

# Vico Securities Limited

## Reports and Financial Statements for the year ended 31 December 2013

*Company Registration No: 98343*

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**VICO SECURITIES LIMITED**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**VICO SECURITIES LIMITED**

**DIRECTORS AND OTHER INFORMATION**

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**DIRECTORS**

Charles J. Carvill  
Thomas Carvill  
Michael Carvill

**SECRETARY**

Thomas Carvill (Resigned 1 June 2013)

**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 (trading as Danske Bank)  
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 31 December 2013.

#### 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 year after taxation amounted to £673,238 (18 months to 31/12/2012: £894,549). The directors do not recommend payment of a dividend (2012: £Nil).

#### 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.

Thomas Carvill resigned as company secretary on 1 June 2013.

#### DIRECTORS' AND SECRETARY'S INTERESTS

None of the directors or secretary who held office at 31 December 2013 had an interest in the share capital of the company at 31 December 2013 or 1 January 2013.

The following shares were held by the directors who held office at 31 December 2013 in the ultimate parent undertaking, Vico Properties plc, at 31 December 2013 and 1 January 2013:

	Number of Ordinary Shares of Stg10p each	
	31/12/2013	01/01/2013
Charles J. Carvill	336,420	336,420
Thomas Carvill	328,410	328,410
Michael Carvill	970,157	732,915
	<u>          </u>	<u>          </u>

**VICO SECURITIES LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

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**AUDITORS**

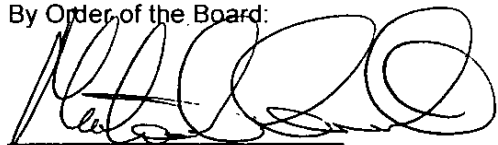
Each of the persons who is a director at the date of approval of this report confirms that:

- 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.

Deloitte & Touche have expressed a willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board:

A handwritten signature in black ink, appearing to read 'Michael Carvill', written over a horizontal line.

Michael Carvill  
Director

Date: 26 August 2014

## 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 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 year ended 31 December 2013 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2013 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.

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

### *Emphasis of matter – going concern*

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures given in note 1 to the financial statements in relation to going concern. The company incurred a loss for the year of £673,238 and had net liabilities and net current liabilities of £5,015,347 and £5,019,432 respectively at the balance sheet date. Bank loans at the balance sheet date amounted to £3,469,975 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 directors are confident that on-going discussions with the company 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 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 were unable to continue as a going concern.

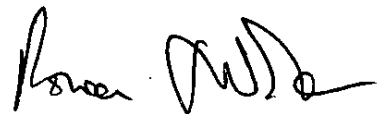
### **Opinion on other matter prescribed by the Companies Act 2006**

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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report.



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

Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

Date:

28/8/14



## **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 financial statements have been prepared on the going concern basis. The company's liabilities have been guaranteed by its ultimate parent undertaking, Vico Properties plc. Bank debt is reliant on the operation of cross guarantees that are in place within the group. Vico Properties plc has net liabilities of £14,616,687 (2012: £4,411,188).

#### **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**

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#### **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.

#### **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.

Sites in the course of development for which irrevocable contracts of sale exist are stated at a valuation which includes cost and an appropriate portion of the anticipated profit or loss on sale. Progress payments received are deducted from the valuation of work in progress. Cost represents the expenditure incurred on sites, materials, direct labour and finance costs in bringing the work in progress to its present condition.

VICO SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	12 months to 31/12/2013 £	18 months to 31/12/2012 £
<b>TURNOVER</b>		<b>1,823</b>	<b>-</b>
Cost of sales		(175,041)	(316,292)
<b>GROSS LOSS</b>		<b>(173,218)</b>	<b>(316,292)</b>
Administrative expenses		-	(77,538)
Impairment charge	6	(500,000)	(500,000)
Interest payable		(20)	(719)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<b>(673,238)</b>	<b>(894,549)</b>
Taxation	4	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	10/11	<b>(673,238)</b>	<b>(894,549)</b>

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

**VICO SECURITIES LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2013**

	Notes	31/12/2013 £	31/12/2012 £
<b>FIXED ASSETS</b>			
Tangible assets	5	4,085	6,650
<b>CURRENT ASSETS</b>			
Stock	6	500,000	1,000,000
Debtors	7	956	2,160
Cash at bank		521	5,676
		<u>501,477</u>	<u>1,007,836</u>
<b>CREDITORS: (Amounts falling due within one year)</b>	8	<b>(5,520,909)</b>	<b>(5,356,595)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(5,019,432)</b>	<b>(4,348,759)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(5,015,347)</b>	<b>(4,342,109)</b>
<b>NET LIABILITIES</b>		<b>(5,015,347)</b>	<b>(4,342,109)</b>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	9	212	212
Profit and loss account – deficit	10	(5,015,559)	(4,342,321)
<b>SHAREHOLDERS' DEFICIT</b>	11	<b>(5,015,347)</b>	<b>(4,342,109)</b>

The financial statements of Vico Securities Limited, registered number 98343, were approved by the Board of Directors on 26 August 2014 and signed on its behalf by:



Michael Carvill  
Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**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 £673,238 for the year ended 31 December 2013 (18 months to 31/12/2012: Loss £894,549) and Note 8 to the Balance Sheet shows that the Company had Bank and Other Loans of £3,469,975 (31/12/2012: £3,360,000) on that date and that the Company had net liabilities of £5,015,347 (31/12/2012: £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 year end the group has continued working towards maximising the value of its assets. 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 further 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 2013. 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**

	12 months to 31/12/2013	18 months to 31/12/2012
Loss on ordinary activities before taxation is arrived at after charging:		
Depreciation	2,565	2,281
Auditor's remuneration	-	-
Directors' remuneration	-	283,153
Impairment (Note 6)	500,000	500,000
	<u>          </u>	<u>          </u>

The remuneration of the Chairman and highest paid director, including pensions, was £Nil (2012: £Nil) and £Nil (2012: £283,153) respectively.

Auditor's remuneration was borne by another group company in 2013 and 2012.

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

3. EMPLOYEES AND REMUNERATION	12 months to 31/12/2013 £	18 months to 31/12/2012 £
Wages and salaries	30,200	549,706
Social security costs	3,645	61,339
Pension costs, healthcare	2,681	40,042
	<u>36,526</u>	<u>651,087</u>

Wages and salaries are recharged to Vico Properties plc.

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

	12 months to 31/12/2013 £	18 months to 31/12/2012 £
Office management	<u>1</u>	<u>3</u>

4. TAXATION	12 months to 31/12/2013 £	18 months to 31/12/2012 £
<b>Analysis of the tax credit:</b>		
Corporation tax	-	-
<b>Factors affecting the tax charge in the year/period:</b>		
Loss on the ordinary activities before taxation	<u>(673,238)</u>	<u>(894,549)</u>
<b>Effects of:</b>		
Corporation tax at the standard rate of 23% (2012: 25%)	<u>(154,845)</u>	<u>(223,637)</u>
Loss available for carryforward	<u>154,845</u>	<u>223,637</u>
Current tax credit for the year/period	<u>-</u>	<u>-</u>

The company has tax losses of £1,796,066 (2012: £1,122,828) that are available for offset against future taxable profits. A deferred tax asset of £413,095 (2012: £280,707) has not been recognised in respect of these losses as there is uncertainty as to when sufficient future taxable profits will be available to utilise these losses.

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

5. TANGIBLE ASSETS

	Office Furniture and Equipment £	Total £
<b>Cost:</b>		
At 1 July 2012	21,667	21,667
<b>At 31 December 2013</b>	<b>21,667</b>	<b>21,667</b>
<b>Accumulated Depreciation:</b>		
At 1 July 2012	15,017	15,017
Charge for year/period	2,565	2,565
<b>At 31 December 2013</b>	<b>17,582</b>	<b>17,582</b>
<b>Net Book Values:</b>		
<b>At 31 December 2013</b>	<b>4,085</b>	<b>4,085</b>
At 30 June 2012	6,650	6,650

6. STOCK	31/12/2013 £	31/12/2012 £
Sites held for development	500,000	1,000,000

Over the financial year the company has continued to monitor the carrying value of stock. As a result of the continuing difficult market environment the directors have determined that the carrying value of the company's sites has suffered a further impairment of £500,000 in the year (2012: £500,000). The company has recorded a write down to bring the carrying value of inventories in the balance sheet to the lower of cost and net realisable value.

7. DEBTORS: (amounts falling due within one year)	31/12/2013 £	31/12/2012 £
VAT refundable	956	2,160
	<b>956</b>	<b>2,160</b>

VICO SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

8. CREDITORS: (Amounts falling due within one year)	31/12/2013 £	31/12/2012 £
Bank loan	3,469,975	3,360,000
Amounts owed to group company	1,958,388	1,910,985
PAYE	-	259
Social security	-	987
Accruals and deferred income	92,546	84,364
	<u>5,520,909</u>	<u>5,356,595</u>

Bank loans are secured by a floating charge over the development sites at Newry.

9. CALLED-UP SHARE CAPITAL	31/12/2013 £	31/12/2012 £
<b>Authorised:</b>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called-up and fully paid:</b>		
212 ordinary shares of £1 each	<u>212</u>	<u>212</u>

10. PROFIT AND LOSS ACCOUNT – DEFICIT	31/12/2013 £	31/12/2012 £
At beginning of year/period	(4,342,321)	(3,447,772)
Loss for the year/period	(673,238)	(894,549)
At end of year/period	<u>(5,015,559)</u>	<u>(4,342,321)</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT	31/12/2013 £	31/12/2012 £
At beginning of year/period	(4,342,109)	(3,447,560)
Loss for the year/period	(673,238)	(894,549)
At end of year/period	<u>(5,015,347)</u>	<u>(4,342,109)</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 £1,821 (2012: £40,042).

At 31 December 2013 there were no outstanding contributions (2012: £Nil).

**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 £13,196,794 (2012: £12,346,706).

**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.