

Vico Securities Limited

Reports and Financial Statements for the 18 month period from 30 June 2011 to 31 December 2012

Company Registration No: 98343

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VICO SECURITIES LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD FROM 30 JUNE 2011 TO 31 DECEMBER 2012**

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VICO SECURITIES LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Charles J. Carvill
Thomas Carvill
Michael Carvill
Colin Taylor (resigned 1 November 2012)

SECRETARY

Thomas Carvill

INDEPENDENT AUDITORS

Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
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

The directors submit their annual report, together with the audited financial statements, for the 18 month period from 30 June 2011 to 31 December 2012.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to £894,550 compared with (2011: £216,341). The directors do not recommend payment of a dividend (2011: £Nil). Loss in the prior period includes a charge of £Nil (2011: £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. Colin Taylor resigned as director on 1 November 2012.

DIRECTORS' AND SECRETARY'S INTERESTS

None of the directors or secretary who held office at 31 December 2012 had an interest in the share capital of the company at 31 December 2012 or 1 July 2011.

The following shares were held by the directors in office at 31 December 2012 in the ultimate parent undertaking, Vico Properties plc, at 31 December 2012 and 1 July 2011:

	Number of Ordinary Shares of Stg10p each	
	2012	2011
Charles J. Carvill	336,420	336,420
Thomas Carvill	328,410	328,410
Michael Carvill	732,915	732,915
Colin Taylor (resigned 1 November 2012)	237,242	237,242

VICO SECURITIES LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITORS

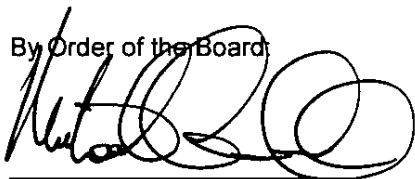
Each of the persons who is a director at the date of approval of this report confirms that:

- 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:



Director

MICHAEL CARVILL

Date: 16th August 2013

VICO SECURITIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period. 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 18 month period from 30 June 2011 to 31 December 2012 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 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

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 31 December 2012 and of its loss for the period 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 period of £894,550 and had net liabilities of £4,342,110 at the balance sheet date. The company had bank loans at the balance sheet date of £3,360,000 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.

Members of
Deloitte Touche Tohmatsu
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICO SECURITIES LIMITED

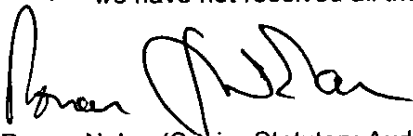
Opinion on other matter prescribed by the Companies Act, 2006

In our opinion the information given in the Directors' Report for the financial period 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.



Ronan Nolan (Senior Statutory Auditor)
for and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin
Ireland

Date:

16/8/13

VICO SECURITIES LIMITED

STATEMENT OF ACCOUNTING POLICIES

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.

VICO SECURITIES LIMITED

STATEMENT OF ACCOUNTING POLICIES

HIRE PURCHASE CONTRACTS

Where tangible assets are financed by hire purchase agreements which give rights approximating to ownership they are treated as if they had been purchased outright at the present value of the minimum hire purchase payments and the corresponding hire purchase liabilities are shown in the balance sheet under creditors.

LEASES

Assets obtained under finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance 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.

Operating leases are charged to the profit and loss account as incurred.

VICO SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 18 MONTH PERIOD FROM 30 JUNE 2011 TO 31 DECEMBER 2012

	<i>Notes</i>	18 months to 31 December 2012 £	12 months to 30 June 2011 £
TURNOVER		-	-
Cost of sales		(316,292)	(163,095)
GROSS LOSS		(316,292)	(163,095)
Administrative expenses		(77,538)	(53,246)
Impairment charge	5	(500,000)	-
Interest payable		(719)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(894,549)	(216,341)
Taxation	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	11	(894,549)	(216,341)

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 period. All profits and losses arose from continuing activities in the current and prior period.

VICO SECURITIES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	31 December 2012 £	30 June 2011 £
FIXED ASSETS			
Tangible assets	5	6,650	8,929
CURRENT ASSETS			
Stock		1,000,000	1,500,000
Debtors	6	2,160	3,880
Cash at bank		5,676	1,008
		<u>1,007,836</u>	<u>1,504,888</u>
CREDITORS: (Amounts falling due within one year)	7	(5,356,595)	(4,961,377)
NET CURRENT LIABILITIES		(4,348,759)	(3,456,489)
TOTAL ASSETS LESS CURRENT LIABILITIES		(4,342,109)	(3,447,560)
CREDITORS: (Amounts falling due after more than one year)	8	-	-
NET LIABILITIES		(4,342,109)	(3,447,560)
CAPITAL AND RESERVES			
Called-up share capital	9	212	212
Profit and loss account – deficit	10	(4,342,321)	(3,447,772)
SHAREHOLDERS' DEFICIT	11	(4,342,109)	(3,447,560)

The financial statements of Vico Securities Limited, registered number 98343, were approved by the Board of Directors on 16th August 2013 and signed on its behalf by:

Director



Director

MICHAEL CARVILL

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 18 MONTH PERIOD FROM 30 JUNE 2011 TO 31 DECEMBER 2012

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 Company Profit and Loss Account indicates that the Company incurred a loss of £894,549 for the period ended 31 December 2012 (30/06/2011: Loss £216,341) and Note 8 to the Balance Sheet shows that the Company had Bank and Other Loans of £3,360,000 (30/06/2011: £3,551,494) on that date and that the Company had net liabilities of £4,342,109.

The directors have reviewed the current and projected financial position of 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.

Subsequent to the period end the group has concluded on a number of contracts for sale which is a positive movement in light of the difficult market conditions at present. The group are also in detailed discussions with a potential purchaser for another site. The directors are optimistic that a contract for sale can be concluded on this site which will lead to significant cash receipts over the coming twelve months. Additionally the directors are hopeful the group will secure planning permission on a number of other sites which would enable the group to make further sales in 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.

All of the group's banking facilities fall due for renewal currently. The group has deferred interest payments on bank loans with some financial institutions due at the end of December 2012. 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 for a minimum period which will extend to at least twelve months from the date of approval of these financial statements.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the group's and company's ability to continue as a going concern. Having considered the uncertainties described above the directors are confident that the group and 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. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	18 months to 31 December 2012 £	12 months to 30 June 2011 £
Loss on ordinary activities before taxation is arrived at after charging:		
Depreciation	2,281	4,204
Auditor's remuneration	-	-
Directors' remuneration	283,153	222,590

The remuneration of the Chairman and highest paid director, including pensions, were £Nil (2011: £Nil) and £283,153 (2011: £222,590) respectively.

Auditor's remuneration was borne by another group company in 2012.

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD FROM 30 JUNE 2011 TO 31 DECEMBER 2012 (CONTINUED)

3. EMPLOYEES AND REMUNERATION	18 months to 31 December 2012 £	12 months to 30 June 2011 £
Wages and salaries	549,706	385,429
Social security costs	61,339	47,164
Pension costs	40,042	29,978
	<u>651,087</u>	<u>462,571</u>

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

	2012 No.	2011 No.
Office management	<u>3</u>	<u>3</u>

4. TAXATION	18 months to 31 December 2012 £	12 months to 30 June 2011 £
Analysis of the tax credit:		
Corporation tax	-	-
(Over)/ underprovision in prior periods	-	-
	<u>-</u>	<u>-</u>
Factors affecting the tax (charge)/credit in the period:		
Loss on the ordinary activities before taxation	(894,550)	(216,341)
	<u>(894,550)</u>	<u>(216,341)</u>
Effects of:		
Corporation tax at the standard rate of 25% (2011: 28%)	(223,638)	(60,575)
Loss available for carryforward / Group loss relief	223,638	60,575
	<u>-</u>	<u>-</u>
Current tax credit for the period	-	-

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD FROM 30 JUNE 2011 TO 31 DECEMBER 2012 (CONTINUED)

5. TANGIBLE ASSETS

	Motor Vehicles £	Office Furniture and Equipment £	Total £
Cost:			
At 1 July 2011	72,084	21,667	93,751
Disposal	(72,084)	-	(72,084)
At 31 December 2012	-	21,667	21,667
Accumulated Depreciation:			
At 1 July 2011	72,084	12,738	84,822
Depreciation on Disposals	(72,084)	-	(72,084)
Charge for period/year	-	2,279	2,279
At 31 December 2012	-	15,017	15,017
Net Book Values:			
At 31 December 2012	-	6,650	6,650
At 30 June 2011	-	8,929	8,929

6. DEBTORS: (amounts falling due within one year)	31 December 2012 £	30 June 2011 £
VAT refundable	2,160	3,880
	2,160	3,880

7. CREDITORS: (Amounts falling due within one year)	31 December 2012 £	30 June 2011 £
Bank loan	3,360,000	3,551,494
Amounts owed to group company	1,910,985	1,278,678
PAYE	259	41,962
Social security	987	19,796
Accruals and deferred income	84,364	69,447
	5,356,595	4,961,377

8. CREDITORS: (Amounts falling due after more than one year)	31 December 2012 £	30 June 2011 £
Amounts owed to group company	-	-

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTH PERIOD FROM 30 JUNE 2011 TO 31 DECEMBER 2012 (CONTINUED)

9.	CALLED-UP SHARE CAPITAL	31 December 2012 £	30 June 2011 £
	Authorised:		
	100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called-up and fully paid:		
	212 ordinary shares of £1 each	<u>212</u>	<u>212</u>
10.	PROFIT AND LOSS ACCOUNT – DEFICIT	18 months to 31 December 2012 £	12 months to 30 June 2011 £
	At beginning of period/year	(3,447,772)	(3,231,431)
	Loss for the period/year	(894,549)	(216,341)
	At end of period/year	<u>(4,342,321)</u>	<u>(3,447,772)</u>
11.	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT	18 months to 31 December 2012 £	12 months to 30 June 2011 £
	At beginning of period/year	(3,447,560)	(3,231,219)
	Loss for the period/year	(894,550)	(216,341)
	At end of period/year	<u>(4,342,110)</u>	<u>(3,447,560)</u>

12. 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 £40,042 (2011: £29,978).

At 31 December 2012, £Nil was outstanding in contributions (2011: £33,799).

13. 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 £12,346,706 (2011: £16,919,563).

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTH PERIOD FROM 30 JUNE 2011 TO 31 DECEMBER 2012 (CONTINUED)

14. 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

15. 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.

16. 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.

17. POST BALANCE SHEET EVENTS

There have been no significant events since the year end.