

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004

---

CONTENTS

|  | PAGE    |
|--|---------|
| DIRECTORS AND OTHER INFORMATION          | 2       |
| DIRECTORS' REPORT                        | 3       |
| STATEMENT OF DIRECTORS' RESPONSIBILITIES | 4       |
| INDEPENDENT AUDITOR'S REPORT             | 5       |
| STATEMENT OF ACCOUNTING POLICIES         | 6       |
| PROFIT AND LOSS ACCOUNT                  | 7       |
| BALANCE SHEET                            | 8       |
| NOTES TO THE FINANCIAL STATEMENTS        | 9 – 11  |
| SUPPLEMENTARY INFORMATION                | 12 – 14 |



**VICO MANAGEMENT SERVICES LIMITED**

**DIRECTORS AND OTHER INFORMATION**

---

**DIRECTORS**

Charles J. Carvill  
Thomas Carvill  
Colin Taylor  
Michael Carvill

**SECRETARY**

Thomas Carvill

**AUDITORS**

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

**SOLICITORS**

Miller Samuel & Co.,  
Solicitors,  
RWF House,  
5 Renfield Street,  
Glasgow,  
G2 5EZ.

Dundas Wilson,  
Solicitors,  
191 West George Street,  
Glasgow.

**REGISTERED OFFICE**

238 West George Street,  
Glasgow,  
G2 4QY.

# VICO MANAGEMENT SERVICES LIMITED

## DIRECTORS' REPORT

---

The directors submit their annual report, together with the audited financial statements, for the year ended 30 June 2004.

### ACTIVITIES

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

### RESULTS AND DIVIDENDS

The profit after taxation for the year amounted to £8,028 compared to a profit of £33,858 in the prior year.

The directors do not recommend a payment of a dividend (2003: £Nil).

### DIRECTORS

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

### DIRECTORS' AND SECRETARY'S INTERESTS

None of the directors or secretary had an interest in the share capital of the company at 30 June 2004 or 30 June 2003.

The following shares were held by the directors currently in office in the ultimate parent undertaking, Vico Properties plc, at 30 June 2004 and 30 June 2003:

|                    | Number of Ordinary Shares of 10p each |         |
|--------------------|---------------------------------------|---------|
|                    | 2004                                  | 2003    |
| Charles J. Carvill | 336,420                               | 336,420 |
| Thomas Carvill     | 328,410                               | 328,410 |
| Colin Taylor       | 237,242                               | 237,242 |
| Michael Carvill    | 644,805                               | 644,805 |

### AUDITORS

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

By Order of the Board :



Secretary

Date: 20.04.2005

**VICO MANAGEMENT SERVICES LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

---

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the United Kingdom and comply with United Kingdom statute comprising the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VICO MANAGEMENT SERVICES LIMITED

We have audited the financial statements of Vico Management Services Limited for the year ended 30 June 2004 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities, the company's directors' are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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

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

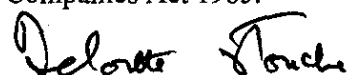
### Basis of audit opinion

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

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

### Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
Dublin

2014/05

**VICO MANAGEMENT SERVICES LIMITED**  
**STATEMENT OF ACCOUNTING POLICIES**

---

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

**BASIS OF PREPARATION**

The financial statements have been prepared in accordance with accounting standards generally accepted in the United Kingdom and United Kingdom statute comprising the Companies Act, 1985. Accounting standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Scotland and issued by the Accounting Standards Board.

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.

**STOCKS**

Sites held for development or sites for which no contract of sale exists are stated at the lower of cost and net realisable value.

Cost represents the expenditure incurred on site, materials, direct labour and overheads in bringing the work-in-progress to its present condition.

**FINANCE COSTS**

For properties in the course of development, cost includes finance costs from the commencement of 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 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.

**VICO MANAGEMENT SERVICES LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2004**

---

|  | Notes | 2004<br>£      | 2003<br>£       |
|--|-------|----------------|-----------------|
| <b>TURNOVER</b>  | 1     | 324,473        | 369,729         |
| Cost of sales  |       | (12,045)       | (9,027)         |
| <b>GROSS PROFIT</b>                                      |       | <u>312,428</u> | <u>360,702</u>  |
| Administrative expenses                                  |       | (2,250)        | 13,479          |
| <b>OPERATING PROFIT</b>                                  |       | <u>310,178</u> | <u>374,181</u>  |
| Interest payable   |       | (298,709)      | (301,424)       |
| Interest received  |       | -              | 1,326           |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | 3     | <u>11,469</u>  | <u>74,083</u>   |
| Taxation   | 4     | (3,441)        | (40,225)        |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>AFTER TAXATION</b>  |       | <u>8,028</u>   | <u>33,858</u>   |
| Profit and loss account brought forward                  |       | (11,610)       | (45,468)        |
| Profit and loss account carried forward                  |       | <u>(3,582)</u> | <u>(11,610)</u> |

---

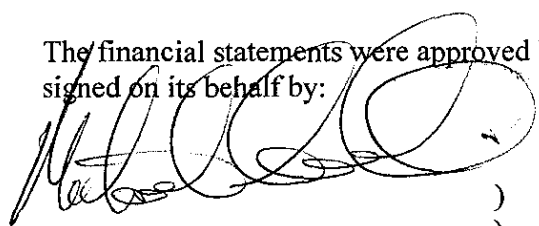

All recognised gains and losses have been reflected in this profit and loss account. All profits and losses arose from continuing activities in the current and prior year. There were no movements in shareholders' funds other than recognised gains and losses for the current and prior year.

# VICO MANAGEMENT SERVICES LIMITED

## BALANCE SHEET AS AT 30 JUNE 2004

|   | Notes | 2004<br>£        | 2003<br>£        |
|---|-------|------------------|------------------|
| <b>CURRENT ASSETS</b>   |       |                  |                  |
| Stocks  | 5     | 6,521,682        | 6,458,293        |
| Debtors   | 6     | 31,543           | 18,646           |
| Cash at bank  |       | 878              | -                |
|   |       | <u>6,554,103</u> | <u>6,476,939</u> |
| <b>CREDITORS : (Amounts falling due within one year)</b>          | 7     | (347,183)        | (148,547)        |
| <b>NET CURRENT ASSETS</b>   |       | <u>6,206,920</u> | <u>6,328,392</u> |
| <b>CREDITORS : (Amounts falling due after more than one year)</b> | 8     | (6,210,500)      | (6,340,000)      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                      |       | <u>(3,580)</u>   | <u>(11,608)</u>  |
| <b>CAPITAL AND RESERVES</b>                                       |       |                  |                  |
| Called-up share capital   | 9     | 2                | 2                |
| Profit and loss account - deficit                                 |       | (3,582)          | (11,610)         |
| <b>SHAREHOLDERS' FUNDS - DEFICIT</b>                              |       | <u>(3,580)</u>   | <u>(11,608)</u>  |

The financial statements were approved by the Board of Directors on ..... 30. 04. 2005 ..... and signed on its behalf by:

)  
 ) DIRECTORS  
 )



**VICO MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**

**1. TURNOVER**

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

|                                    | 2004<br>£      | 2003<br>£      |
|------------------------------------|----------------|----------------|
| <b>(a) By class of business:</b>   |                |                |
| Rental income                      | 324,473        | 369,729        |
|                                    | <u>324,473</u> | <u>369,729</u> |
| <b>(b) By geographical market:</b> |                |                |
| United Kingdom                     | 324,473        | 369,729        |
|                                    | <u>324,473</u> | <u>369,729</u> |

**2. EMPLOYEES AND REMUNERATION**

No staff are employed by the company. Costs incurred relate to re-charges of salary costs from group companies.

**3. PROFIT ON ORDINARY ACTIVITIES  
BEFORE TAXATION**

| 2004<br>£ | 2003<br>£ |
|-----------|-----------|
|-----------|-----------|

Profit on ordinary activities before taxation  
is arrived at after charging:

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

**4. TAXATION**

| 2004<br>£ | 2003<br>£ |
|-----------|-----------|
|-----------|-----------|

|                               |              |               |
|-------------------------------|--------------|---------------|
| Taxation charge               | 3,441        | 22,225        |
| Underprovision in prior years | -            | 18,000        |
|                               | <u>3,441</u> | <u>40,225</u> |

**Factors affecting the tax charge in the year**

|   |              |               |
|---|--------------|---------------|
| Profit on ordinary activities before taxation | 11,469       | 74,083        |
| Corporation tax at standard rate of 30%       | 3,441        | 22,225        |
| Underprovision in prior years                 | -            | 18,000        |
|   | <u>3,441</u> | <u>40,225</u> |

**VICO MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2004**

|                  |                  |                  |
|------------------|------------------|------------------|
| <b>5. STOCKS</b> | 2004             | 2003             |
|                  | £                | £                |
| Property         | 6,521,682        | 6,458,293        |
|                  | <u>6,521,682</u> | <u>6,458,293</u> |

Included in stocks is interest capitalised net of rental income of £177,961 (2003 : £177,961).

|                      |               |               |
|----------------------|---------------|---------------|
| <b>6. DEBTORS</b>    | 2004          | 2003          |
|                      | £             | £             |
| Due within one year: |               |               |
| Debtors              | -             | 2,605         |
| VAT refundable       | 1,647         | 389           |
| Prepayments          | 29,896        | 15,652        |
|                      | <u>31,543</u> | <u>18,646</u> |

|   |                |                |
|---|----------------|----------------|
| <b>7. CREDITORS : (Amounts falling due within one year)</b> | 2004           | 2003           |
|   | £              | £              |
| Bank loan   | 250,000        | -              |
| Bank overdraft (Note 10)                                    | -              | 1,732          |
| Amounts due to group companies                              | 368            | 1,330          |
| Trade creditors   | 93,374         | 123,260        |
| Corporation tax   | 3,441          | 22,225         |
|   | <u>347,183</u> | <u>148,547</u> |

|  |                  |                  |
|--|------------------|------------------|
| <b>8. CREDITORS : (Amounts falling due after more than one year)</b> | 2004             | 2003             |
|  | £                | £                |
| Bank loan (Note 10)  | 4,727,500        | 5,320,000        |
| Amounts due to group companies                                       | 1,483,000        | 1,020,000        |
|  | <u>6,210,500</u> | <u>6,340,000</u> |

# VICO MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

---

|   |             |             |
|---|-------------|-------------|
| <b>9. CALLED-UP SHARE CAPITAL</b>           | <b>2004</b> | <b>2003</b> |
|   | <b>£</b>    | <b>£</b>    |
| <b>Authorised :</b>                         |             |             |
| 100 ordinary shares of £1 each              | 100         | 100         |
|   | <hr/>       | <hr/>       |
| <b>Allotted, called-up and fully paid :</b> |             |             |
| 2 ordinary shares of £1 each                | 2           | 2           |
|   | <hr/>       | <hr/>       |

### 10. BANK LOANS

The bank loans are secured by the following:

- A first and only standard security over the site referred to as Portland Gate, Phase 11, Kilmarnock;
- A first and only floating charge from the company; and
- A guarantee from Vico Properties plc.

### 11. 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 Registration Office  
IDB House  
64 Chichester Street  
Belfast BT1 4JX.

### 12. CASH FLOW STATEMENT

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

### 13. RELATED PARTY TRANSACTIONS

The company, a wholly owned subsidiary of Vico Properties plc, has availed of the exemption under Financial Reporting Standard 8 from disclosure of intra-group related party transactions.

**SUPPLEMENTARY INFORMATION**

---

(NOT COVERED BY THE INDEPENDENT AUDITORS REPORT)

**VICO MANAGEMENT SERVICES LIMITED**  
**DETAILED TRADING PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2004**

---

|                         | Schedule | 2004<br>£ | 2003<br>£ |
|-------------------------|----------|-----------|-----------|
| Rental income           |          | 324,473   | 369,729   |
|                         |          | <hr/>     | <hr/>     |
| Cost of sales           | 1        | (12,045)  | (9,027)   |
|                         |          | <hr/>     | <hr/>     |
| <b>GROSS PROFIT</b>     |          | 312,428   | 360,702   |
|                         |          | <hr/>     | <hr/>     |
| Administration expenses | 2        | (2,250)   | 13,479    |
|                         |          | <hr/>     | <hr/>     |
| <b>OPERATING PROFIT</b> |          | 310,178   | 374,181   |
|                         |          | <hr/>     | <hr/>     |

**VICO MANAGEMENT SERVICES LIMITED**

**SCHEDULES TO THE DETAILED TRADING PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2004**

---

**SCHEDULE 1: COST OF SALES**

|                | 2004          | 2003         |
|----------------|---------------|--------------|
|                | £             | £            |
| Property costs | 12,045        | 9,027        |
|                | <u>12,045</u> | <u>9,027</u> |

**SCHEDULE 2: ADMINISTRATIVE EXPENSES**

|                   | 2004         | 2003            |
|-------------------|--------------|-----------------|
|                   | £            | £               |
| Sundries          | -            | 16              |
| Professional fees | 2,250        | -               |
| Bad debt recovery | -            | (13,495)        |
|                   | <u>2,250</u> | <u>(13,479)</u> |