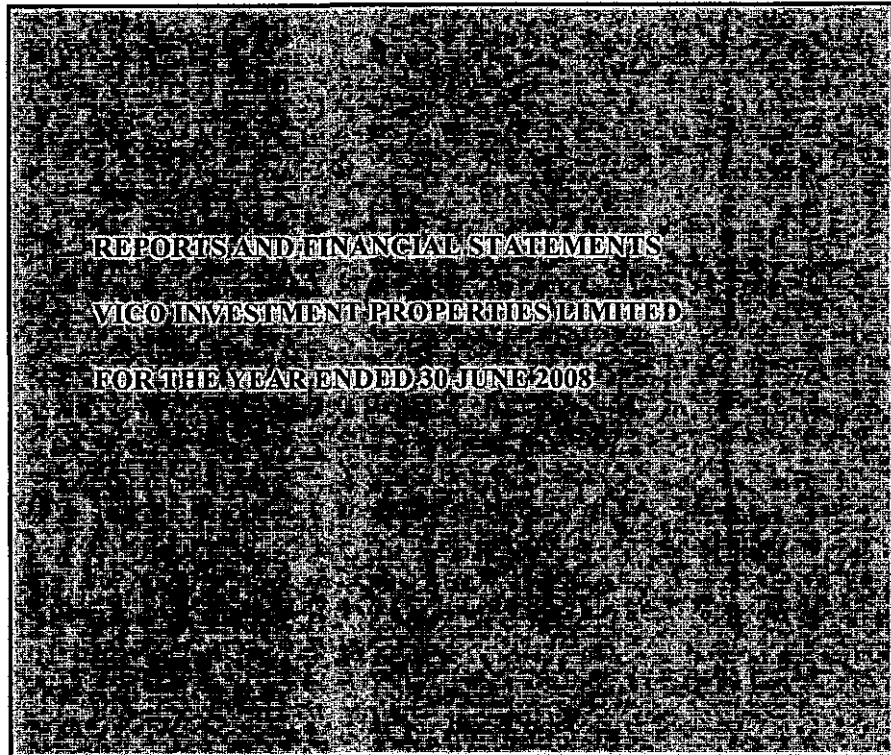


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VICO INVESTMENT PROPERTIES LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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VICO INVESTMENT PROPERTIES LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Charles J. Carvill
Thomas Carvill
Michael Carvill
Colin Taylor

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

80 St. Vincent Street
Glasgow
G2 5UB

BANKERS

Northern Bank Limited
Donegall Square North
Belfast
BT1 6JS

VICO INVESTMENT PROPERTIES LIMITED

DIRECTORS' REPORT

The directors submit their report, together with the audited financial statements, for the year ended 30 June 2008.

ACTIVITIES

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

RESULTS AND DIVIDENDS

The loss after taxation for the year amounted to £115,616 compared to a profit of £26,540 in the prior year.

The directors do not recommend the payment of a dividend during the year (2007: £Nil).

RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the property industry include a downturn in the property market, an 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 DEVELOPMENT

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.

DIRECTORS' AND SECRETARY'S INTERESTS

None of the directors or secretary who held office at 30 June 2008 had any interest in the share capital of the company at 30 June 2008 or 1 July 2007.

The following shares were held by the directors who held office at 30 June 2008 in the ultimate parent undertaking, Vico Properties plc, at 30 June 2008 and 1 July 2007:

| | Number of Ordinary Shares of Stg10p each | |
|--------------------|--|---------|
| | 2008 | 2007 |
| Charles J. Carvill | 336,420 | 336,420 |
| Thomas Carvill | 328,410 | 328,410 |
| Michael Carvill | 732,915 | 732,915 |
| Colin Taylor | 237,242 | 237,242 |

VICO INVESTMENT PROPERTIES 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 s234ZA of the Companies Act 1985.

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: 03.03.2009

VICO INVESTMENT PROPERTIES 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). The financial statements are required by law to 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 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;
- 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 accounting records that 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 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 INVESTMENT PROPERTIES LIMITED

We have audited the financial statements of Vico Investment Properties Limited for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes 1 to 14. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

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Members of
Deloitte Touche Tohmatsu

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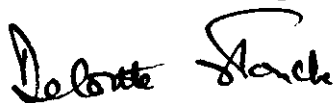
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VICO INVESTMENT PROPERTIES LIMITED

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Chartered Accountants and Registered Auditors
Dublin, Ireland

Date: 313109

VICO INVESTMENT PROPERTIES 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 applicable accounting standards generally accepted in the United Kingdom.

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets.

TURNOVER

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

FINANCE COSTS

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

INVESTMENT PROPERTIES

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except a deficit that is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties or in respect of leasehold investment properties where the unexpired term of lease is more than 20 years. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19 "Accounting for investment properties". The financial affect of the departure from the statutory accounting rules cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown.

VICO INVESTMENT PROPERTIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2008**

| | Notes | 2008 £ | 2007 £ |
|---|-------|-------------------------|----------------------|
| TURNOVER | | 47,749 | 145,199 |
| Cost of sales | | (102,049) | (33,156) |
| GROSS (LOSS)/PROFIT | | <u>(54,300)</u> | <u>112,043</u> |
| Administrative expenses | | (114) | (155) |
| OPERATING (LOSS)/PROFIT | | <u>(54,414)</u> | <u>111,888</u> |
| Interest payable | 1 | (61,226) | (73,973) |
| Interest received | | 24 | - |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 2 | <u>(115,616)</u> | <u>37,915</u> |
| Taxation | 3 | - | (11,375) |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | 9 | <u><u>(115,616)</u></u> | <u><u>26,540</u></u> |

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

VICO INVESTMENT PROPERTIES LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2008**

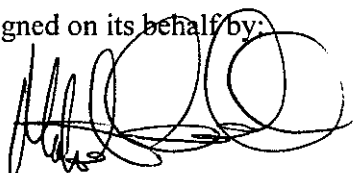

| | 2008 £ | 2007 £ |
|--|----------------|---------------|
| (Loss)/profit for the financial year | (115,616) | 26,540 |
| Revaluation of investment property | 948,078 | - |
| Total recognised gains and losses relating to the year | <u>832,462</u> | <u>26,540</u> |

VICO INVESTMENT PROPERTIES LIMITED

BALANCE SHEET AS AT 30 JUNE 2008

| | Notes | 2008 £ | 2007 £ |
|--|-------|-------------|-------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 3,800,000 | 2,242,753 |
| CURRENT ASSETS | | | |
| Debtors | 5 | 76,352 | 28,077 |
| Cash at bank | | 13,508 | 277 |
| | | 89,860 | 28,354 |
| CREDITORS: (Amounts falling due within one year) | 6 | (778,676) | (267,885) |
| NET CURRENT LIABILITIES | | (688,816) | (239,531) |
| CREDITORS: (Amounts falling due after more than one year) | 7 | (2,252,000) | (1,976,500) |
| NET ASSETS | | 859,184 | 26,722 |
| CAPITAL AND RESERVES | | | |
| Called-up share capital | 8 | 1 | 1 |
| Revaluation reserve | 9 | 948,078 | - |
| Profit and loss account | 10 | (88,895) | 26,721 |
| SHAREHOLDERS' FUNDS | | 859,184 | 26,722 |

The financial statements were approved by the Board of Directors on 03.03.09 and signed on its behalf by:

)
)
) DIRECTORS

VICO INVESTMENT PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

| | | |
|----------------------------|-------------------|-------------------|
| 1. INTEREST PAYABLE | 2008 | 2007 |
| | £ | £ |
| Bank interest | (61,226) | 73,973 |
| | <u> </u> | <u> </u> |

| | | |
|---|-------------------|-------------------|
| 2. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 2008 | 2007 |
| | £ | £ |
| (Loss)/profit on ordinary activities before taxation is stated after charging: | | |
| Directors' remuneration | - | - |
| Auditors' remuneration | - | - |
| | <u> </u> | <u> </u> |

Audit costs have been borne by another group company.

| | | |
|--|-------------------|-------------------|
| 3. TAXATION | 2008 | 2007 |
| | £ | £ |
| Corporation tax on profit for the year | - | 11,375 |
| | <u> </u> | <u> </u> |
| Factors affecting tax charge in the year: | | |
| (Loss)/profit on ordinary activities before taxation | (115,616) | 37,915 |
| | <u> </u> | <u> </u> |
| Tax at 30% | (34,684) | 11,375 |
| Group loss relief – surrendered | 34,684 | - |
| | <u> </u> | <u> </u> |
| Tax for year | - | 11,375 |
| | <u> </u> | <u> </u> |

VICO INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (CONTINUED)

| | | |
|--|-------------|-------------|
| 4. TANGIBLE ASSETS | 2008 | 2007 |
| | £ | £ |
| Investment properties: | | |
| Cost or Valuation: | | |
| At 1 July 2007 | 2,242,753 | 2,203,045 |
| Additions at cost | 609,169 | 39,708 |
| Revaluation | 948,078 | - |
| At 30 June 2008 | 3,800,000 | 2,242,753 |
| Accumulated Depreciation: | | |
| At 1 July 2007 | - | - |
| Charge for year | - | - |
| On disposals | - | - |
| At 30 June 2008 | - | - |
| Net Book Values 2008 | | |
| At cost | 3,800,000 | 2,242,753 |
| Investment properties are stated at direct valuation. | | |
| 5. DEBTORS: (Amounts falling due within one year) | 2008 | 2007 |
| | £ | £ |
| Trade debtors | 65,972 | 19,331 |
| VAT | 10,380 | 5,564 |
| Prepayments | | 3,182 |
| | 76,352 | 28,077 |
| 6. CREDITORS: (Amounts falling due within one year) | 2008 | 2007 |
| | £ | £ |
| Bank loans (Note 10) | 682,500 | 250,000 |
| Accruals and deferred income | 95,700 | 6,226 |
| Amounts due to group companies | 476 | 284 |
| Corporation tax | - | 11,375 |
| | 778,676 | 267,885 |

VICO INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008 (CONTINUED)

| | | |
|---|------------------|------------------|
| 7. CREDITORS: (Amounts falling due after more than one year) | 2008 | 2007 |
| | £ | £ |
| Bank loans (Note 10) | - | 682,500 |
| Amounts due to group companies | 2,252,000 | 1,294,000 |
| | <u>2,252,000</u> | <u>1,976,500</u> |
| | | |
| 8. CALLED -UP SHARE CAPITAL | 2008 | 2007 |
| | £ | £ |
| Authorised: | | |
| 100 Ordinary shares of £1 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |
| Allotted, Called-up and Fully Paid: | | |
| 1 Ordinary share of £1 each | 1 | 1 |
| | <u>1</u> | <u>1</u> |
| | | |
| 9. REVALUATION RESERVE | 2008 | 2007 |
| | £ | £ |
| Balance at beginning of year | - | - |
| Revaluation of investment property | 948,078 | - |
| | <u>948,078</u> | <u>-</u> |
| Balance at end of year | <u>948,078</u> | <u>-</u> |
| | | |
| 10. PROFIT AND LOSS ACCOUNT | 2008 | 2007 |
| | £ | £ |
| Balance at beginning of year | 26,721 | 181 |
| (Loss)/profit for the year | (115,616) | 26,540 |
| | <u>(88,895)</u> | <u>26,721</u> |
| Balance at end of year | <u>(88,895)</u> | <u>26,721</u> |

VICO INVESTMENT PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (CONTINUED)

11. BANK LOANS

Bank loans are secured as follows:

- (i) a first and only floating charge over the assets of the company
- (ii) a first and only standard charge over the property known as Portland Gate, Kilmarnock
- (iii) the guarantee of Vico Properties Plc.

12. 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
1st Floor
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR.

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 for the group are disclosed in the consolidated financial statements of the ultimate parent undertaking.

14. RELATED PARTY TRANSACTIONS

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