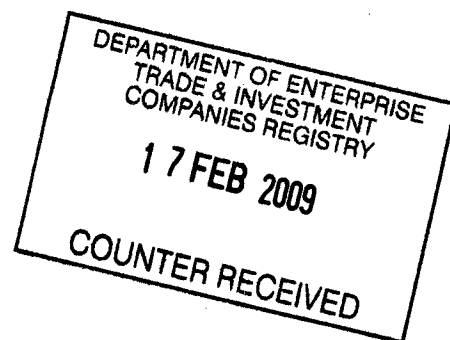




CIC PROPERTIES LIMITED
FINANCIAL STATEMENTS
30 APRIL 2008



Company Registration Number NI 32178



BDO Stoy Hayward
Chartered Accountants

Lindsay House 10 Callender Street
Belfast BT1 5BN
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CIC PROPERTIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2008

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CIC PROPERTIES LIMITED**OFFICERS AND PROFESSIONAL ADVISERS****The board of directors**

R A Scott
G R Scott
C D Scott

Company secretary

C Moore

Registered office

6 Saintfield Road
Lisburn
Co Antrim
BT27 5BD

Auditor

BDO Stoy Hayward
Chartered Accountants
& Registered Auditors
Lindsay House
10 Callender Street
Belfast
BT1 5BN

Bankers

Northern Bank
62/66 Bow Street
Lisburn
BT28 1AL

Ulster Bank Limited
11-16 Donegall Square East
Belfast
BT1 5UB

First Trust Bank
34 -36 Market Square
Lisburn
Co Antrim
BT28 1AG

Solicitors

Tughans & Co
Marlborough House
30 Victoria Street
Belfast
BT1 3GS

Norris Bazzard & Co
119 High Street
Old Amersham
Buckinghamshire
HP7 0EA



CIC PROPERTIES LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 30 APRIL 2008**

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 April 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The group's principal activities of the company during the year were the development and sale of properties and property management. The subsidiaries, joint venture and associated undertakings principally affecting the profits or net assets of the group in the year are listed in note 12 to the financial statements.

There have been no events since the balance sheet date which materially affect the position of the company

Principal risks and uncertainties

The commercial and residential property market remains competitive. The expertise and experience of the directors in the property market mitigates any posed risks from competitors.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £155,078. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, foreign currency risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Interest Rate Risk

The company has both interest bearing assets and interest bearing liabilities, which bear interest at variable rates. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit Risk

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

Liquidity Risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.



CIC PROPERTIES LIMITED**THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 30 APRIL 2008****THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE PARENT COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

| | Ordinary shares in the parent company | |
|-----------|--|--------------------------|
| | At 30 April 2008 | At 1 May 2007 |
| R A Scott | 1 | 1 |
| G R Scott | - | - |
| C D Scott | 1 | 1 |
| | <u>1</u> | <u>1</u> |

FIXED ASSETS

The changes in tangible fixed assets during the year are summarised in note 11 to the financial accounts.

All investment properties held are valued by the directors at open market value on 30 April 2008.

The valuation in these financial statements is £1,381,609 (2007 - £1,871,909).

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 the group and of the profit or loss of the group for that year. In preparing these 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CIC PROPERTIES LIMITED**THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 30 APRIL 2008**

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at a general meeting.

Registered office:
6 Saintfield Road
Lisburn
Co Antrim
BT27 5BD

Signed on behalf of the directors



R A Scott
Director

Approved by the directors on 10/02/09



CIC PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CIC PROPERTIES LIMITED

YEAR ENDED 30 APRIL 2008

We have audited the group and parent company financial statements ("the financial statements") of CIC Properties Limited for the year ended 30 April 2008 which comprise the Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet and Company Balance Sheet, Group Cash Flow and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 (Northern Ireland) Order 1986. We also report to you 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information. This report has been prepared pursuant to the requirements of the Companies (Northern Ireland) Order 1986 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies (Northern Ireland) Order 1986 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 group's and 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.



CIC PROPERTIES LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CIC
PROPERTIES LIMITED** *(continued)***YEAR ENDED 30 APRIL 2008****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 group's and the parent company's affairs as at 30 April 2008 and of the loss of the group for the year then ended;

the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986; and

the information given in the Directors' Report is consistent with the financial statements for the year ended 30 April 2008.

Lindsay House
10 Callender Street
Belfast
BT1 5BN

10 February 2009

BDO STOY HAYWARD
Chartered Accountants
& Registered Auditors

CIC PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 APRIL 2008**

| | Note | 2008 £ | 2007 £ |
|---|----------|-------------------------|-------------------------|
| GROUP TURNOVER | 2 | 4,482,374 | 7,775,171 |
| Cost of sales | | <u>2,649,456</u> | <u>4,829,329</u> |
| GROSS PROFIT | | 1,832,918 | 2,945,842 |
| Administrative expenses | | 697,281 | 333,240 |
| Other operating income | 3 | — | (100,000) |
| OPERATING PROFIT | 4 | 1,135,637 | 2,712,602 |
| Share of associate provision against fixed asset investment | | <u>(50,000)</u> | <u>—</u> |
| | | 1,085,637 | 2,712,602 |
| Share of associate operating profit | | <u>733,914</u> | <u>601,306</u> |
| | | 1,819,551 | 3,313,908 |
| Interest receivable and similar income | | 163,390 | 1,509,185 |
| Share of associate interest receivable | | 20,486 | 14,542 |
| Interest payable and similar charges | 7 | (1,161,958) | (776,953) |
| Share of associate interest payable | | <u>(414,227)</u> | <u>(328,390)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 427,242 | 3,732,292 |
| Tax on profit on ordinary activities | 8 | 582,320 | 1,314,835 |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | 9 | <u>(155,078)</u> | <u>2,417,457</u> |

All of the activities of the group are classed as continuing.

The company has taken advantage of Article 236 of the Companies (Northern Ireland) Order 1986 not to publish its own Profit and Loss Account.



CIC PROPERTIES LIMITED**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 30 APRIL 2008**

| | 2008 £ | 2007 £ |
|--|----------------------|-------------------------|
| Group | (343,216) | 2,214,877 |
| Share of associate | <u>188,138</u> | <u>202,580</u> |
| | (155,078) | 2,417,457 |
| Unrealised profit on revaluation of: Share of associates profit | <u>188,138</u> | <u>202,580</u> |
| Total gains and losses recognised since the last annual report | <u><u>33,060</u></u> | <u><u>2,620,037</u></u> |



CIC PROPERTIES LIMITED**GROUP BALANCE SHEET****30 APRIL 2008**

| | | 2008 | 2007 |
|--|------|-------------------|-------------------|
| | Note | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 11 | 1,409,549 | 1,899,529 |
| Investments | 12 | 5,207,846 | 3,782,552 |
| | | <u>6,617,395</u> | <u>5,682,081</u> |
| CURRENT ASSETS | | | |
| Stocks | 13 | 40,229,645 | 30,667,259 |
| Debtors | 14 | 5,497,397 | 4,910,202 |
| Cash at bank | | 3,529,598 | 5,686,068 |
| | | <u>49,256,640</u> | <u>41,263,529</u> |
| CREDITORS: Amounts falling due within one year | 15 | 21,811,568 | 12,162,888 |
| NET CURRENT ASSETS | | <u>27,445,072</u> | <u>29,100,641</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>34,062,467</u> | <u>34,782,722</u> |
| CREDITORS: Amounts falling due after more than one year | 16 | 10,064,300 | 10,535,282 |
| | | <u>23,998,167</u> | <u>24,247,440</u> |
| PROVISIONS FOR LIABILITIES | | | |
| Deferred taxation | 17 | 181,550 | 275,745 |
| | | <u>23,816,617</u> | <u>23,971,695</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 21 | 100 | 100 |
| Revaluation reserve | 22 | 3,199,521 | 3,199,521 |
| Profit and loss account | 22 | 20,616,996 | 20,772,074 |
| SHAREHOLDERS' FUNDS | 23 | <u>23,816,617</u> | <u>23,971,695</u> |

These financial statements were approved by the directors and authorised for issue on 10/02/08 and are signed on their behalf by:



R A SCOTT



G R SCOTT



CIC PROPERTIES LIMITED**BALANCE SHEET****30 APRIL 2008**

| | | 2008 | 2007 |
|---|------|------------------|------------------|
| | Note | £ | £ |
| FIXED ASSETS | | | |
| Investments | 12 | 100 | 100 |
| CURRENT ASSETS | | | |
| Debtors | 14 | 2,985,552 | 2,985,552 |
| Cash at bank | | 2 | 2 |
| | | <u>2,985,554</u> | <u>2,985,554</u> |
| CREDITORS: Amounts falling due within one year | 15 | <u>1,500</u> | <u>1,500</u> |
| NET CURRENT ASSETS | | <u>2,984,054</u> | <u>2,984,054</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,984,154</u> | <u>2,984,154</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 21 | 100 | 100 |
| Profit and loss account | 22 | 2,984,054 | 2,984,054 |
| SHAREHOLDERS' FUNDS | | <u>2,984,154</u> | <u>2,984,154</u> |

These financial statements were approved by the directors and authorised for issue on 10/02/09 and are signed on their behalf by:



R A SCOTT



G R SCOTT

CIC PROPERTIES LIMITED**GROUP CASH FLOW****YEAR ENDED 30 APRIL 2008**

| | Note | 2008 £ | 2007 £ |
|---|-------------|---------------------|--------------------|
| NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES | | (9,350,289) | 4,484,276 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | | |
| Interest received | 163,390 | | 1,509,185 |
| Interest paid | (1,161,958) | | (776,953) |
| NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | (998,568) | 732,232 |
| TAXATION | | (1,052,612) | (337,865) |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | | |
| Payments to acquire tangible fixed assets | (19,840) | | (965,786) |
| Receipts from sale of fixed assets | 610,000 | | 1,218,245 |
| Acquisition of investments | (34,356) | | (33,948) |
| NET CASH INFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | 555,804 | 218,511 |
| ACQUISITIONS AND DISPOSALS 24 | | (1,202,800) | — |
| EQUITY DIVIDENDS PAID | | — | (100,000) |
| CASH (OUTFLOW)/INFLOW BEFORE FINANCING | | (12,048,465) | 4,997,154 |
| FINANCING | | | |
| Issue of equity share capital | | | (452,555) |
| Increase in/(repayment of) bank loans | 7,329,431 | | (1,315,043) |
| Net inflow from other short-term creditors | 2,562,564 | | 296,926 |
| NET CASH INFLOW/(OUTFLOW) FROM FINANCING | | 9,891,995 | (1,470,672) |
| (DECREASE)/INCREASE IN CASH | | (2,156,470) | 3,526,482 |



CIC PROPERTIES LIMITED**GROUP CASH FLOW** *(continued)***YEAR ENDED 30 APRIL 2008****RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

| | 2008 | 2007 |
|---|--------------------|------------------|
| | £ | £ |
| Operating profit | 1,135,637 | 2,712,602 |
| Depreciation | 6,665 | 6,906 |
| (Profit)/Loss on disposal of fixed assets | (106,845) | 6,755 |
| Increase in stocks | (9,562,386) | (4,885,694) |
| (Increase)/decrease in debtors | (587,195) | 6,918,223 |
| Decrease in creditors | (236,165) | (274,516) |
| Net cash (outflow)/inflow from operating activities | <u>(9,350,289)</u> | <u>4,484,276</u> |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | 2008 | 2007 |
|--|---------------------|---------------------|
| | £ | £ |
| (Decrease)/increase in cash in the period | (2,156,470) | 3,526,482 |
| Net cash (inflow) from/outflow from bank loans | (7,329,431) | 1,315,043 |
| Net (inflow) from other short-term creditors | <u>(2,562,564)</u> | <u>(296,926)</u> |
| | <u>(12,048,465)</u> | <u>4,544,599</u> |
| Change in net debt | (12,048,465) | 4,544,599 |
| Net debt at 1 May 2007 | (15,073,387) | (20,070,541) |
| Net debt at 30 April 2008 | <u>(27,121,852)</u> | <u>(15,073,387)</u> |



CIC PROPERTIES LIMITED**GROUP CASH FLOW** *(continued)***YEAR ENDED 30 APRIL 2008****ANALYSIS OF CHANGES IN NET DEBT**

| | At 1 May 2007 £ | Cash flows £ | At 30 Apr 2008 £ |
|--------------------------|-----------------------|---------------------|------------------------|
| Net cash: | | | |
| Cash in hand and at bank | <u>5,686,068</u> | <u>(2,156,470)</u> | <u>3,529,598</u> |
| Debt: | | | |
| Debt due within 1 year | <u>(10,224,173)</u> | <u>(10,362,977)</u> | <u>(20,587,150)</u> |
| Debt due after 1 year | <u>(10,535,282)</u> | <u>470,982</u> | <u>(10,064,300)</u> |
| | <u>(20,759,455)</u> | <u>(9,891,995)</u> | <u>(30,651,450)</u> |
| Net debt | <u>(15,073,387)</u> | <u>(12,048,465)</u> | <u>(27,121,852)</u> |



CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings, together with the group's share of the net assets and results of associated undertakings and joint arrangements. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of article 238 of the Companies (NI) Order 1986.

Subsidiary undertakings in which the group has an investment representing not less than 20% of the voting rights and over which it exerts significant influence are treated as associated undertakings.

The group accounts include the appropriate share of the above undertakings' results and reserves.

Turnover

Turnover represents rent and recharges charged to tenants and proceeds of sale of trading properties and is stated exclusive of VAT.

Profits on the sale of properties are taken into account on the completion of contract. Profits arising from the sale of trading properties are included in the profit and loss account as part of the ordinary activities of the group.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 20% on annual written down value

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.



CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****1. ACCOUNTING POLICIES** *(continued)***Investment properties**

Investment properties are revalued periodically. Surpluses or deficits on individual properties are transferred to the revaluation reserve, except that 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 deficit, is charged to (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 the lease is more than twenty years. This conflicts with the requirement in Companies (Northern Ireland) Order 1986 that all properties should be depreciated. The directors consider that, as these properties are not held for consumption, but for investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If the departure from the Order had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of the depreciation cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might be otherwise have been shown cannot be separately identified or quantified.

Stocks

Properties are stated at the lower of cost and estimated market value. Cost includes materials, direct labour and an attributable proportion of overheads based on normal levels of activity. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.



CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****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 arising from underlying timing differences in respect of all tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances should not be discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

Associates

In the group financial statements, investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the group's share of associated profits less losses, while the group's share of net assets of the associate is shown in the consolidated balance sheet.

Joint venture undertakings

The group financial statements includes the group's 50% share of the assets, liabilities and cashflows of the joint arrangement measured according to the terms of the joint arrangement agreement.

2. TURNOVER

No analysis of turnover and attributable pre-tax profit by class of business or geographical segment has been disclosed in the financial statements as, in the opinion of the directors, such disclosure would be prejudicial to the interests of the group.



CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****3. OTHER OPERATING INCOME**

| | 2008 | 2007 |
|------------------------|------|---------|
| | £ | £ |
| Other operating income | — | 100,000 |

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

| | 2008 | 2007 |
|---|-----------|--------|
| | £ | £ |
| Depreciation of owned fixed assets | 6,665 | 6,906 |
| (Profit)/Loss on disposal of fixed assets | (106,845) | 6,755 |
| Auditor's remuneration | | |
| - as auditor | 14,000 | 10,000 |
| Operating lease costs: | | |
| Other | 29,237 | 32,806 |
| Net loss on foreign currency translation | 2,593 | — |

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

| | 2008 | 2007 |
|---|------|------|
| | No | No |
| Number of other staff (including directors) | 4 | 2 |

The aggregate payroll costs of the above were:

| | 2008 | 2007 |
|-----------------------|---------|-----------|
| | £ | £ |
| Wages and salaries | 882,720 | 1,500,000 |
| Social security costs | — | — |
| | 882,720 | 1,500,000 |

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

| | 2008 | 2007 |
|-----------------------|---------|-----------|
| | £ | £ |
| Emoluments receivable | 881,048 | 1,500,000 |

CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****6. DIRECTORS' EMOLUMENTS** *(continued)***Emoluments of highest paid director:**

| | 2008 £ | 2007 £ |
|--|----------------|------------------|
| Total emoluments (excluding pension contributions) | <u>863,361</u> | <u>1,500,000</u> |

7. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2008 £ | 2007 £ |
|------------------------------------|------------------|----------------|
| Interest payable on bank borrowing | <u>1,161,958</u> | <u>776,953</u> |

8. TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

| | 2008 £ | 2007 £ |
|---|-----------------|------------------|
| Current tax: | | |
| In respect of the year: | | |
| UK Corporation tax based on the results for the year at 30% (2007 – 30%) | 574,480 | 1,135,470 |
| Group tax on (income) on ordinary activities | | |
| Share of associate taxation charge | <u>102,035</u> | <u>84,878</u> |
| Total current tax | 676,515 | 1,220,348 |
| Deferred tax: | | |
| Origination and reversal of timing differences | <u>(94,195)</u> | <u>94,487</u> |
| Tax on profit on ordinary activities | <u>582,320</u> | <u>1,314,835</u> |



CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****8. TAXATION ON ORDINARY ACTIVITIES** *(continued)***(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2007 - 30%).

| | 2008 £ | 2007 £ |
|--|----------------|------------------|
| Profit on ordinary activities before taxation | <u>137,069</u> | <u>3,444,834</u> |
| Profit on ordinary activities by rate of tax | 626,479 | 1,033,451 |
| Other | (2,100) | - |
| Expenses not deductible for tax purposes | 54,573 | 18,348 |
| Capital allowances in excess of depreciation | 5,214 | 349 |
| Adjustments to tax charge in respect of previous periods | (12) | - |
| Effect of change in tax rate | (24,946) | - |
| Deferred tax asset not recognised | 19,376 | 84,878 |
| Chargeable gains | (2,069) | 83,322 |
| Total current tax (note 8(a)) | <u>676,515</u> | <u>1,220,348</u> |

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the accounts of the parent company was £Nil (2007 - £352,655).

10. DIVIDENDS**Equity dividends**

| | 2008 £ | 2007 £ |
|-------------------------------------|-----------|----------------|
| Paid during the year | | |
| Equity dividends on ordinary shares | <u>-</u> | <u>200,000</u> |



CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****11. TANGIBLE FIXED ASSETS**

| Group | Freehold Property £ | Fixtures & Fittings £ | Total £ |
|--------------------------|------------------------------------|--|--------------------|
| COST OR VALUATION | | | |
| At 1 May 2007 | 1,871,909 | 99,097 | 1,971,006 |
| Additions | 12,855 | 6,985 | 19,840 |
| Disposals | (503,155) | — | (503,155) |
| At 30 April 2008 | 1,381,609 | 106,082 | 1,487,691 |
| DEPRECIATION | | | |
| At 1 May 2007 | — | 71,477 | 71,477 |
| Charge for the year | — | 6,665 | 6,665 |
| At 30 April 2008 | — | 78,142 | 78,142 |
| NET BOOK VALUE | | | |
| At 30 April 2008 | 1,381,609 | 27,940 | 1,409,549 |
| At 30 April 2007 | 1,871,909 | 27,620 | 1,899,529 |

All investment properties held were valued by the directors at open market value on 30 April 2008.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

| | 2008 £ | 2007 £ |
|--------------------------------------|-------------------|-------------------|
| Net book value at end of year | 529,631 | 592,631 |
| Historical cost | 592,631 | 592,631 |



CIC PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2008
12. INVESTMENTS

| Group | Joint Arrangement | Associate | Other | |
|--------------------------|----------------------|------------------|----------------|------------------|
| | £ | £ | £ | £ |
| COST OR VALUATION | | | | |
| At 1 May 2007 | - | 3,241,690 | 540,862 | 3,782,552 |
| Additions | 1,202,800 | - | 34,356 | 1,237,156 |
| Revaluations | - | 188,138 | - | 188,138 |
| At 30 April 2008 | <u>1,202,800</u> | <u>3,429,828</u> | <u>575,218</u> | <u>5,207,846</u> |
| NET BOOK VALUE | | | | |
| At 30 April 2008 | <u>1,202,800</u> | <u>3,429,828</u> | <u>575,218</u> | <u>5,207,846</u> |
| At 30 April 2007 | - | 3,241,690 | 540,862 | 3,782,552 |

At the year end the company held the following investments which have been consolidated.

Subsidiary undertakings

| | Country of incorporation | Holding | Proportion of voting rights and shares held | Nature of business |
|------------------------------|-----------------------------|-------------|--|----------------------|
| Windsor Securities Limited | N Ireland | Ord. shares | 100% | Property Development |
| Windsor Developments Limited | N Ireland | Ord. shares | 100% | Property Development |
| Myarno Holdings Limited | Jersey | Ord. shares | 100% | Dormant |

Associated undertakings

| | | | | |
|----------------------------|-----------|-------------|-----|-----------------|
| Eastonsco Holdings Limited | N Ireland | Ord. shares | 50% | Property Rental |
|----------------------------|-----------|-------------|-----|-----------------|

Joint venture undertaking

Henderson Property Development Limited

Windsor Securities Limited has a 50% interest in a joint arrangement, which trades as Henderson Property Developments Joint Arrangement. This agreement holds the shares in Henderson Property Developments Limited, a company incorporated in Northern Ireland, whose principal activity is property development.

Other investments

Other investments relate to annual premiums paid on mortgage endowment policies on the life of a director.

All of the above investments have year ends ending 30 April 2008 except for Eastonsco Holdings Limited and Henderson Property Development Limited both of whom have year ends ending 30 September 2008.



CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****12. INVESTMENTS** *(continued)***Company****Group
companies
£****COST OR VALUATION**

At 1 May 2007 and 30 April 2008

452,755**AMOUNTS WRITTEN OFF**

At 1 May 2007 and 30 April 2008

452,655**NET BOOK VALUE**

At 30 April 2008

100

At 30 April 2007

100**13. STOCKS****Group****2008****2007****Company****2008****2007****£****£****£****£**

Stock

40,229,64530,667,259——**14. DEBTORS****Group****2008****2007****Company****2008****2007****£****£****£****£**

Trade debtors

48,064118,797——

Amounts owed by group undertakings

——2,985,5522,985,552

Other debtors

5,388,0964,711,756——

Prepayments and accrued income

61,23779,649——5,497,3974,910,2022,985,5522,985,552

CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****15. CREDITORS: Amounts falling due within one year**

| | Group | | Company | |
|------------------------------|-------------------|-------------------|----------------|--------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Bank loans | 16,859,847 | 9,059,434 | — | — |
| Directors' loan accounts | 16,214 | 20,468 | — | — |
| Other creditors | 4,029,197 | 1,944,765 | — | — |
| Accruals and deferred income | 906,310 | 1,138,221 | 1,500 | 1,500 |
| | <u>21,811,568</u> | <u>12,162,888</u> | <u>1,500</u> | <u>1,500</u> |

The loans are repayable upon demand, or if earlier on subsequent disposal of the property. Repayment terms are negotiable.

The bank loans are secured by a first legal mortgage on certain of the property stocks of the group and a guarantee from a parent undertaking. There are also unlimited cross company guarantees in respect of certain loans and overdrafts.

In addition there is a floating charge on the assets of the group, an all monies guarantee, proposed registered deposits, assignment of two life policies on one director and a fixed charge on its book debts to the extent that any outstanding loans, bank overdrafts and unpaid interest payable.

16. CREDITORS: Amounts falling due after more than one year

| | Group | | Company | |
|------------------------------------|-------------------|-------------------|----------------|-------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | 3,718,153 | 4,189,135 | — | — |
| Amounts owed to group undertakings | 1,632,189 | 1,632,189 | — | — |
| Other creditors | 4,713,958 | 4,713,958 | — | — |
| | <u>10,064,300</u> | <u>10,535,282</u> | <u>—</u> | <u>—</u> |

The bank loan as at 30 April 2008 bears a variable rate of interest and is secured on the book debts, a fixed charge over the assets of certain properties owned by the group, a floating charge over the assets and undertaking of the company and unlimited cross guarantees completed by certain group companies. The bank loan is repayable in quarterly instalments over the 1 year duration remaining.

CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****16. CREDITORS: Amounts falling due after more than one year (continued)**

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

| | Group | | Company | |
|---------------------------|----------------------|-----------------------|-----------------|-----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts | <u>90,558</u> | <u>635,791</u> | <u>-</u> | <u>-</u> |

The other loans are repayable after more than five years, are secured by way of first legal mortgage on certain property stocks and a guarantee from a parent undertaking.

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

| | Group | | Company | |
|----------------------------------|-----------------------|-----------------------|-----------------|-----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Provision brought forward | 275,745 | 181,258 | - | - |
| (Decrease)/Increase in provision | (94,195) | 94,487 | - | - |
| Provision carried forward | <u>181,550</u> | <u>275,745</u> | <u>-</u> | <u>-</u> |

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

| Group | 2008 | | 2007 | |
|---|-----------------------|-------------------|-----------------------|-------------------|
| | Provided | Unprovided | Provided | Unprovided |
| | £ | £ | £ | £ |
| Excess of taxation allowances over depreciation on fixed assets | <u>181,550</u> | <u>-</u> | <u>275,745</u> | <u>-</u> |

18. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2008 the group had annual commitments under non-cancellable operating leases as set out below.

| Group | Land and buildings | |
|--------------------------------|---------------------------|----------------------|
| | 2008 | 2007 |
| | £ | £ |
| Operating leases which expire: | | |
| After more than 5 years | <u>10,000</u> | <u>10,000</u> |



CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****19. CONTINGENCIES**

On 1 February 2008, one of the company's subsidiaries changed its place of tax residence from the United Kingdom to the Netherlands. The UK resident director and company secretary resigned and Dutch resident directors and company secretary were appointed. The company's subsidiary also transferred its business operations to Amsterdam. The directors have taken legal advice and formed the opinion that no immediate UK tax liability should arise as a result of the migration of the company from the UK to the Netherlands, due to the operation of European Community law

20. RELATED PARTY TRANSACTIONS

The company was managed by the directors throughout the current and previous years.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

21. SHARE CAPITAL**Authorised share capital:**

| | 2008 | 2007 |
|-----------------------------------|---------------|---------------|
| | £ | £ |
| 10,000 Ordinary shares of £1 each | <u>10,000</u> | <u>10,000</u> |

Allotted, called up and fully paid:

| | 2008 | | 2007 | |
|----------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

22. RESERVES

| Group | Revaluation reserve £ | Profit and loss account £ |
|-------------------------|-----------------------------|---------------------------------|
| Balance brought forward | 3,199,521 | 20,772,074 |
| Loss for the year | — | (155,078) |
| Balance carried forward | <u>3,199,521</u> | <u>20,616,996</u> |



CIC PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 2008****22. RESERVES** *(continued)***Company****Profit and loss
account
£**

Balance brought forward

2,984,054

Balance carried forward

2,984,054**23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

| | 2008 | 2007 |
|-------------------------------------|-------------------|-------------|
| | £ | £ |
| Profit for the financial year | (155,078) | 2,417,457 |
| Less capitalised from reserves | — | — |
| | (155,078) | 2,417,457 |
| Equity dividends | — | 100,000 |
| Transfer from revaluation reserve | — | 632,369 |
| Transfer to profit and loss account | — | 632,369 |
| Net addition to shareholders' funds | (155,078) | 2,317,457 |
| Opening shareholders' funds | 23,971,695 | 21,654,238 |
| Closing shareholders' funds | 23,816,617 | 23,971,695 |

24. ULTIMATE PARENT COMPANY

The ultimate undertaking is Ardmore Limited, a company incorporated in the Isle of Man.

