

## **Wick Retail Limited**

Report and Financial Statements

Year Ended

31 December 2009

**Company number: SC299682**

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# **Wick Retail Limited**

## **Report and financial statements for the year ended 31 December 2009**

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### **Directors**

A C Gallagher  
P Jacobs

### **Secretary and registered office**

S A Burnett, 15 Atholl Crescent, Edinburgh, Scotland, EH3 8HA

### **Company number**

SC299682

### **Auditors**

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

# **Wick Retail Limited**

## **Report of the directors for the year ended 31 December 2009**

The directors present their report together with the audited financial statements for the year ended 31 December 2009.

### **Results**

The profit and loss account is set out on page 5 and shows the loss for the year (2008 – loss).

The directors do not recommend the payment of a final dividend (2008 - £Nil).

### **Principal activities**

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

The results for the year and financial position of the company are as shown in the annexed financial statements.

### **Market value of Investment Properties**

At the year end, the company's investment properties were valued on an open market basis at £9,754,000 (2008 - £9,754,000) by the directors of the company.

### **Directors**

The directors of the company during the year were:

A C Gallagher  
P Jacobs

### **Directors' responsibilities**

The directors are responsible for preparing the directors' 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. 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 judgements 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;
- 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.

# Wick Retail Limited

## Report of the directors for the year ended 31 December 2009 (*continued*)

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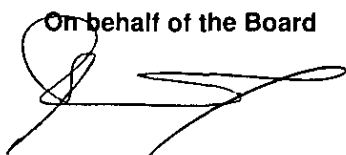
### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting, in accordance with section 485 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the Board



S A Burnett  
Secretary

Date: 23 August 2010

# **Wick Retail Limited**

## **Independent auditor's report**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WICK RETAIL LIMITED**

We have audited the financial statements of Wick Retail Limited for the year ended 31 December 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result 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.

# Wick Retail Limited

## Independent auditor's report (*continued*)

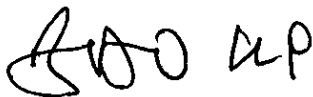
### Opinion on other matters prescribed by the Companies Act 2006

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 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 prepare the financial statements and the directors' report in accordance with the small companies' regime.



James Roberts (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick  
United Kingdom

Date: 23 August 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Wick Retail Limited

## Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
<b>Turnover</b>		<b>643,113</b>	656,821
Administrative expenses		-	7,242
<b>Operating profit</b>	2	<b>643,113</b>	649,579
Interest receivable and similar income		315	5,866
Interest payable and similar charges	3	(861,231)	(847,381)
<b>Loss on ordinary activities before taxation</b>		<b>(217,803)</b>	(191,936)
Taxation on profit from ordinary activities		57,641	48,374
<b>Loss for the financial year after taxation</b>		<b>(160,162)</b>	(143,562)

All amounts for the current and prior year relate to continuing activities.

	Note	2009 £	2008 £
<b>Statement of total recognised gains and losses</b>			
Loss for the financial year		(160,162)	(143,562)
Unrealised deficit on revaluation of investment properties	10	-	(2,656,000)
<b>Total recognised gains and losses for the financial year</b>		<b>(160,162)</b>	(2,799,562)

The notes on pages 7 to 11 form part of these financial statements.


# Wick Retail Limited

## Balance sheet at 31 December 2009

<i>Company number: SC299682</i>	Note	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Tangible assets	4		9,754,000		9,754,000
<b>Current assets</b>					
Debtors	5	112,071		93,527	
Cash at bank and in hand		107,075		67,738	
		219,146		161,265	
<b>Creditors: amounts falling due within one year</b>	6	14,573,425		14,355,382	
<b>Net current liabilities</b>			(14,354,279)		(14,194,117)
<b>Net liabilities</b>			(4,600,279)		(4,440,117)
<b>Capital and reserves</b>					
Called up share capital	7		1		1
Revaluation reserve	8		(3,961,789)		(3,961,789)
Profit and loss account	8		(638,491)		(478,329)
<b>Shareholders' funds</b>	10		(4,600,279)		(4,440,117)

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board and authorised for issue on 23 August 2010

  
P Jacobs  
Director

The notes on pages 7 to 11 form part of these financial statements.



# Wick Retail Limited

## Notes forming part of the financial statements For the year ended 31 December 2009

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings. The following principal accounting policies have been applied:

#### *Basis of preparation*

At 31 December 2009 the company had net liabilities of £4,600,279 (2008 - £4,440,117) and net current liabilities of £14,354,279 (2008 - £14,194,117).

The financial statements have been prepared on a going concern basis. In considering the appropriateness of the going concern assumption, the directors have taken into consideration the company's cash flow forecasts and the company's present level of funding. The shareholders have indicated that they will not withdraw the existing financial support to the company for at least a year from the date of approval of these financial statements. The directors are therefore confident that they have sufficient working capital and consider that adequate longer term funding will remain in place and consequently the company will continue as a going concern. No adjustments have been made to the carrying value of both assets and liabilities, that might be required should the going concern basis be inappropriate.

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

#### *Turnover*

Turnover represents the rental income receivable, service charges and other recoveries from investment properties in the United Kingdom.

In circumstances where a tenant has been given an incentive into a lease by way of a payment, the incentive is treated as a reduction in rental income. The incentive is amortised on a straight-line basis over the period from term commencement to the date of the first rent review, in accordance with UITF 28. Where an incentive is given to a tenant by way of a rent free period, the total rental income receivable for the period to the first rent review is recognised on a straight line basis from term commencement to the date of the first rent review, in accordance with UITF 28.

#### *Investment properties*

Until investment properties are complete they are included in the accounts at cost. Once completed, investment properties are revalued annually to open market value and no depreciation is provided.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount, which might otherwise have been shown, cannot reasonably be separately identified or quantified.

# Wick Retail Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*continued*)

## 1 Accounting policies (*continued*)

### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

### *Amortisation of loan issue costs*

Costs incurred in respect of obtaining loan finance are included in other debtors and are amortised on a straight line basis over the term of the loan in proportion to the outstanding loan.

## 2 Operating profit

	2009 £	2008 £
This has been arrived at after charging:		
Audit services	-	3,400

The audit fee is borne by the immediate parent company, Wick Property Investments Limited.

## 3 Interest payable and similar charges

	2009 £	2008 £
Interest payable on loans from related parties	861,231	847,381
	<u>861,231</u>	<u>847,381</u>

# Wick Retail Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (*continued*)

## 4 Tangible fixed assets

	Freehold investment properties £
<i>Cost</i>	
At 1 January 2009	9,754,000
Additions	-
Revaluation	-
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At 31 December 2009	9,754,000
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<i>Net book value</i>	
At 31 December 2009	9,754,000
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At 31 December 2008	9,754,000
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The directors are of the opinion that the value of the investment properties stated above is not materially different to the open market value.

On an historical cost basis these would have been included at an original cost of £13,715,789 (2008 - £13,715,789).

If the investment properties had been sold at 31 December 2009 then the company would crystallise a tax liability in the region of £Nil (2008 - £Nil).

## 5 Debtors

	2009 £	2008 £
Trade debtors	-	6,237
Corporation tax	57,641	-
Other debtors	54,430	87,290
	<hr/>	<hr/>
	112,071	93,527
	<hr/>	<hr/>

## 6 Creditors: amounts falling due within one year

	2009 £	2008 £
Amounts owed to related undertakings	14,410,569	14,179,841
Other tax and social security	25,269	30,443
Other creditors	30,374	37,885
Accruals and deferred income	107,213	107,213
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	14,573,425	14,355,382
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# Wick Retail Limited

Notes forming part of the financial statements  
for the year ended 31 December 2009 (continued)

## 7 Share capital

	Authorised 2009 £	Authorised 2008 £	Allotted and called up 2009 £	Allotted and called up 2008 £
1,000 Ordinary shares of £1 each	1,000	1,000	1	1
	<u>1,000</u>	<u>1,000</u>	<u>1</u>	<u>1</u>

## 8 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 January 2009	(3,961,789)	(478,329)
Loss for the year	-	(160,162)
<b>At 31 December 2009</b>	<b><u>(3,961,789)</u></b>	<b><u>(638,491)</u></b>

## 9 Related party disclosures

During the year, rent and fees of £54,548 (2008 - £54,399) were received from Carpetright plc, a company in which the ultimate controlling party of one of the joint venture partners held a material shareholding and interest.

Lord Harris and Martin Harris are both directors and shareholders of Harris Ventures Limited and Carpetright plc.

Harris Ventures Limited owns 50% of the share capital of Wick Property Investments Limited, the parent company.

## 10 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Loss for the financial year	(160,162)	(143,562)
Revaluation of investment properties	-	(2,656,000)
Net reduction in shareholders' funds	<u>(160,162)</u>	<u>(2,799,562)</u>
Opening shareholders' funds	<u>(4,440,117)</u>	<u>(1,640,555)</u>
Closing shareholders' funds	<b><u>(4,600,279)</u></b>	<b><u>(4,440,117)</u></b>

## **Wick Retail Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2009 (*continued*)**

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### **11 Controlling party**

The company is a wholly owned subsidiary of Wick Property Investments Limited which is controlled as a joint venture by Harris Ventures Limited and Ashflame Properties Limited.