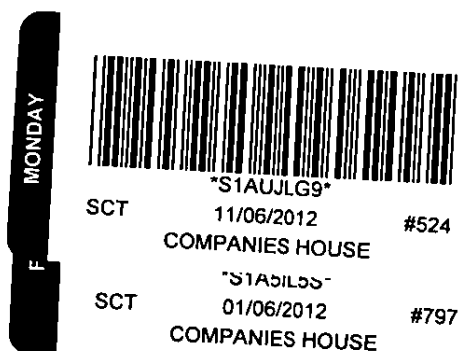


# Vico Securities Limited

## Reports and Financial Statements for the year ended 30 June 2011

*Company Registration No: 98343*



VICO SECURITIES LIMITED

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011

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**VICO SECURITIES LIMITED**

**DIRECTORS AND OTHER INFORMATION**

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**DIRECTORS**

Charles J. Carvill  
Thomas Carvill  
Michael Carvill  
Colin Taylor

**SECRETARY**

Thomas Carvill

**INDEPENDENT AUDITORS**

Deloitte & Touche  
Chartered Accountants & Registered Auditors  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

**SOLICITORS**

MacRoberts LLP  
Capella  
60 York Street  
Glasgow  
G2 8JX

**REGISTERED OFFICE**

150 West George St  
Glasgow  
G2 2HG

**BANKERS**

Northern Bank Limited  
Donegal Square North  
Belfast  
BT1 6JS

## VICO SECURITIES LIMITED

### DIRECTORS' REPORT

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The directors submit their annual report, together with the audited financial statements, for the year ended 30 June 2011.

#### PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were the development of property and property investments.

#### RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £216,341 compared with (2010: £1,849,574 ). The directors do not recommend payment of a dividend (2010: £Nil). Loss in the prior year includes a charge of £1,930,000 in respect of the write down in amounts due from Carvill Group Limited.

#### RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the property industry include a downturn in the property market, increase in interest rates, a shortage of available development land and delays in securing planning permissions. These risks are monitored by the directors on an ongoing basis.

#### FUTURE DEVELOPMENTS

The company will continue to develop its properties and expects to investigate further projects and acquisitions as an expansion of its existing base of operations.

#### DIRECTORS

The present membership of the board is set out on page 2. There were no changes during the year.

#### DIRECTORS' AND SECRETARY'S INTERESTS

None of the directors or secretary who held office at 30 June 2011 had an interest in the share capital of the company at 30 June 2011 or 1 July 2010.

The following shares were held by the directors in office at 30 June 2011 in the ultimate parent undertaking, Vico Properties plc, at 30 June 2011 and 1 July 2010:

	Number of Ordinary Shares of Stg10p each	
	2011	2010
Charles J. Carvill	907,849	336,420
Thomas Carvill	328,410	328,410
Michael Carvill	732,915	732,915
Colin Taylor	237,242	237,242
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VICO SECURITIES LIMITED

DIRECTORS' REPORT (CONTINUED)

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AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act, 2006.

Pursuant to s386 Companies Act, 1985, an elective resolution was passed dispensing with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007. Therefore, Deloitte & Touche are deemed to continue as auditors. The company also resolved that while this election is in force the remuneration of the auditors will be fixed by the directors.

By Order of the Board:



Michael Carvill  
Director

Date:

## VICO SECURITIES LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act, 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICO SECURITIES LIMITED

We have audited the financial statements of Vico Securities Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act, 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act, 2006.

### *Emphasis of matter – going concern*

Without qualifying our opinion, we draw your attention to Note 1 to the financial statements which indicates that the company incurred a loss for the year of £216,341 and had net liabilities of £3,447,560 at the balance sheet date. The company had bank loans at the balance sheet date of £3,551,494 which are currently due for renewal. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The company's ultimate parent undertaking, Vico Properties plc, which also has bank facilities due for renewal, has agreed to provide continued financial support. The directors are confident that on-going discussions with the company's and group's bankers will have a satisfactory outcome and that bank facilities will continue to be available to meet the directors' forecast of the cash requirements of the company and group for a minimum period of at least twelve months from the date of approval of the financial statements. The directors are satisfied that it is appropriate to continue to prepare the financial statements of the company on a going concern basis. The financial statements do not include any adjustments that would arise if the company was unable to continue as a going concern.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICO SECURITIES LIMITED

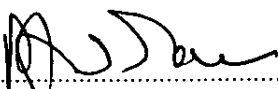
### Opinion on other matter prescribed by the Companies Act, 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act, 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

  
..... (Senior Statutory Auditor)  
for and on behalf of Deloitte & Touche  
Chartered Accountants and Statutory Auditor  
Dublin  
Ireland

Date:

31/5/12



## **VICO SECURITIES LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

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

#### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

The company's liabilities have been guaranteed by its ultimate parent undertaking, Vico Properties plc, which has also agreed to provide continued financial support. The financial statements have therefore been prepared on the going concern basis.

#### **ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention.

#### **TURNOVER**

Turnover comprises receipts from property sales and rental income, net of value added tax.

Long term receivables due from property sales are discounted to the present value of the expected cash flow to be received from customers.

#### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost and are depreciated at such rates as will write off their cost over their expected useful lives.

The annual rates in use are as follows:

Office furniture and equipment	: 20%
Motor vehicles	: 25%

#### **TAXATION**

Current tax is provided on the Company's taxable profits at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent that they are regarded as recoverable.

#### **PENSION COSTS**

Pension costs charged to the profit and loss account are based on the amount of the contributions payable in respect of the particular accounting period.

charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

VICO SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 £	2010 £
<b>TURNOVER</b>		-	-
Cost of sales		(163,095)	132,025
<b>GROSS (LOSS)/PROFIT</b>		<u>(163,095)</u>	<u>132,025</u>
Administrative expenses		(53,246)	(55,727)
Impairment charge	5	-	(1,930,000)
Interest payable		-	(3,479)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<u>(216,341)</u>	<u>(1,857,181)</u>
Taxation	4	-	7,607
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	11	<u><u>(216,341)</u></u>	<u><u>(1,849,574)</u></u>

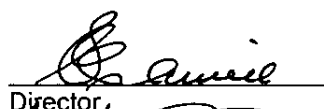
All recognised gains and losses have been reflected in this profit and loss account. There were no movements in shareholders' funds other than the recognised gains and losses in the current and prior year. All profits and losses arose from continuing activities in the current and prior year.

VICO SECURITIES LIMITED

BALANCE SHEET AS AT 30 JUNE 2011

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	6	8,929	13,133
<b>CURRENT ASSETS</b>			
Stock		1,500,000	1,500,000
Debtors	7	3,880	19,177
Cash at bank		1,008	890
		<u>1,504,888</u>	<u>1,520,067</u>
<b>CREDITORS: (Amounts falling due within one year)</b>	8	<b>(4,961,377)</b>	<b>(3,548,419)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(3,456,489)</b>	<b>(2,028,352)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(3,447,560)</b>	<b>(2,015,219)</b>
<b>CREDITORS: (Amounts falling due after more than one year)</b>	9	<b>-</b>	<b>(1,216,000)</b>
<b>NET LIABILITIES</b>		<b>(3,447,560)</b>	<b>(3,231,219)</b>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	10	212	212
Profit and loss account – deficit	11	(3,447,772)	(3,231,431)
<b>SHAREHOLDERS' DEFICIT</b>	12	<b>(3,447,560)</b>	<b>(3,231,219)</b>

The financial statements of Vico Securities Limited, registered number 98343, were approved by the Board of Directors on ..... and signed on its behalf by:

  
Director

CHARLES J CARVILL

30<sup>th</sup> MAY 2012.

  
MICHAEL CARVILL

## VICO SECURITIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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#### 1. GOING CONCERN

The directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements particularly as the Profit and Loss Account indicates that the company incurred a loss of £216,341 for the year ended 30 June 2011 (2010: £1,849,574), Note 8 to the Balance Sheet shows that the company had Bank Loans of £3,551,494 (2010: £3,510,000) on that date, and the company had net liabilities of £3,447,560 (2010: £3,231,219) at the balance sheet date.

All of the group's banking facilities fall due for renewal currently. The group has deferred interest payments on bank loans due at the end of June 2011. The company's ultimate parent undertaking, Vico Properties plc, which also has bank facilities due for renewal, has agreed to provide continued financial support to the company. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

The directors have reviewed the current and projected financial position of the company and the group. The key areas reviewed include, the timing and value of property sales, committed future expenditure and the continued availability of existing banking facilities.

The group has recently successfully completed the sale of a food store site in Northern Ireland on 24 February 2012 for £9.5m. This transaction contributed to a significant reduction in the group's debt.

The group has also recently secured planning permission for another smaller food store site in Scotland. The group are in detailed discussions with a potential purchaser.

The directors are optimistic that contracts for sale can be concluded, on both sites, which will lead to significant cash receipts over the coming twelve months.

The directors have taken steps to reduce cash outflows by significantly reducing group overhead and by careful management of the professional fee expenditure required to keep existing projects moving forward.

Discussions continue with the group bankers and the directors are confident that there will be a successful outcome to these discussions and that the banking facilities will continue to be made available to meet the directors' forecast of the cash requirements of the group for a minimum period which will extend to at least twelve months from the date of approval of these financial statements.

Having considered the uncertainties described above the directors are confident that the company will have adequate resources available to continue in operational existence for the foreseeable future. The directors are, therefore, of the opinion that it is appropriate to adopt the going concern basis in preparing these financial statements. The financial statements do not include the adjustments to the carrying amount or classification of assets and liabilities that would arise if the company was unable to continue as a going concern.

#### 2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation is arrived at after charging:		
Depreciation	4,204	15,814
Auditors' remuneration	-	-
Directors' remuneration	222,590	276,164

The remuneration of the Chairman and highest paid director, including pensions, were £Nil (2010: £Nil) and £222,590 (2010: £322,643) respectively.

Auditors' remuneration was borne by another group company in 2011.

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

3. EMPLOYEES AND REMUNERATION	2011 £	2010 £
Wages and salaries	385,429	452,400
Social security costs	47,164	57,991
Pension costs	29,978	33,930
Net recharge to group companies	-	(544,321)
	<u>462,571</u>	<u>-</u>

The average number of employees (including directors) during the year was as follows:

	2011 No.	2010 No.
Office management	<u>3</u>	<u>4</u>

4. TAXATION	2011 £	2010 £
<b>Analysis of the tax credit:</b>		
Corporation tax	-	13,050
(Over)/ underprovision in prior years	-	(5,443)
	<u>-</u>	<u>7,607</u>
<b>Factors affecting the tax (charge)/credit in the year:</b>		
Loss on the ordinary activities before taxation	<u>(216,341)</u>	<u>(1,857,181)</u>
<b>Effects of:</b>		
Corporation tax at the standard rate of 28% (2010: 28%)	(60,575)	(520,011)
Depreciation in excess of capital allowance	-	(1,603)
Other differences	-	(51,195)
Overprovision in prior year	-	(5,443)
Adjustment to previously claimed group relief	-	13,050
Loss available for carryforward / Group loss relief	<u>60,575</u>	<u>578,252</u>
Current tax credit for the year	<u>-</u>	<u>13,050</u>

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

5.	<b>EXCEPTIONAL ITEM</b>	<b>2011 £</b>	<b>2010 £</b>
	Write off in respect of site sale contracted for in 2007 to Carvill Group Limited	-	1,930,000
6.	<b>TANGIBLE ASSETS</b>		
		<b>Motor Vehicles £</b>	<b>Office Furniture and Equipment £</b>
	<b>Cost:</b>		<b>Total £</b>
	At 1 July 2010 and at 30 June 2011	72,084	21,667
			93,751
	<b>Accumulated Depreciation:</b>		
	At 1 July 2010	72,084	8,534
	Charge for year	-	4,204
			4,204
	At 30 June 2011	72,084	12,738
			84,822
	<b>Net Book Values:</b>		
	At 30 June 2011	-	8,929
			8,929
	At 30 June 2010	-	13,133
			13,133
7.	<b>DEBTORS: (amounts falling due within one year)</b>	<b>2011 £</b>	<b>2010 £</b>
	Prepayments	-	5,810
	VAT refundable	3,880	317
	Corporation tax	-	13,050
		3,880	19,177

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

8.	<b>CREDITORS: (Amounts falling due within one year)</b>	<b>2011</b>	<b>2010</b>
		£	£
	Bank loan	3,551,494	3,510,000
	Amounts owed to group company	1,278,678	8
	PAYE	41,962	14,054
	Social security	19,796	6,087
	Accruals and deferred income	69,447	18,270
		<u>4,961,377</u>	<u>3,548,419</u>
9.	<b>CREDITORS: (Amounts falling due after more than one year)</b>	<b>2011</b>	<b>2010</b>
		£	£
	Amounts owed to group company	-	1,216,000
10.	<b>CALLED-UP SHARE CAPITAL</b>	<b>2011</b>	<b>2010</b>
		£	£
	<b>Authorised:</b>		
	100,000 ordinary shares of £1 each	100,000	100,000
	<b>Allotted, called-up and fully paid:</b>		
	212 ordinary shares of £1 each	212	212
11.	<b>PROFIT AND LOSS ACCOUNT – DEFICIT</b>	<b>2011</b>	<b>2010</b>
		£	£
	At beginning of year	(3,231,431)	(1,381,857)
	Loss for the year	(216,341)	(1,849,574)
	At end of year	<u>(3,447,772)</u>	<u>(3,231,431)</u>
12.	<b>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT</b>	<b>2011</b>	<b>2010</b>
		£	£
	At beginning of year	(3,231,219)	(1,381,645)
	Loss for the year	(216,341)	(1,849,574)
	At end of year	<u>(3,447,560)</u>	<u>(3,231,219)</u>

## VICO SECURITIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (CONTINUED)

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#### 13. PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £29,978 (2010: £33,930).

At 30 June 2011, £33,799 was outstanding in contributions (2010: £18,270).

#### 14. CONTINGENT LIABILITIES

##### Guarantees

The company has, together with the following group companies: Vico Properties (Northern Limited), Vico Projects Limited, Vico Properties Scotland Limited, Vico Properties plc, Vico Land and Estates Limited, Vico Properties East Anglia Limited and Vico Kent Limited, entered into an inter-company unlimited cross letter of guarantee. The amount guaranteed at the balance sheet date was £16,919,563 (2010: £16,413,711).

#### 15. GROUP MEMBERSHIP

In the opinion of the directors, 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 House  
Second Floor  
The Linenhall  
32 -38 Linenhall Street  
Belfast  
BT2 8BG

#### 16. CASH FLOW STATEMENT

In accordance with Financial Reporting Standard 1 "Cash Flow Statements", 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 parent undertaking.

#### 17. RELATED PARTY TRANSACTIONS

The directors have availed of the exemption under Financial Reporting Standard 8 "Related Party Disclosures" which permits subsidiaries, 100% of whose voting rights are controlled within the group, not to disclose transactions with other wholly owned entities of the group.