees and hence incurred no labour costs.

2 Interest receivable and similar income

	Year ended 31 December 2008 €	From date of incorporation (11 August 2006) to 31 December 2007 €
Other interest income	528	91,716

3 Interest payable and similar charges

	Year ended 31 December 2008 €	From date of incorporation (11 August 2006) to 31 December 2007 €
On bank loans, debentures and loan notes		
- wholly repayable within one year	24,832,413	18,341,959
- wholly repayable after more than one year	-	2,177,083
Other finance costs	582	-
Less finance costs included in cost of work in progress in the year	(24,832,413)	(20,519,042)
	582	-

Becbay Limited

Notes

forming part of the consolidated financial statements

4 Tax on (loss)/profit on ordinary activities

The difference between the total current taxation and the amount calculated by applying the standard rate of corporation tax to the loss before tax is as follows:

	2008 €	2007 €
(Loss)/profit on ordinary activities before tax	(452,888,960)	36,566
At standard rate of corporation tax (12.5%)	(56,611,120)	4,571
<i>Tax effects of:</i>		
Deposit interest withheld	(132)	(22,929)
Income taxed at higher rate	99	24,091
Value based relief for trade losses	(165)	(6,894)
Depreciation in excess of capital allowances	37	-
Refund due	132	1,161
Unrecognised tax losses	56,611,149	-
Current year tax charge	-	-

There are unrecognised deferred tax assets to the value of approximately €56m. These have not been recognised as the directors consider that their recovery is uncertain at present.

5 Fixed assets

Group and company	Equipment €
<i>Cost</i>	
At 31 December 2007	-
Additions	3,929
A 31 December 2008	3,929
<i>Depreciation</i>	
At 31 December 2007	-
Charge	786
At 31 December 2008	786
Net book value at 31 December 2008	3,143

Becbay Limited

Notes

forming part of the consolidated financial statements (continued)

6 Stock and work in progress

	2008 €	2007 €
Group and company		
At start of the year/period	449,192,470	-
Additions	28,823,059	428,673,428
Interest capitalised	24,832,413	20,519,042
Provision for impairment	(452,847,942)	-
	<u>50,000,000</u>	<u>449,192,470</u>

The directors' views on the carrying value of the site and its related rationale are set out in the basis of preparation note on pages 8 to 9.

7 Debtors

	2008 €	2007 €
Group and company		
Prepayments	16,681	134
VAT and other tax recoverable	606,906	189,177
	<u>623,587</u>	<u>189,311</u>

All amounts are due within one year.

8 Creditors: amounts falling due within one year

	2008 €	2007 €
Group and company		
Bank loans	322,035,108	-
Bank overdraft	6,731,469	2,738,646
Trade creditors	2,785,255	672,099
Accruals	6,009,272	4,968,087
Loan stock from shareholders	138,400,387	-
Other amounts owed to shareholders	27,708,590	-
	<u>503,670,081</u>	<u>8,378,832</u>

Of the €503,670,081 due to the banks and creditors, €166,108,977 is due to shareholders, €328,766,577 relates to bank borrowings and €4,750,000 relates to accrued arrangement fees.

€983,466 is due to creditors outside the group of which 74% (€725.1k) has been discharged since the year end.

€3,061,061 is due to connected parties of which 88% (€2.7m) has been discharged since the year end.

Becbay Limited

Notes

forming part of the consolidated financial statements (continued)

8 Creditors: amounts falling due within one year (cont.)

The terms of the company's external bank loans state that the debt is repayable on demand and not more than two years from the date of first draw down. The directors are in current negotiations with their funders to secure finance to enable the company to fund its working capital needs. However, the directors are aware of the fact that the company's debt facilities may be transferred to NAMA in the near future. It is unclear as to the terms on which NAMA may continue to finance the working capital requirements of the company in the future. The directors have not had any direct discussions with NAMA in this regard. The bank loans are secured by debentures over all assets including a first legal charge over property assets and a floating charge over all of the group's remaining assets. Bank loans are also secured by charges over shares of all Irish asset holding companies within the group. Additionally, part of the bank loans are secured by guarantees from each of the shareholders individually. Loan stock and amounts owed to shareholders are unsecured, interest-free and repayable on demand and accordingly have been classified as current. Details of transactions with shareholders are set out further in note 18.

9 Creditors: amounts falling due after one year

	2008 €	2007 €
Group and company		
Directors' loan account – from Bernard McNamara	-	101,869
Loan stock from shareholders	-	138,400,387
Bank loans	-	293,439,946
Other amounts owed to shareholders	-	11,606,276
	<hr/>	<hr/>
	-	443,548,478
	<hr/> <hr/>	<hr/> <hr/>

10 Called up share capital

	2008 €	2007 €
Authorised		
1,000,000 ordinary A shares of €1 each	1,000,000	1,000,000
1,000,000 ordinary B shares of €1 each	1,000,000	1,000,000
	<hr/>	<hr/>
	2,000,000	2,000,000
	<hr/> <hr/>	<hr/> <hr/>
Issued, called up and fully paid		
26 ordinary A shares at €1 each	26	26
74 ordinary B shares at €1 each	74	74
	<hr/>	<hr/>
	100	100
	<hr/> <hr/>	<hr/> <hr/>

Becbay Limited

Notes

forming part of the consolidated financial statements (continued)

11 Profit and loss account

	2008 €	2007 €
At beginning of the year or upon incorporation (Loss)/profit for the year	36,566 (452,888,960)	- 36,566
31 December 2008	(452,852,394)	36,566

The loss attributable to shareholders dealt with in the financial statements of the parent company is €452,888,960 (2007: profit of €36,566). A separate profit and loss account for the year for Becbay Limited (the parent company) has not been prepared in accordance with Section 3(2) of the Companies (Amendment) Act, 1986.

12 Reconciliation of operating profit to net cash outflow from operating activities

	2008 €	2007 €
Group operating loss	(452,888,906)	(55,150)
Depreciation of fixed assets	786	-
Decrease/(increase) in work in progress (net of capitalised interest)	424,024,883	(428,673,428)
(Increase) in debtors	(434,276)	(189,311)
Increase in creditors	3,154,341	890,186
Net cash outflow from operating activities	(26,143,172)	(428,027,703)

13 Analysis of changes in financing during the year

	Bank loans €	Loan stock €	Share capital €	Director's loan account €	Loans from shareholders €	Total €
At beginning of year	293,439,946	138,400,387	100	101,869	11,606,276	443,548,578
Drawdown/ (repayment) of loans in year	28,595,162	-	-	(101,869)	16,102,314	44,595,607
At end of year	322,035,108	138,400,387	100	-	27,708,590	488,144,185

Becbay Limited

Notes

forming part of the consolidated financial statements (continued)

14 Analysis of balances in cash and cash movements during the year

	2008 €	2007 €
<i>Analysis of balances in cash</i>		
Cash at bank and in hand	191,057	2,582,195
Bank overdraft	(6,731,469)	(2,738,646)
	<u>(6,540,412)</u>	<u>(156,451)</u>
	2008 €	2007 €
<i>Cash movement during the year</i>		
At beginning of year	(156,451)	-
Net cash outflow in year	(6,383,961)	(156,451)
	<u>(6,540,412)</u>	<u>(156,451)</u>
At 31 December 2008	<u>(6,540,412)</u>	<u>(156,451)</u>

15 Reconciliation of net cash flow to movement in net debt

	2008 €	2007 €
Decrease in cash during the year (note 14)	6,383,961	156,451
Cash inflow from drawdown of debt (note 13)	44,595,607	443,548,478
	<u>50,979,568</u>	<u>443,704,929</u>
Movement in net debt during the year	<u>50,979,568</u>	<u>443,704,929</u>
Net debt at beginning of year	443,704,929	-
	<u>494,684,497</u>	<u>443,704,929</u>
Net debt at 31 December 2008	<u>494,684,497</u>	<u>443,704,929</u>

Becbay Limited

Notes

forming part of the consolidated financial statements (continued)

16 Group companies

The group's principal wholly owned subsidiaries and at year end are set out below together with their operating locations and registered offices:

<u>Group companies</u>	Issued ordinary share capital €	Group direct holding %	Group indirect holding %	Nature of business
Ireland				
South Wharf Limited	359,167	100		Holding company
South Bank Glass Manufacturing Limited	500,000		100	Dormant

The registered office of all group companies is 87-89 Pembroke Road, Ballsbridge, Dublin 4.

17 Financial commitments

The group had €33,316,829 of capital commitments authorised or contracted for at 31 December 2008 (2007: €Nil).

The group had also entered into interest rate swaps of €202m with a notional value of (€7,342,386) to swap floating interest rates due on its debt into fixed rates (2007: (€684,276)).

18 Related party transactions

The following related party transaction took place during the year

	Relationship	Nature of transactions(s)	Transactions during year €	Balance at 31 December 2008 €
Michael McNamara & Company	Common Director	Construction	(2,355,558)	(2,355,673)
Donatex Limited	Shareholder	Loan	(3,773,868)	(66,283,652)
Mempal Limited	Shareholder	Loan	(5,415,178)	(56,802,878)
Dublin Docklands Development Authority	Shareholder	Loan	(6,913,384)	(43,022,447)
Grattan Property Company Limited	Common Director	Mgt. services	(705,388)	(705,388)

Becbay Limited

Notes

forming part of the consolidated financial statements (continued)

19 Contingencies

Becbay Limited has given irrevocable guarantees in respect of the liabilities pursuant to Section 17(1)(b) of the Companies (Amendment) Act, 1986 in respect of South Wharf Limited and South Bank Glass Manufacturing Limited.

20 Post balance sheet events

The directors are in current negotiations with their funders to secure finance to enable the company to fund its working capital needs. However, the directors are aware of the fact that the company's debt facilities may be transferred to NAMA in the near future. It is unclear as to the terms on which NAMA may continue to finance the working capital requirements of the company in the future. The directors have not had any direct discussions with NAMA in this regard.

The directors are aware of litigation involving two of the shareholders, the DDDA and Donatex Limited. As the matter is sub judice it is not appropriate for the directors to make any comment on the proceedings except that they all concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company. The directors are also aware of the outcome of the litigation involving Donatex Limited and Ringsend Property Limited and concur that a resolution of the dispute underlying the proceedings would be in the best interests of the company.

21 Ultimate parent undertaking

The company is owned as follows:

- 41% by Donatex Limited – a company controlled by Bernard McNamara,
- 33% by Mempal Limited – a company controlled by Derek Quinlan, and
- 26% by the Dublin Docklands Development Authority.

22 Approval of financial statements

The financial statements were approved by the directors on 13 May 2010.