

Vico Projects Limited

Reports and Financial Statements for the year ended 30 June 2010

Company Registration No. 101333

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VICO PROJECTS LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

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VICO PROJECTS LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Charles J. Carvill
Thomas Carvill
Colin Taylor
Michael Carvill

SECRETARY

Thomas Carvill

INDEPENDENT AUDITORS

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

SOLICITORS

MacRoberts LLP
152 Bath Street
Glasgow
G2 4TB

REGISTERED OFFICE

150 West George Street
Glasgow
G2 2HG

BANKERS

Northern Bank Limited
Donegall Square North
Belfast
BT1 6JS

VICO PROJECTS LIMITED

DIRECTORS' REPORT

The directors submit their report, together with the audited financial statements, for the year ended 30 June 2010.

ACTIVITIES

The principal activity of the company in the year under review was property development.

REVIEW OF THE BUSINESS, BUSINESS REVIEW

The loss after taxation for the year amounted to £547 compared to a loss of £6,487 in the prior year. No dividend was paid during the year (2009: £Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

In continuing to deliver returns to shareholders the identification and monitoring of risk is crucial. Property development activities offer the prospect of good returns but brings with it certain risks which are both market related and internally controlled such as time and cost over runs. The latter are managed by keeping a focus on strong project management. Risk is minimised by careful selection of projects and the identification of an end investor at the early stage of projects. Interest rate risk is managed by careful monitoring of company cash flow.

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.

GOING CONCERN

The directors wish to draw attention to Note 1 to the financial statements regarding the appropriateness of the going concern basis in the preparation of the financial statements.

POST BALANCE SHEET EVENTS

Please see Note 15 to the financial statements for details of post balance sheet events.

POLITICAL AND CHARITABLE DONATIONS

There were no political or charitable donations made during the year.

DIRECTORS

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

VICO PROJECTS LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' AND SECRETARY'S INTERESTS

None of the directors or the secretary of the company who held office at 30 June 2010 had an interest in the share capital of the company at 30 June 2010 or 1 July 2009.

The following shares were held by the directors who held office at 30 June 2010 in the ultimate parent undertaking, Vico Properties plc, at 30 June 2010 and 1 July 2009:

| | Number of Ordinary Shares of Stg10p each | |
|--------------------|--|---------|
| | 2010 | 2009 |
| Charles J. Carvill | 336,240 | 336,240 |
| Thomas Carvill | 328,410 | 328,410 |
| Colin Taylor | 237,242 | 237,242 |
| Michael Carvill | 732,915 | 732,915 |

Carvill Group Limited holds 28.49% of the ordinary share capital of Vico Properties plc. Charles J., Michael, Thomas and Christopher Carvill and their families own 80% of the share capital of Carvill Group Limited, which has entered administration since the year-end.

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 ought to have taken as a director in order to make himself 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:


Thomas Carvill
Secretary

11.08.2011
Date

VICO PROJECTS 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 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 PROJECTS LIMITED

We have audited the financial statements of Vico Projects Limited for the year ended 30 June 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 15. 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 Directors' Responsibilities Statement, 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 30 June 2010 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 indicate that the company had, together with fellow group companies, entered into an unlimited inter-company cross guarantee which amounted to £16,413,711 at the balance sheet date. All of the group's banking facilities 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 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 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 were unable to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICO PROJECTS 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 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, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte & Touche
Chartered Accountants and Registered Auditors
Dublin
Ireland

Date

11/8/11

VICO PROJECTS 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).

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention.

TURNOVER

Turnover comprises monies received and receivable 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.

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 valuation which includes an appropriate portion of the anticipated profit on sale. Progress payments received are deducted from the valuation of work in progress. 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 the 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.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

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.

FOREIGN CURRENCIES

Foreign currency transactions are recorded in the financial statements at rates of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies, which are carried at current values, are translated into Sterling at rates of exchange ruling at the balance sheet date. Gains and losses on exchange are dealt with in full through the profit and loss account.

VICO PROJECTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2010**

| | <i>Notes</i> | 2010 £ | 2009 £ |
|--|--------------|-------------------|-------------------|
| TURNOVER | | 130,000 | - |
| Cost of sales | | (133,562) | (6,738) |
| GROSS LOSS | | (3,562) | (6,738) |
| Administrative expenses | | - | - |
| OPERATING LOSS | | (3,562) | (6,738) |
| Interest payable | | - | - |
| Interest receivable | | - | 251 |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 2 | (3,562) | (6,487) |
| Taxation | 3 | 3,015 | - |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION | 9 | (547) | (6,487) |

All recognised gains and losses for both the current year and the previous year are included in the profit and loss account. There were no movements in the 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 PROJECTS LIMITED

BALANCE SHEET AS AT 30 JUNE 2010

| | Notes | 2010 £ | 2009 £ |
|--|-------|------------------|------------------|
| CURRENT ASSETS | | | |
| Stocks | 4 | 3,029,596 | 3,151,697 |
| Debtors | 5 | 1,069 | 360 |
| Cash at bank | | 7,883 | 40 |
| | | <u>3,038,548</u> | <u>3,152,097</u> |
| CREDITORS: (Amounts falling due within one year) | 6 | (82) | (2,084) |
| NET CURRENT ASSETS | | <u>3,038,466</u> | <u>3,150,013</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>3,038,466</u> | <u>3,150,013</u> |
| CREDITORS: (Amounts falling due after more than one year) | 7 | (711,577) | (822,577) |
| NET ASSETS | | <u>2,326,889</u> | <u>2,327,436</u> |
| CAPITAL AND RESERVES | | | |
| Called-up share capital | 8 | 200 | 200 |
| Profit and loss account | 9 | 2,326,689 | 2,327,236 |
| SHAREHOLDERS' FUNDS | 10 | <u>2,326,889</u> | <u>2,327,436</u> |

The financial statements of Vico Projects Limited, registered Number 101333, were approved by the Board of Directors on 11 August 2011 and signed on its behalf by:


Director

Thomas Carvill

VICO PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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 indicated by Note 11 the company had, together with fellow group companies, entered into an unlimited inter-company cross guarantee which amounted to £16,413,711 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. 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 secured detailed planning permission for a food store site in Northern Ireland. The planning permission for this site continues to be the subject of legal challenge, the outcome of which is not certain. Despite this uncertainty, negotiations with a food store operator for the sale of the site are at an advanced stage. The group has also recently secured detailed 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 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. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

2010
£

2009
£

The loss on ordinary activities before taxation has been arrived at after charging:

Directors' remuneration
Auditors' remuneration

-
-

-
-

Auditors' remuneration is borne by another group company.

VICO PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

| 3. | TAXATION | 2010 £ | 2009 £ |
|----|---|-----------|-----------|
| | Taxation credit | (3,015) | - |
| | Factors affecting tax charge for the year: | | |
| | Loss on ordinary activities before taxation | (3,562) | (6,487) |
| | Tax at 28% (2009: 28%) | (997) | (1,816) |
| | Amendment to prior year loss relief claim | (1,069) | - |
| | Other timing differences | (949) | 1,816 |
| | Taxation credit | (3,015) | - |
| 4. | STOCKS | 2010 £ | 2009 £ |
| | Development of properties | 3,029,596 | 3,151,697 |
| 5. | DEBTORS: (Amounts falling due within one year) | 2010 £ | 2009 £ |
| | VAT | - | 360 |
| | Corporation tax | 1,069 | - |
| | | 1,069 | 360 |
| 6. | CREDITORS: (Amounts falling due within one year) | 2010 £ | 2009 £ |
| | Accruals and deferred income | - | 1,657 |
| | Amounts due to group companies | 82 | 427 |
| | | 82 | 2,084 |

VICO PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (CONTINUED)

| | | |
|---|------------------|------------------|
| 7. CREDITORS: (Amounts falling due after more than one year) | 2010 £ | 2009 £ |
| Amounts due to group companies | 364,000 | 475,000 |
| Accruals and deferred income | 347,577 | 347,577 |
| | <u>711,577</u> | <u>822,577</u> |
| 8. CALLED-UP SHARE CAPITAL | 2010 £ | 2009 £ |
| Authorised, allotted, called-up and fully paid: | | |
| 100 "A" ordinary shares of £1 each | 100 | 100 |
| 100 "B" ordinary shares of £1 each | 100 | 100 |
| | <u>200</u> | <u>200</u> |
| 9. PROFIT AND LOSS ACCOUNT | 2010 £ | 2009 £ |
| Balance at beginning of year | 2,327,236 | 2,333,723 |
| Loss for the year | (547) | (6,487) |
| Balance at end of year | <u>2,326,689</u> | <u>2,327,236</u> |
| 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT | 2010 £ | 2009 £ |
| Loss for the financial year | (547) | (6,487) |
| Dividends | - | - |
| Net decrease in shareholders' funds | <u>(547)</u> | <u>(6,487)</u> |
| Opening shareholders' funds | 2,327,436 | 2,333,923 |
| Closing shareholders' funds | <u>2,326,889</u> | <u>2,327,436</u> |

11. CONTINGENT LIABILITIES

Guarantees

The company has together with fellow group companies Vico Properties plc, Vico Properties (Northern) Limited, Vico Land & Estates Limited, Vico Properties Scotland Limited, Vico Securities Limited, Vico Properties East Anglia Limited and Vico Kent Limited entered into an unlimited inter-company cross guarantee. The amount guaranteed at the balance sheet date was £16,413,711 (2009: £16,609,869).

12. GROUP MEMBERSHIP

In the opinion of the directors, the company's parent undertaking is Vico Investments (Scotland) Limited. The parent company is exempt from the requirement to prepare consolidated financial statements in accordance with Section 402 of the Companies Act, 2006.

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

13. 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 parent undertaking.

14. RELATED PARTY TRANSACTIONS

The directors have availed of the exemption available under Financial Reporting Standard No. 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.

15. POST BALANCE SHEET EVENTS

On 20 May 2011 Carvill Group Limited entered administration.

The group has recently secured detailed planning permission for a food store site in Northern Ireland. The planning permission for this site continues to be the subject of legal challenge, the outcome of which is not certain. Despite this uncertainty, negotiations with a food store operator for the sale of the site are at an advanced stage.

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