BGP HOLDINGS PLC (formerly GPT MALTACO 1 Limited)

Annual Report and Financial Statements
31 December 2009

Company Registration Number: C-36451

Directors' report

The directors present their report and the consolidated and separate financial statements for the period ended 31 December 2009.

Principal activities

The principal activities of BGP Holdings plc (the "Company"), which are substantially unchanged since last year, are those that pertain to an investment holding company.

Change in company name and status

On 5 August 2009, the Company changed its name from GPT MALTACO 1 Limited to BGP Holdings plc. Accordingly, on the same day, the Company also changed its status from a private limited liability company to a public limited liability company.

Review of the business

The directors expect that the Company's level of business and its financial position will continue to improve in the foreseeable future. Taking into account the Company's available cash resources, there are sufficient funds to meet operating cost requirements.

The Group's assets are managed by a subsidiary of BGP Holdings Europe S.à r.l. and is being positioned for a medium term exit, as capital markets recover.

Results and dividends

The statement of comprehensive income is set out on page 6. In view of the losses sustained in the current year, the directors do not recommend payment of dividend (2008: nil).

Directors

The directors of the Company who held office during the year were:

Mr. Francis J. Vassallo	
Dr. Ruth Agius Scicluna Buttigieg	
Mr. Mark Dunstan	(appointed on 17 August 2009)
Mr. Roderick Hamilton McGeoch	(appointed on 1 November 2009)

The Company's Articles of Association do not require any directors to retire.

Statement of directors' responsibilities

The directors are required by the Companies Act, Cap 386 of the Laws of Malta to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit or loss for that period.

Directors' report (continued)

Statement of directors' responsibilities (continued)

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act, Cap 386 of the Laws of Malta. 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.

Auditors

Ernst & Young have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

Roderick Hamilton McGeoch	Mark Dunstan
Chairman	Director

Registered office
259 St Paul Street
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Malta

23 September 2010

ERNST & YOUNG

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BGP HOLDINGS PLC

We have audited the accompanying separate and consolidated financial statements of BGP Holdings PLC set out on pages 5 to 25 which comprise the statement of financial position as at 31 December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Companies Act, Cap. 386 of the Laws of Malta. As described in the statement of directors' responsibilities on pages 1 and 2 this responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Group and the Company as at 31 December 2009, and of their financial performance and their cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

ERNST & YOUNG

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BGP HOLDINGS PLC - continued

Report on other Legal and Regulatory Requirements

We also have responsibilities under the Companies Act, Cap. 386 of the Laws of Malta to report to you if in our opinion:

- The information given in the directors' report is not consistent with the financial statements.
- Adequate accounting records have not been kept.
- The financial statements are not in agreement with the accounting records.
- We have not received all the information and explanations we require for our audit.
- If certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

This copy of the audit report has been signed by
Anthony Doublet for and on behalf of

Ernst & Young
Certified Public Accountants

23 September 2010

Statement of financial position

	Notes	2009 Group Consolidated €	2009 Company €	2008 Company €
		As at 31 December		
ASSETS				
Non-current assets				
Investments in group undertakings	5	-	163,959	-
Investment in joint venture undertaking	6	-	-	-
Loans receivable	7	1,000	-	-
Total non-current assets		1,000	163,959	-
Current assets				
Receivables	8	73,055	73,055	-
Cash and cash equivalents	9	2,378,037	2,070,375	5,898
Total current assets		2,451,092	2,143,430	5,898
Total assets		2,452,092	2,307,389	5,898
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	10	99,999	99,999	7,579
Share premium account	11	166,606,786	166,606,786	163,044,187
Accumulated losses		(164,346,117)	(164,460,242)	(163,087,980)
Total equity		2,360,668	2,246,543	(36,214)
Current liabilities				
Payables	12	91,424	60,846	42,112
Total equity and liabilities		2,452,092	2,307,389	5,898

The notes on pages 9 to 25 are an integral part of these financial statements.

The financial statements on pages 5 to 25 were authorised for issue by the board on 23 September 2010 and were signed on its behalf by:

Roderick Hamilton McGeoch
Chairman

Mark Dunstan
Director

Statement of comprehensive income
For the period ended 31 December 2009

		Period from 12 August to 31 December	Year ended 31 December	
		2009 Group Consolidated	2009 Company	2008 Company
	Notes	€	€	€
Administrative expenses		(172,641)	(154,124)	(36,230)
Operating loss		(172,641)	(154,124)	(36,230)
Finance income	14	-	4	342
Finance costs	15	(1,119)	(980)	(275)
Provision for impairment of investments	5	-	(1,217,161)	(163,051,766)
Loss before tax		(173,760)	(1,372,261)	(163,087,929)
Tax expense	16	-	(1)	(51)
Loss for the period / year		(173,760)	(1,372,262)	(163,087,980)
Other comprehensive income		-	-	-
Total comprehensive expense for the period / year		(173,760)	(1,372,262)	(163,087,980)

The notes on pages 9 to 25 are an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2009

Company	Notes	Share Capital €	Share Premium €	Accumulated losses €	Total €
Balance at 1 January 2008		5,000	109,775,001	-	109,780,001
Transactions with owners					
Increase in share capital	10, 11	2,579	56,623,186	-	56,625,765
Reduction in share premium	11	-	(3,354,000)	-	(3,354,000)
Comprehensive income					
Loss for the financial year - total comprehensive income for 2008		-	-	(163,087,980)	(163,087,980)
Balance at 31 December 2008		7,579	163,044,187	(163,087,980)	(36,214)
Transactions with owners					
Increase in share capital	10, 11	92,421	3,562,599		3,655,020
Reduction in share capital	10	(1)	-	-	(1)
Loss for the financial year - total comprehensive income for 2009		-	-	(1,372,262)	(1,372,262)
Balance at 31 December 2009		**99,999**	**166,606,786**	**(164,460,242)**	**2,246,543**

Group	Notes	Share Capital €	Share Premium €	Accumulated losses €	Total €
Balance at 12 August 2009		7,579	163,044,187	(164,172,357)	(1,120,591)
Transactions with owners					
Increase in share capital	10, 11	92,421	3,562,599	-	3,655,020
Reduction in share capital	10	(1)	-	-	(1)
Comprehensive income					
Loss for the financial year - total comprehensive income for 2009		-	-	(173,760)	(173,760)
Balance at 31 December 2009		**99,999**	**166,606,786**	**(164,346,117)**	**2,360,668**

The notes on pages 9 to 25 are an integral part of these financial statements.

Statement of cash flows

		Period from 12 August to 31 December	Year ended 31 December	
	Notes	**2009 Group Consolidated**	**2009 Company**	2008 Company
		€	**€**	€
Operating activities				
Cash used in operations	18	**(262,117)**	**(208,445)**	(1,789)
Interest received		**-**	**4**	342
Finance costs		**(1,119)**	**(980)**	(275)
Income tax paid		**-**	**(1)**	(51)
Net cash used in operating activities		**(263,236)**	**(209,422)**	(1,773)
Investing activities				
Purchase of shares in group undertakings	5	**-**	**(1,381,120)**	(1,320,000)
Purchase of loan from related party	7	**(1,000)**	**-**	-
Proceeds from reduction in share premium of Subsidiary		**-**	**-**	3,354,000
Net cash (used in)/generated from investing activities		**(1,000)**	**(1,381,120)**	2,034,000
Financing activities				
Increase in share capital	10	**-**	**92,421**	60
Increase in share premium	11	**-**	**3,562,599**	1,319,940
Reduction in share premium account	11	**-**	**-**	(3,354,000)
Reduction in share capital	10	**(1)**	**(1)**	-
Net cash generated from/(used in) financing activities		**(1)**	**3,655,019**	(2,034,000)
Net movement in cash and cash equivalents		**(264,237)**	**2,064,477**	(1,773)
Cash and cash equivalents at beginning of period/year		**2,642,274**	**5,898**	7,671
Cash and cash equivalents at end of year	9	**2,378,037**	**2,070,375**	5,898

The notes on pages 9 to 25 are an integral part of these financial statements.

Notes to the financial statements

1. General

BGP Holdings plc (the "Company") is a Maltese limited company and has undergone a group restructuring in August 2009. Further to the restructuring of BGP Investment S.à r.l., an investment joint venture between GPT Group and Babcock & Brown, investing in European real estates, the Company has become the new parent company of the BGP Group (the "Group") on 12 August 2009. As at 12 August 2009, the Company indirectly holds interests in portfolios of European real estates held through BGP Holdings 2 Limited and BGP Holdings Europe S.à r.l.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and the Companies Act, Cap 386 of the Laws of Malta. These financial statements have been prepared under the historical cost convention, in accordance with those IFRS and IFRIC interpretations issued and effective as at the reporting date of these statements (31 December 2009). As the restructuring of the BGP Group occurred on 12 August 2009, the Company prepares consolidated financial statements for the first time in 2009 for the period from 12 August 2009 to 31 December 2009.

Company

In 2009, as a result of the downturn in the economic climate affecting the countries where the Company's underlying investments are situated, the results of the subsidiary have deteriorated and the directors have passed a further impairment adjustment equivalent to €1,217,161 (2008: €163,051,766).

During the year, the Company's shareholders subscribed to additional equity in the Company for €3,655,020. BGP Holdings plc has in turn injected equity amounting to €1,381,120 into BGP Holdings 2 Limited, its subsidiary undertaking, in order to provide the necessary funds for this latter company to repay its loans and meet its working capital commitments.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies (see Note 4 – Critical accounting estimates and judgements).

2. Summary of significant accounting policies - continued

2.1 Basis of preparation - continued

Standards, interpretations and amendments to published standards effective in 2009

In 2009, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2009.

- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amended) and IAS 27 *Consolidated and Separate Financial Statements (Amended)* effective 1 January 2009
- IFRS 2 *Share-based Payment: Vesting Conditions and Cancellations (Amended)* effective 1 January 2009
- IFRS 7 *Financial Instruments: Disclosures (Amended)* effective 1 January 2009
- IFRS 8 *Operating Segments effective* 1 January 2009
- IAS 1 *Presentation of Financial Statements (Revised)* effective 1 January 2009
- IAS 23 *Borrowing Costs (Revised)* effective 1 January 2009
- IAS 32 *Financial Instruments: Presentation (Amended)* and IAS 1 *Puttable Financial Instruments and Obligations Arising on Liquidation (Amended)* effective 1 January 2009
- IFRIC 9 *Remeasurement of Embedded Derivatives (Amended)* and IAS 39 *Financial Instruments: Recognition and Measurement (Amended)* effective for periods ending on or after 30 June 2009
- IFRIC 13 *Customer Loyalty Programmes* effective 1 July 2008
- IFRIC 15 *Agreements for the Construction of Real Estate* effective 1 January 2009
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* effective 1 October 2008
- IFRIC 18 *Transfers of Assets from Customers* effective 1 July 2009
- First omnibus of amendments to standards issued by the IASB in May 2008. The effective dates of these improvements are various and the earliest is for the financial year beginning 1 January 2009.

The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Company's accounting policies. IAS 1 (revised), Presentation of financial statement, is effective for periods beginning on or after 1 January 2009, but does not have any impact on the classification and measurement of the Company's elements of the financial statements. This standard requires 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. In accordance with the transition provisions of these standards, comparative information has been re-presented.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements that are mandatory for the Company's accounting periods beginning after 1 January 2009. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Company's directors are of the opinion that there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Euro is the Company's functional and presentation currency.

2. Summary of significant accounting policies - continued

2.2 Foreign currency translation - continued

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated line by line from the date on which control is transferred to any entity within the Group. They are de-consolidated from the date that control ceases.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Company's investment in its associate is accounted for using the equity method of accounting except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations."

Under the equity method, the investment in the associate is carried in the Statement of financial position at cost as adjusted for post-acquisition changes in the Company's share of net assets of the associate. Dividends declared during the year reduce the carrying value of investments. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortized or separately tested for impairment. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes and discloses this, when applicable, in the statement of other comprehensive income. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The consolidated financial statements include the Company's share of the total gains and losses of associates accounted for by using the equity method, from the date that significant influence commences until the date that significant influence ceases, applying the most recent available financial statements of the associate. Where the financial statements of an associate have a different reporting date from that of the Company, the consolidated financial statements are adjusted for any significant events occurring between that date and the date of the Company's financial statements. Similarly, where the accounting principles of the Company differ from those of an associate, adjustments are made to the associate's financial statements when applying the equity method.

2. Summary of significant accounting policies - continued

2.3 Consolidation - continued

The share of profit of associates is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an additional impairment loss on the Company's investment in its associates. The Company determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

The purchase method of accounting is used to account for the acquisition of subsidiaries which comprise a business. When the Company acquires an entity, that does not constitute a business, it shall allocate the cost of the subsidiaries between the individual identifiable assets and liabilities in the subsidiaries based on their relative fair values at the date of acquisition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

When the purchase method is applied, identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides an evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies applied by the Group.

2.4 Investments in subsidiaries

Company

Investments in subsidiaries are accounted for by the cost method of accounting.

Provisions are recorded where, in the opinion of the directors, there is impairment in value. Where there has been impairment in the value of an investment, it is recognised as an expense in the period in which the impairment is identified.

The results of the subsidiaries are reflected in these financial statements only to the extent of dividends receivable.

2. Summary of significant accounting policies - continued

2.4 Investments in subsidiaries - continued

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

2.5 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payment are considered indicators that the trade receivables are impaired. When a receivable is uncollectible, it is written off against the profit and loss account. Subsequent recoveries of the amounts previously written off are credited in the statement of comprehensive income.

2.6 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.8 Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.10 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. Summary of significant accounting policies - continued

2.11 Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below.

Revenue is recognised as follows:

(a) Interest income

Interest income is recognised for all interest-bearing instruments on a time-proportion basis using the effective interest method.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.12 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3. Financial risk management

3.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The Company's board of directors provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Group did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

3. **Financial risk management** - continued

3.1 Financial risk factors - continued

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency. Accordingly the Group is not significantly exposed to foreign exchange risk and a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

(ii) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets or liabilities apart from cash and cash equivalents. Accordingly the Group not significantly exposed to cash flow or fair value interest rate risk. The Company's operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to debtors, including outstanding receivables and committed transactions. The Group's and the Company's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2009 Group Consolidated	**2009 Company**	2008 Company
	€	**€**	€
Debtors (Note 8)	**73,055**	**73,055**	-
Cash and cash equivalents (Note 9)	**2,378,037**	**2,070,375**	5,898

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Group does not hold any collateral as security in this respect.

The group banks only with local financial institutions with high quality standing or rating.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient availability of funding. All the Group''s financial liabilities are due within one year.

3. **Financial risk management** - continued

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or adjust the amount of dividends paid to shareholders.

The Group's equity, as disclosed in the statement of financial position, constitutes its capital. The Group maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Group's activities, the capital level as at the end of the reporting period is deemed adequate by the directors.

3.3 Fair values of financial instruments

At 31 December 2009 and 2008 the carrying amounts of cash and cash equivalents, debtors, payables, accrued expenses and short-term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Company

Investments in group undertakings are accounted for at cost and assessed for impairment by the directors. In making this judgement, the directors evaluate, among other factors, the financial health of and near-term business outlook for the investee companies, (including factors such as industry and investee projected performance and operational and financing cash flow). Provisions are recorded where, in the opinion of the directors, there is a long-term impairment in value. In view of the deteriorated performance of the investments underlying the Company's subsidiary undertaking, the book value of the investment in subsidiary has been written down to reflect the subsidiary's net equity position as at 31 December 2009 (Note 5).

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

5. Investments in group undertakings

As at 31 December 2009, BGP Group, including the Company (BGP Holdings plc, the parent company of the Group), encompassed a total of 3 business entities. During the year, investments in GPT Europe 2 S.a.r.l and GPT Europe Finance S.A. have been disposed separately.

Group

	Ownership interest (%) 31 December 2009	Ownership interest (%) 31 December 2008	Profile
BGP Holdings plc	-	-	Parent Company
BGP Holdings 2 Limited	100	100	Investment Holding Co.
BGP Holdings Europe S.à r.l	100	100	Investment Holding Co.
GPT Europe 2 S.à r.l	-	100	Investment Holding Co.
GPT Europe Finance S.A..	-	100	Investment Holding Co.

Company

	2009	2008
	€	€
Opening cost and carrying amount	**-**	109,780,001
Purchase of shares	**1,381,120**	56,625,765
Reduction in share premium of subsidiary	**-**	(3,354,000)
Impairment provision	**(1,217,161)**	(163,051,766)
Closing cost and carrying amount	**163,959**	-

Investments in group undertakings as at 31 December 2009 are shown below:

	Registered Office	Class of shares held	Percentage of shares held %
BGP Holdings 2 Limited	259, St Paul Street Valletta VLT1213 Malta	Ordinary shares	99.99

In view of the deterioration in the performance of the investments underlying the Company's subsidiary undertaking, the directors have deemed it prudent to impair the book value of this investment to reflect its net equity position as at 31 December 2009.

On 3 August 2009, GPT MaltaCo 2 Limited (later BGP Holdings 2 Limited) sold its investment in GPT Europe Finance S.A.; and on 17 August 2009, BGP Holdings 2 Limited sold its investment in GPT Europe 2 S.à r.l.

6. Investment in joint venture undertaking

Group

The investment in joint venture undertaking represents a 50% investment held by a group undertaking in BGP Investment S.à.r.l, a company registered in Luxembourg.

BGP Investment S.à r.l had a negative equity as at 31 December 2008 and consequently the value of this investment had been fully impaired in 2008. As at 31 December 2009 the equity position of this investee company did not improve and accordingly the directors have deemed it prudent not to revise the carrying amount of this investment in these group accounts.

1) The consolidated statement of financial position as at 31 December 2009 for BGP Investment S.à r.l. is as follows:

	2009
	€'000
Assets	
Non-current assets	
Completed investment properties	**1,549,204**
Other non-current assets	**66,805**
Investment properties held for sale	**519,658**
Current assets	**157,914**
Total assets	**2,293,581**
Equity	
Net equity	**(675,242)**
Non-controlling interests	**6,779**
Total negative equity	**(668,463)**
Liabilities	
Non current liabilities	
Interest bearing loans and borrowings	**1,939,301**
Other non-current liabilities	**162,851**
Current liabilities	
Interest bearing loans and borrowings	**755,152**
Other current liabilities	**104,740**
Total liabilities	**2,962,044**
Total equity and liabilities	**2,293,581**

6. Investment in joint venture undertaking - continued

2) The consolidated statement of comprehensive income for the year ended at 31 December 2009 for BGP investment S.à r.l. is as follows:

	2009
	€'000
Net rental income	**(138,573)**
Profits on sales of investment properties	**(31,486)**
Other expenses	**87,347**
Valuation losses from completed investment properties	**183,395**
Operating loss	**100,683**
Net finance income and expenses	**239,012**
Share of losses of joint ventures	**67,766**
Income tax	**(19,408)**
Loss for the year	**(388,053)**

7. Loans receivable

	2009
	€
Loans receivable	**1,000**

On 4 August 2009, GPT RE Limited sold the loan with a nominal amount of €747,867,808 lent to BGP Investment S.à r.l. on behalf of General Property Trust to BGP Holdings Europe S.à r.l. for a consideration of €1,000. The consideration represents the estimated recoverable amount at the date of transaction.

8. Receivables

Group and Company

	2009	2008
	€	€
Prepayments	**73,055**	-

9. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2009 Group Consolidated	2009 Company	2008 Company
	€	€	€
Cash at bank	**2,378,037**	**2,070,375**	5,898

10. Share capital

Company	**2009**	2008
	€	€
Authorised		
9,796,902,030 (2008: 99,999) ordinary 'A' shares of €0.0000102072 each (2008: €1 each)	**99,999**	99,999
1 ordinary 'B' share of €1	**1**	1
	100,000	100,000
Issued and fully paid		
9,796,902,030 (2008: 7,578) ordinary 'A' shares of €0.0000102072 each (2008: €1 each)	**99,999**	7,578
Nil (2008: 1) ordinary 'B' share of €1	**-**	1
	99,999	7,579

Holders of ordinary 'A' shares have the right to receive dividends, participate in the profits of the Company and attend and vote at all general meetings of the Company.

On 9 July 2009, the issued share capital of the Company increased by a further issue of 81,668 fully paid 'A' Ordinary shares of Euro 1 each at a premium of Euro 14 per share (refer to Note 11).

On 27 July 2009, the issued share capital of the Company increased by a further issue of 10,753 fully paid 'A' Ordinary shares of Euro 1 each at a premium of Euro 224.9834 per share (refer to Note 11).

On 7 August 2009, the shareholders resolved that each Ordinary 'A' share in the Company be divided in a ratio of 1/97,970 such that after the division, the resulting number of shares in issue amounted to 9,796,902,030.

On 24 August 2009 the one fully paid 'B' Ordinary share of Euro 1 was bought back by the Company from the shareholder and subsequently cancelled.

11. Share premium account

The share premium account as at 31 December 2007 of Euro 109,775,001 represents premium on 4,999 'A' ordinary shares allotted on 20 June 2005 at a premium of Euro 21,959.392 per share.

On 24 June 2008, the Company issued 60 Ordinary 'A' shares at a premium of Euro 21,999 each. Following the issue, the share premium account stood at Euro 111,094,941.

On 9 July 2008 the shareholders of the Company unanimously resolved to reduce the Company share premium by Euro 3,354,000 and to repay such amount back to the shareholders. This reduction became effective three months from the date of publication of the resolution. Following the reduction, the share premium account stood at Euro 107,740,941.

On 26 August 2008, the issued share capital of the Company was increased by a further issue of 2,519 fully paid up "A" Ordinary shares of Euro 1 each at a premium of Euro 21,954.444 per share.

On 9 July 2009, the issued share capital of the Company increased by a further issue of 81,668 fully paid 'A' Ordinary shares of Euro 1 each at a premium of Euro 14 per share (refer to Note 10).

11. Share premium account - continued

On 27 July 2009, the issued share capital of the Company increased by a further issue of 10,753 fully paid 'A' Ordinary shares of Euro 1 each at a premium of Euro 224.9834 per share (refer to Note 10).

This amount is not distributable by way of dividend to shareholders. It may be applied by the Company in paying up unissued shares of the Company as fully paid bonus shares to the shareholders of the Company.

12. Payables

	2009 Group Consolidated €	**2009 Company €**	2008 Company €
Amounts falling due within one year			
Amounts due to immediate parent company	**-**	**-**	34,000
Amounts due to subsidiary undertaking	**-**	**12,640**	-
Other creditors	**27,752**	**10,276**	2,762
Accruals	**63,672**	**37,930**	5,350
	91,424	**60,846**	42,112

13. Expenses by nature

Group

	2009 €
Professional and consultancy fees	**61,331**
Insurance	**39,971**
Registry maintenance	**45,154**
Legal and notary fees	**1,507**
Other expenses	**24,678**
Total expenses	**172,641**

Auditor's fees

Fees charged by the auditor for services rendered during the financial period ended 31 December 2009 relate to the following:

	2009 €
Annual statutory audit	**26,930**

13. Expenses by nature - continued

Company

	2009	2008
	€	€
Provision for impairment of investments	**1,217,161**	163,051,766
Professional and consultancy fees	**48,156**	24,414
Insurance	**39,971**	-
Registry maintenance	**45,154**	-
Other expenses	**20,843**	11,816
Total expenses	**1,371,285**	163,087,996

Auditor's fees

Fees charged by the auditor for services rendered during the financial periods ended 31 December 2009 and 2008 relate to the following:

	2009	2008
	€	€
Annual statutory audit	**11,800**	5,725

14. Finance income

Company

	2009	2008
	€	€
Bank interest receivable	**4**	342

15. Finance costs

	2009 Group Consolidated	**2009 Company**	2008 Company
	€	**€**	€
Bank charges	**1,119**	**980**	275

16. Tax expense

Group

	2009
	€
Current taxation:	
Current tax expense	-

The tax on the group's loss before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

	2009
	€
Loss before tax	(173,760)
Tax on loss at statutory tax rates of 35%	(60,816)
Tax effect of:	
Expenses not deductible for tax purposes	60,816
Tax expense	-

Company

	2009	2008
	€	€
Current taxation:		
Current tax expense	**1**	51

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

	2009	2008
	€	€
Loss before tax	(1,372,261)	(163,087,929)
Tax on loss at 35%	(480,291)	(57,080,775)
Tax effect of:		
Income subject to 15% final withholding tax	(1)	(68)
Expenses not deductible for tax purposes	480,293	57,080,894
Tax expense	1	51

17. Directors' emoluments

Group

	2009
	€
Directors' fees	5,522

Company

	2009	2008
	€	€
Directors' fees	**5,522**	4,142

18. Cash used in operations

Reconciliation of operating loss to cash used in operations:

	2009 Group Consolidated	**2009 Company**	2008 Company
	€	**€**	€
Operating loss	**(172,641)**	**(154,124)**	(36,230)
Changes in working capital:			
Debtors	**(73,055)**	**(73,055)**	1,000
Creditors	**(16,421)**	**18,734**	33,441
Cash used in operations	**(262,117)**	**(208,445)**	(1,789)

19. Related party transactions

Company

Companies forming part of the BGP Group are considered by the directors to be related parties as these companies have the same ultimate controlling company. Transactions with related parties are entered into on a regular basis as a result of normal commercial transactions.

The Company held the following balances with related parties as at 31 December 2009 and 31 December 2008.

	2009	2008
	€	€
Amount due to subsidiary undertaking (Note 12)	**12,640**	-
Amounts due to immediate parent company (Note 12)	**-**	34,000

19. Related party transactions - continued

The key management of the Company are considered to be the directors. The remuneration received by the directors during the current financial year has been separately disclosed in Note 17.

20. Statutory information

BGP Holdings plc is a public limited liability company and is incorporated in Malta.

The immediate and ultimate parent company of BGP Holdings plc is The Trust Company (Australia) Limited with its registered address at Level 4, 35 Clarence Street, Sydney NSW2000, Australia.

Detailed accounts

Statement of comprehensive income (Company)

	2009	2008
	€	€
Administrative expenses (page 28)	**(154,124)**	(36,230)
Operating loss	**(154,124)**	(36,230)
Bank interest receivable	**4**	342
Bank charges	**(980)**	(275)
Provision for impairment of investments	**(1,217,161)**	(163,051,766)
Loss for the year before tax	**(1,372,261)**	(163,087,929)

Administrative expenses (Company)

	2009	2008
	€	€
Directors' remuneration	**5,522**	4,142
Professional and consultancy fees	**48,156**	24,414
Auditors' remuneration	**11,800**	5,351
Insurance	**39,971**	-
Registry maintenance fees	**45,154**	-
General expenses	**3,521**	2,323
Total administrative expenses (page 27)	**154,124**	36,230