

**REPORTS AND FINANCIAL STATEMENTS
PORTLAND GATE LIMITED
FOR THE YEAR ENDED 30 JUNE 2002**

Company Registration Number: 2420670

Deloitte & Touche,
Chartered Accountants,
Deloitte & Touche House,
Earlsfort Terrace,
Dublin 2.



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FOR THE YEAR ENDED 30 JUNE 2002**

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DIRECTORS AND OTHER INFORMATION

DIRECTORS

Charles J. Carvill
Jean-Michel Bouché (resigned 28 August 2002)
Thomas Carvill
Michael Carvill
Colin Taylor

SECRETARY

Thomas Carvill

AUDITORS

Deloitte & Touche,
Chartered Accountants,
Deloitte & Touche House,
Earlsfort Terrace,
Dublin 2.

SOLICITORS

Cannings Connolly,
Hillgate House,
26 Old Bailey,
London EC4M 7HQ.

REGISTERED OFFICE

9th Floor,
Hillgate House,
26 Old Bailey,
London EC4M 7HQ.

BANKERS

Northern Bank Limited

The directors submit their annual report, together with the audited financial statements, for the year ended 30 June 2002.

PRINCIPAL ACTIVITY

The company's principal activity continued to be the development of commercial property in the U.K.

BUSINESS REVIEW

A summary of the trading results for the year is given on page 7 to the financial statements.

The directors do not propose the payment of a dividend.

DIRECTORS

The present membership of the board is set out on page 2.

DIRECTORS' AND SECRETARY'S INTERESTS

None of the directors or secretary had an interest in the share capital of the company at 30 June 2002 or 30 June 2001.

The following were the interests of the directors in the ultimate parent undertaking, Vico Properties plc, at 30 June 2002 and 30 June 2001:


Number of Ordinary Shares of 10p each
2002 2001

Charles J. Carvill	336,420	336,420
Thomas Carvill	328,410	328,410
Michael Carvill	644,805	644,805
Colin Taylor	237,242	237,242
Bouché Settlement	300,375	300,375

AUDITORS

The company pursuant to Article 386 of the Companies Act 1985 elected to dispense with the obligation to appoint auditors annually. The company also resolved that while this election is in force, the remuneration of the auditors will be fixed by the directors. The auditors, Deloitte & Touche, have expressed their willingness to continue in office.

By Order of the Board:


Secretary

Date : 06 Dec 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the United Kingdom and comply with United Kingdom statute comprising the Companies Act 1985. 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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PORTLAND GATE LIMITED**

We have audited the financial statements of Portland Gate Limited for the year ended 30 June 2002 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors' are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors
Dublin

6/12/02

STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards generally accepted in the United Kingdom and United Kingdom statute comprising the Companies Act 1985.

Accounting standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in England and Wales and issued by the Accounting Standards Board.

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

STOCKS

Sites held for development or sites for which no contract of sale exists are stated at the lower of cost and net realisable value. Cost represents the expenditure incurred on site, materials, direct labour and overheads in bringing the work in progress to its present condition.

FINANCE COSTS

For properties in the course of development, cost includes finance costs from the commencement of development. These costs are normally calculated with reference to the actual interest rate applicable to the borrowing specific to the development.

The period of development for the purpose of capitalising finance costs is deemed to be completed as follows:

- (i) When the property is substantially let. Substantially let is defined as the date when 80% of the gross rental income becomes receivable.
- (ii) When the building is occupied in the case of pre-let properties.
- (iii) When income exceeds outgoings.

Finance costs are reduced by rental income received during the period of development.

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2002**



	Notes	2002 £	2001 £
TURNOVER	1	-	4,078,188
Cost of sales		150,000	(1,840,450)
GROSS PROFIT		<u>150,000</u>	<u>2,237,738</u>
Administrative expenses		(15)	(271,095)
OPERATING PROFIT		<u>149,985</u>	<u>1,966,643</u>
Interest payable	3	-	(157,064)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>149,985</u>	<u>1,809,579</u>
Taxation	5	-	(450,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>149,985</u>	<u>1,359,579</u>
Dividend payable		-	(1,300,000)
PROFIT RETAINED FOR THE YEAR		<u>149,985</u>	<u>59,579</u>
Profit and loss account brought forward		80,546	20,967
Profit and loss account carried forward		<u><u>230,531</u></u>	<u><u>80,546</u></u>

All recognised gains and losses have been reflected in this profit and loss account. There were no movements in shareholders' funds other than the recognised gains and losses in the current and prior year. All profits and losses arose from continuing activities in the current and prior year.

BALANCE SHEET AS AT 30 JUNE 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Stocks	6	150,000	150,000
Debtors	7	78,466	1,382,723
Cash		2,166	-
		<u>230,632</u>	<u>1,532,723</u>
CREDITORS : (Amounts falling due within one year)	8	-	(1,452,077)
NET CURRENT ASSETS		<u>230,632</u>	<u>80,646</u>
NET ASSETS		<u>230,632</u>	<u>80,646</u>
CAPITAL AND RESERVES			
Called-up share capital	10	100	100
Profit and loss account		230,532	80,546
SHAREHOLDERS' FUNDS - EQUITY		<u>230,632</u>	<u>80,646</u>

The financial statements were approved by the Board of Directors on 06 December 2002 and signed on its behalf by:


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DIRECTORS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002****1. TURNOVER**

The analysis of turnover by class of business and geographical market is as follows:

(a) By class of business	2002	2001
	£	£
Rental income	-	253,188
Property sales	-	3,825,000
	<u>-</u>	<u>4,078,188</u>
(b) By geographical market		
United Kingdom	-	4,078,188
	<u>-</u>	<u>4,078,188</u>

2. EMPLOYEES AND REMUNERATION

No staff are employed by the company.

3. INTEREST PAYABLE	2002	2001
	£	£
Interest receivable	-	759
Interest payable on bank loans, overdraft and other loans	-	(157,823)
	<u>-</u>	<u>(157,064)</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	£	£
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The profit on ordinary activities before taxation
is stated after charging :

Auditors' remuneration	-	-
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2002**

5. TAXATION	2002	2001
	£	£
Corporation tax charge	-	450,000
	<u> </u>	<u> </u>
No tax charge arose in the current year due to availability of group relief.		
6. STOCKS	2002	2001
	£	£
Sites held for development	150,000	150,000
	<u> </u>	<u> </u>
7. DEBTORS: (Amounts falling due within one year)	2002	2001
	£	£
Trade debtors	-	(96)
Other debtors	-	2,842
Amounts due from group companies	78,466	1,379,977
	<u> </u>	<u> </u>
	78,466	1,382,723
	<u> </u>	<u> </u>
8. CREDITORS: (Amounts falling due within one year)	2002	2001
	£	£
Accruals	-	1,450,000
Bank overdraft (Note 9)	-	2,077
VAT payable	-	-
	<u> </u>	<u> </u>
	-	1,452,077
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2002**

9. BANK LOAN	2002	2001
	£	£
(a) Classifications		
Within one year:		
Bank overdraft	-	2,077
	<u> </u>	<u> </u>
After one year:		
Bank loan	-	-
	<u> </u>	<u> </u>

(b) The bank loan is secured by the following:

- (i) A first legal mortgage on the company's development site at Portland Gate, Portland Street, Kilmarnock.
- (ii) A floating charge over book debts.
- (iii) A guarantee by Vico Properties plc in the amount of £2,900,000.

10. CALLED-UP SHARE CAPITAL	2002	2001
	£	£
Authorised, Allotted, Called-up and Fully Paid:		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

11. GROUP MEMBERSHIP

In the opinion of the directors the parent undertaking of Portland Gate Limited is Vico Properties East Anglia Limited, a company incorporated in England. The parent undertaking is exempt from the requirement to prepare consolidated financial statements in accordance with Section 229 of the Companies Act 1985.

The company's ultimate parent undertaking is Vico Properties plc, a company incorporated in Northern Ireland. The parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared is Vico Properties plc.

Copies of the group financial statements of Vico Properties plc are available from:
Companies Registration Office
IDB House
64 Chichester Street
Belfast BT1 4JX.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2002**

12. CASH FLOW STATEMENT

In accordance with Financial Reporting Standard 1, a cash flow statement has not been prepared for the company as the cash flows of the group are disclosed in the consolidated financial statements of the ultimate holding company.

13. RELATED PARTY TRANSACTIONS

The company is a wholly-owned subsidiary of Vico Properties East Anglia Limited, whose ultimate parent undertaking is Vico Properties plc, and has availed of the exemption under Financial Reporting Standard 8 from disclosure of intra-group related party transactions.