

Registration number 2909297

Vil Holdings Limited
Abbreviated accounts
for the year ended 30 September 2006

Barlow Andrews
Chartered Accountants
Bolton

THURSDAY



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Vil Holdings Limited

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Vil Holdings Limited

Directors' report for the year ended 30 September 2006

The directors present their report and the accounts for the year ended 30 September 2006.

Principal activity and review of the business

The principal activity of the company is the provision of management services to, and the holding of shares in, a trading subsidiary company.

The principal activities of the company's subsidiaries during the year were:

Vil Resins Limited - The manufacture of surface coating resins.

Varnish Industries Limited - Dormant

During the year to 30 September 2006 the company has continued to manage the portfolio of investments which have performed well, in line with the favourable market conditions during the year. Dividend income during the year was £83,068 compared to £30,645 in 2005.

Results and dividends

The profit for the year, after taxation, amounted to £464,453.

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

During the year the company has maintained a safe level of investment growth, along with a significant increase in cash balances.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	30/09/06	01/10/05
A. W. Wallen	Ordinary shares	176	200
B. M. Holmes	Ordinary shares	-	-
Mrs J. E. Wallen	Ordinary shares	-	-
Mrs W. Wallen	Ordinary shares	50	74
R. W. Wallen	Ordinary shares	42	42

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Vil Holdings Limited

**Directors' report
for the year ended 30 September 2006**

..... continued

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

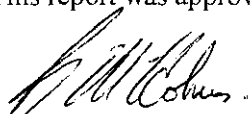
-the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Barlow Andrews be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 7 December 2006 and signed on its behalf by



B. M. Holmes
Secretary

**Independent auditors' report to Vil Holdings Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 14 together with the financial statements of Vil Holdings Limited for the year ended 30 September 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company 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 as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

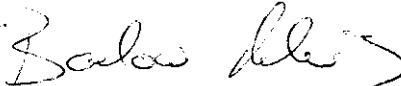
The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 September 2006, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.


Barlow Andrews
Chartered Accountants and
Registered auditors
Carlyle House
78 Chorley New Road
Bolton

7 December 2006

Vil Holdings Limited

Abbreviated profit and loss account
for the year ended 30 September 2006

		Continuing operations	
		2006	2005
	Notes	£	£
Gross profit		420,234	519,720
Administrative expenses		(88,957)	(380,562)
Operating profit	2	331,277	139,158
Investment income	3	138,926	1,230,645
Other interest receivable and similar income	5	114,300	114,881
Amounts written back on investments	4	15,435	137,055
Profit on ordinary activities before taxation		599,938	1,621,739
Tax on profit on ordinary activities	7	(135,485)	(157,680)
Profit on ordinary activities after taxation		464,453	1,464,059
Retained profit for the year	14	464,453	1,464,059
Retained profit brought forward		7,237,766	5,773,707
Retained profit carried forward		7,702,219	7,237,766
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		464,453	1,464,059
Unrealised movement on revaluation of investments		99,094	-
Total recognised gains relating to the year		563,547	1,464,059

The notes on pages 7 to 14 form an integral part of these financial statements.

Vil Holdings Limited

Abbreviated balance sheet
as at 30 September 2006

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		817,495		837,398
Investments	9		1,000,503		1,500,503
			<u>1,817,998</u>		<u>2,337,901</u>
Current assets					
Debtors	10	139,858		1,411,644	
Investments	11	2,886,562		1,742,568	
Cash at bank and in hand		3,232,705		1,937,364	
		<u>6,259,125</u>		<u>5,091,576</u>	
Creditors: amounts falling due within one year	12	<u>(275,310)</u>		<u>(191,211)</u>	
Net current assets			<u>5,983,815</u>		<u>4,900,365</u>
Total assets less current liabilities			<u>7,801,813</u>		<u>7,238,266</u>
Net assets			<u>7,801,813</u>		<u>7,238,266</u>
Capital and reserves					
Called up share capital	13		500		500
Revaluation reserve	14		99,094		-
Profit and loss account	14		7,702,219		7,237,766
Equity shareholders' funds	15		<u>7,801,813</u>		<u>7,238,266</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 7 December 2006 and signed on its behalf by



A. W. Wallen
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Vil Holdings Limited

Cash flow statement for the year ended 30 September 2006

	Notes	2006 £	2005 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		331,277	139,158
Depreciation		19,903	17,694
Decrease in debtors		1,271,786	(745,239)
Increase in creditors		113,854	370
Net cash inflow from operating activities		<u>1,736,820</u>	<u>(588,017)</u>
Cash flow statement			
Net cash inflow from operating activities		1,736,820	(588,017)
Returns on investments and servicing of finance	17	197,368	1,345,526
Taxation	17	(157,680)	(155,152)
Capital expenditure and financial investment	17	555,858	-
		<u>2,332,366</u>	<u>602,357</u>
Management of liquid resources	17	(1,029,464)	(1,033,500)
Increase in cash in the year		<u>1,302,902</u>	<u>(431,143)</u>
Reconciliation of net cash flow to movement in net funds (Note 18)			
Increase in cash in the year		1,302,902	(431,143)
Cash outflow from increase in liquid resources		1,029,464	1,033,500
Change in net funds resulting from cash flows		2,332,366	602,357
Net funds at 1 October 2005		<u>3,656,038</u>	<u>3,053,681</u>
Net funds at 30 September 2006		<u>5,988,404</u>	<u>3,656,038</u>

Vil Holdings Limited

Notes to the abbreviated financial statements for the year ended 30 September 2006

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of certain current assets and in accordance with applicable accounting standards.

1.2. Changes in accounting policy

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation

Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1.3. Turnover

Turnover represents the annual rental income and management charges made to subsidiary undertakings during the year.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings - 2 1/2% pa on cost

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Current asset investments are valued at market value.

1.6. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

2. Operating profit

	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	19,903	17,694
Auditors' remuneration	1,105	1,244

Vil Holdings Limited

**Notes to the abbreviated financial statements
for the year ended 30 September 2006**

3. Income from investments	2006	2005
	£	£
Income from investments	83,068	30,645
Profit on disposal of investments	55,858	-
Income from subsidiary undertakings	-	1,200,000
	<u>138,926</u>	<u>1,230,645</u>
 4. Amounts written off investments	 2006	 2005
	£	£
Amounts written back on investments	(15,435)	(137,055)
	<u>(15,435)</u>	<u>(137,055)</u>
 5. Interest receivable and similar income	 2006	 2005
	£	£
Bank interest	114,300	112,345
Other interest	-	2,536
	<u>114,300</u>	<u>114,881</u>
 6. Employees		
Number of employees	2006	2005
The average monthly numbers of employees (including the directors) during the year were:		
Administration	3	2
	<u>3</u>	<u>2</u>
 Employment costs	 2006	 2005
	£	£
Wages and salaries	39,695	45,814
Social security costs	3,230	4,528
	<u>42,925</u>	<u>50,342</u>
 6.1. Directors' emoluments	 2006	 2005
	£	£
Remuneration and other emoluments	36,873	45,814
	<u>36,873</u>	<u>45,814</u>

Vil Holdings Limited

Notes to the abbreviated financial statements for the year ended 30 September 2006

7. Tax on profit on ordinary activities

Analysis of charge in period	2006 £	2005 £
Current tax		
UK corporation tax at 29.00% (2005 - 29.00%)	135,485	162,517
Adjustments in respect of previous periods	-	(4,837)
	<u>135,485</u>	<u>157,680</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>599,938</u>	<u>1,621,739</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 September 2005 : 30%)	179,981	486,522
Effects of:		
Expenses not deductible for tax purposes	(15,820)	49,370
Capital allowances for period in excess of depreciation	(638)	(25)
Adjustments to tax charge in respect of previous periods	-	(4,837)
Dividend received from investments	(24,636)	(369,194)
Marginal rate relief	(3,402)	(4,156)
Current tax charge for period	<u>135,485</u>	<u>157,680</u>

Capital gains tax of approximately £19,000 would be chargeable if the current asset investments were sold at their book value at the balance sheet date. The company has £339,000 of capital losses available to offset against this charge, thereby no actual capital gains tax would be payable.

Vil Holdings Limited

Notes to the abbreviated financial statements
for the year ended 30 September 2006

8. Tangible fixed assets	Land and buildings freehold £	Total £
Cost/revaluation		
At 1 October 2005	1,032,032	1,032,032
At 30 September 2006	1,032,032	1,032,032
Depreciation		
At 1 October 2005	194,634	194,634
Charge for the year	19,903	19,903
At 30 September 2006	214,537	214,537
Net book values		
At 30 September 2006	817,495	817,495
At 30 September 2005	837,398	837,398

9. Fixed asset investments	Subsidiary undertakings shares £	Participating interests shares £	Other unlisted investments £	Total £
Cost				
At 1 October 2005	502	1	1,500,000	1,500,503
Disposals	-	-	(500,000)	(500,000)
At 30 September 2006	502	1	1,000,000	1,000,503
Net book values				
At 30 September 2006	502	1	1,000,000	1,000,503
At 30 September 2005	502	1	1,500,000	1,500,503

Vil Holdings Limited

Notes to the abbreviated financial statements for the year ended 30 September 2006

9.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Vil Resins Limited	Great Britain	Resin manufacturer	Ordinary	100%
Varnish Industries Limited	Great Britain	Dormant	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Vil Resins Limited	3,364,280	166,113
Varnish Industries Limited	2	-
Joint venture		

The joint venture comprises a share in Pochard Limited, a company which operates under a joint venture agreement between Vil Holdings Limited and Stafford Holdings Limited.

The following are the company's share of Pochard Limited's results for the year end and the balance sheet as at 30 September 2006:

	£		£
Turnover	7,986	Fixed assets	Nil
Profit before taxation	6,118	Current assets	2,153
Taxation	381	Current liabilities	670
Profit after taxation	5,737		

10. Debtors

	2006 £	2005 £
Trade debtors	-	1,865
Amounts owed by group undertakings	-	1,200,000
Other debtors	125,000	200,000
Prepayments and accrued income	14,858	9,779
	<u>139,858</u>	<u>1,411,644</u>

Vil Holdings Limited

Notes to the abbreviated financial statements
for the year ended 30 September 2006

11.	Current asset investments	2006	2005	
		£	£	
	Other unlisted investments	167,367	103,848	
	Listed investments	2,719,195	1,638,720	
		<u>2,886,562</u>	<u>1,742,568</u>	
12.	Creditors: amounts falling due within one year	2006	2005	
		£	£	
	Bank overdraft	16,335	23,894	
	Corporation tax	135,484	157,680	
	Other taxes and social security costs	8,483	7,137	
	Directors' accounts	8,527	-	
	Accruals and deferred income	106,481	2,500	
		<u>275,310</u>	<u>191,211</u>	
13.	Share capital	2006	2005	
		£	£	
	Authorised equity			
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	
	Allotted, called up and fully paid equity			
	500 Ordinary shares of £1 each	<u>500</u>	<u>500</u>	
	Equity Shares			
	500 Ordinary shares of £1 each	<u>500</u>	<u>500</u>	
14.	Equity Reserves	Revaluation reserve	Profit and loss account	Total
		£	£	£
	At 1 October 2005	-	7,237,766	7,237,766
	Revaluation of investments	99,094		99,094
	Retained profit for the year		464,453	464,453
	At 30 September 2006	<u>99,094</u>	<u>7,702,219</u>	<u>7,801,313</u>

Vil Holdings Limited

Notes to the abbreviated financial statements for the year ended 30 September 2006

15. Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit for the year	464,453	1,464,059
Other recognised gains or losses	99,094	-
Net addition to shareholders' funds	563,547	1,464,059
Opening shareholders' funds	7,238,266	5,774,207
Closing shareholders' funds	<u>7,801,813</u>	<u>7,238,266</u>

16. Related party transactions

During the year the company received £156,000 rental income and £260,000 management charges from Vil Resins Limited, a 100% owned subsidiary undertaking.

£100,000 was due to Vil Resins Limited at 30 September 2006. In 2005 Vil Resins Limited owed Vil Holdings Limited £1,200,000.

17. Gross cash flows

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	114,300	114,881
Dividends received	83,068	1,230,645
	<u>197,368</u>	<u>1,345,526</u>
Taxation		
Corporation tax paid	<u>(157,680)</u>	<u>(155,152)</u>
Capital expenditure and financial investment		
Receipts from sales of investments	<u>555,858</u>	<u>-</u>
Management of Liquid Resources		
Payments to acquire short term investments	<u>(1,029,464)</u>	<u>(1,033,500)</u>

Vil Holdings Limited

Notes to the abbreviated financial statements
for the year ended 30 September 2006

18. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,937,364	1,295,343	3,232,707
Overdrafts	(23,894)	7,559	(16,335)
	<u>1,913,470</u>	<u>1,302,902</u>	<u>3,216,372</u>
Liquid resources	1,742,568	1,029,464	2,772,032
Net funds	<u><u>3,656,038</u></u>	<u><u>2,332,366</u></u>	<u><u>5,988,404</u></u>