

**CIC PROPERTIES LIMITED
FINANCIAL STATEMENTS
30 APRIL 2012**



Company Registration Number NI 32178

**COMPANIES HOUSE
29 APR 2013
BELFAST**

CIC PROPERTIES LIMITED

Financial statements

Year ended 30 April 2012

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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

T Parkinson

Registered office

6 Saintfield Road
Lisburn
Co Antrim
BT27 5BD

Auditor

BDO Northern Ireland
Chartered Accountants
& Statutory Auditor
Lindsay House
10 Callender Street
Belfast
BT1 5BN

Bankers

Citco Bank N.V
Amsterdam
P.O Box 7241 - 1007 JE
The Netherlands

National Asset Management Agency
1 Donegall Square South
Belfast
United Kingdom
BT1 5LR

Solicitors

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

Blaser Mills Solicitors
119 High Street
Old Amersham
Buckinghamshire
HP7 0EA

CIC PROPERTIES LIMITED

The directors' report

Year ended 30 April 2012

The directors present their report and the financial statements of the group for the year ended 30 April 2012.

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 13 to the financial statements.

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.

Performance in the sector is affected by general economic conditions and specific sectoral factors such as mortgage rates, house price inflation and interest rates.

In the current year the directors have included a provision regarding a related party balance totalling £5,556,499 and had this provision not been made, the group would have made a profit before tax of £47,083.

In the prior year, a review of a joint arrangement with a related party has resulted in a provision in the value of an investment figure of £1,202,800 and a related stock write down of £969,550.

The group monitor 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 £5,558,578. Particulars of dividends paid are detailed in note 11 to the financial statements.

Financial risk management objectives and policies

The group'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 group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

Given the size of the group, 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 group's finance department.

Interest Rate Risk

The group 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 group's operations change in size or nature.

Credit Risk

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

CIC PROPERTIES LIMITED

The directors' report *(continued)*

Year ended 30 April 2012

Liquidity Risk

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

Bank Funding Risk

In the prior year, the group directors were notified that, in accordance with National Asset Management Agency ("NAMA") policy, one of the bank loans for £7,385,000, which was with an Irish funding institution, has been transferred to NAMA. The director's, in conjunction with a joint arrangement partner, who is joined in the same facility for an equivalent amount, have submitted a business plan to NAMA.

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 2012	At 1 May 2011
R A Scott	1	1
G R Scott	-	-
C D Scott	<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 2012.

The valuation in these financial statements is £974,080 (2011 - £974,080).

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 (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that year.

In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

CIC PROPERTIES LIMITED

The directors' report *(continued)*

Year ended 30 April 2012

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and 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 Act 2006. 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.

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

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

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 29/04/13

CIC PROPERTIES LIMITED

Independent auditor's report to the shareholders of CIC Properties Limited

Year ended 30 April 2012

We have audited the group and parent company financial statements ("the financial statements") of CIC Properties Limited for the year ended 30 April 2012 which comprise the Group 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. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 April 2012 and of the group's loss 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.

Emphasis of matter - valuation of properties and going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in (i) Note 15 concerning the uncertainty associated with the assessment of the carrying value of property assets under current market conditions and (ii) the basis of preparation accounting policy concerning the company's ability to continue as a going concern.

The group's principal assets include work in progress with a carrying value of £7.94 million. Given the materiality of these amounts and the inherent subjectivity in the assessment of the carrying value, we draw your attention to the uncertainty, as outlined in Note 15.

CIC PROPERTIES LIMITED**Independent auditor's report to the shareholders of CIC Properties Limited***(continued)***Year ended 30 April 2012**

A subsidiary company, Windsor Securities Limited has provided an interest shortfall guarantee in favour of a related company Windsor Fairlawn Limited. Windsor Fairlawn Limited bank facilities of £11,254,000 expired on 30 September 2011 and £5,200,000 expired on 31 October 2012. The bank continue to support the company despite the fact negotiations to renew facilities have not yet been agreed. The financial statements are prepared on the basis that the Windsor Fairlawn Limited bank facilities will be renewed and that any potential liability remains a contingent liability.

The basis of preparation accounting policy sets out a number of material uncertainties which may cast doubt on the ability of the group to continue as a going concern. These matters include the acceptance by NAMA of the group's business plan, the ability of the group to successfully repay, refinance or renew bank facilities as they fall due, and to secure continuing support where bank covenants are breached. While the ultimate outcome of these matters cannot be assessed with certainty at this time, the directors are of the opinion that, based on the current discussions with the group's lenders, it is appropriate to prepared the financial statements on the going concern basis.

The financial statements do not include any adjustments or disclosures that would be required if the group was unable to recover the full carrying value of its work in progress or if the company was unable to continue as a going concern.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Nigel V W Harra, senior statutory auditor
For and on behalf of BDO Northern Ireland, statutory auditor
Lindsay House
10 Callender Street
Belfast
BT1 5BN

29 April 2013

CIC PROPERTIES LIMITED**Group profit and loss account****Year ended 30 April 2012**

	Note	2012 £	2011 £
Group turnover	2	1,478,577	18,519,634
Cost of sales		<u>2,066,818</u>	<u>13,902,847</u>
Gross (loss)/profit		(588,241)	4,616,787
Administrative expenses		5,773,926	280,217
Other operating income	3	<u>(435,097)</u>	<u>(325,000)</u>
Operating (loss)/profit	4	(5,927,070)	4,661,570
Attributable to:			
Operating (loss)/profit before exceptional items		(370,571)	4,661,570
Exceptional items	4	<u>(5,556,499)</u>	<u>—</u>
		(5,927,070)	4,661,570
Share of associate operating profit		<u>375,483</u>	<u>225,518</u>
TOTAL OPERATING LOSS/PROFIT: GROUP AND SHARE OF ASSOCIATES		(5,551,587)	4,887,088
Profit/(loss) on available-for-sale investments (fixed assets)		<u>474,077</u>	<u>—</u>
		(5,077,510)	4,887,088
Interest receivable		674	1,719
Share of interest receivable, associate		1,491	4,034
Amounts written off investments	7	—	(1,202,800)
Interest payable and similar charges	8	(210,267)	(265,929)
Share of interest payable, associate		(223,804)	(221,760)
(Loss)/profit on ordinary activities before taxation		(5,509,416)	3,202,352
Tax on (loss)/profit on ordinary activities	9	49,162	117,198
(Loss)/profit for the financial year	10	(5,558,578)	<u>3,085,154</u>

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

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

CIC PROPERTIES LIMITED**Group statement of total recognised gains and losses****Year ended 30 April 2012**

	2012 £	2011 £
(Loss)/Profit for the financial year excluding share of profit of associate	(5,674,296)	3,078,739
Share of associate profit for the year	<u>115,718</u>	<u>6,415</u>
(Loss)/Profit attributable to shareholders of the parent company	(5,558,578)	3,085,154
Unrealised profit on revaluation of: Shares in participating interests	<u>115,717</u>	<u>6,415</u>
Group revaluation surpluses	<u>(5,442,861)</u>	<u>3,091,569</u>
Total gains and losses recognised since the last annual report	<u>(5,442,861)</u>	<u>3,091,569</u>

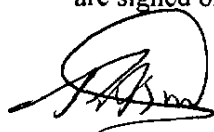
CIC PROPERTIES LIMITED

Group balance sheet

30 April 2012

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	12		995,633		995,637
Investments	13		3,757,024		4,322,047
			<u>4,752,657</u>		<u>5,317,684</u>
Current assets					
Stocks	14	7,939,890		7,552,313	
Debtors	15	410,677		7,017,887	
Cash at bank and in hand		1,392,351		912,881	
		<u>9,742,918</u>		<u>15,483,081</u>	
Creditors: Amounts falling due within one year	16	11,736,417		11,699,029	
Net current (liabilities)/assets			<u>(1,993,499)</u>		<u>3,784,052</u>
Total assets less current liabilities			<u>2,759,158</u>		<u>9,101,736</u>
Creditors: Amounts falling due after more than one year	17		6,346,147		6,346,147
Provisions for liabilities					
Deferred taxation	18		181,550		181,550
			<u>(3,768,539)</u>		<u>2,574,039</u>
Capital and reserves					
Called-up equity share capital	22		100		100
Revaluation reserve	23		2,551,160		2,551,160
Profit and loss account	23		(6,319,799)		22,779
(Deficit)/shareholders' funds	24		<u>(3,768,539)</u>		<u>2,574,039</u>

These financial statements were approved by the directors and authorised for issue on 29/04/13 and are signed on their behalf by:



R A Scott



G R Scott

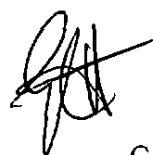
CIC PROPERTIES LIMITED**Balance sheet****30 April 2012**

	Note	2012 £	£	2011 £	£
Fixed assets					
Investments	13		100		100
Current assets					
Cash at bank			2,884		36,933
Total assets			<u>2,984</u>		<u>37,033</u>
Capital and reserves					
Called-up equity share capital	22		100		100
Profit and loss account	23		2,884		36,933
Shareholders' funds			<u>2,984</u>		<u>37,033</u>

These financial statements were approved by the directors and authorised for issue on 29/04/13 and are signed on their behalf by:



R A Scott



G R Scott

Company Registration Number: NI 32178

CIC PROPERTIES LIMITED

Group cash flow

Year ended 30 April 2012

	Note	2012	2011
		£	£
Net cash inflow from operating activities		636,191	15,641,543
Returns on investments and Servicing of finance			
Interest received		674	1,719
Interest paid		(210,267)	(265,929)
Net cash outflow from returns on investments and servicing of finance		(209,593)	(264,210)
Taxation		(169,813)	(172,243)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(16,700)	(446)
Receipts from sale of fixed assets		12,300	–
Acquisition of investments		(10,283)	(35,582)
Disposal of investments		1,165,100	–
Net cash inflow/(outflow) for capital expenditure and financial investment		1,150,417	(36,028)
Equity dividends paid		(784,000)	(7,007,000)
Cash inflow before financing		623,202	8,162,062
Financing			
Repayment of bank loans		–	(3,813,707)
Net outflow from other short-term creditors		(143,732)	(7,669,442)
Net cash outflow from financing		(143,732)	(11,483,149)
Increase/(decrease) in cash		479,470	(3,321,087)

CIC PROPERTIES LIMITED**Group cash flow****Year ended 30 April 2012****Reconciliation of operating (loss)/profit to net cash inflow from operating activities**

	2012	2011
	£	£
Operating (loss)/profit	(5,927,070)	4,661,570
Depreciation	4,404	5,389
(Increase)/decrease in stocks	(387,577)	10,929,130
Decrease/(increase) in debtors	6,650,670	(950,441)
Increase in creditors	295,764	995,895
Net cash inflow from operating activities	<u>636,191</u>	<u>15,641,543</u>

Reconciliation of net cash flow to movement in net debt

	2012		2011	
	£	£	£	£
Increase/(decrease) in cash in the period	479,470		(3,321,087)	
Net cash outflow from bank loans	-		3,813,707	
Net outflow from other short-term creditors	<u>143,732</u>		<u>7,669,442</u>	
		<u>623,202</u>		<u>8,162,062</u>
Change in net debt		623,202		8,162,062
Net debt at 1 May 2011		<u>(15,573,166)</u>		<u>(23,735,228)</u>
Net debt at 30 April 2012		<u>(14,949,964)</u>		<u>(15,573,166)</u>

Analysis of changes in net debt

	At 1 May 2011	Cash flows	At 30 Apr 2012
	£	£	£
Net cash:			
Cash in hand and at bank	<u>912,881</u>	<u>479,470</u>	<u>1,392,351</u>
Debt:			
Debt due within 1 year	(10,139,900)	143,732	(9,996,168)
Debt due after 1 year	<u>(6,346,147)</u>	<u>-</u>	<u>(6,346,147)</u>
	<u>(16,486,047)</u>	<u>143,732</u>	<u>(16,342,315)</u>
Net debt	<u>(15,573,166)</u>	<u>623,202</u>	<u>(14,949,964)</u>

CIC PROPERTIES LIMITED

Notes to the financial statements

Year ended 30 April 2012

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.

The group is a member of a group headed by Ardmore Limited which has indicated that it will continue to support the company and accordingly the financial statements have been prepared on a going concern basis.

However the future performance of CIC Properties Limited ("the group") in the markets in which it operates will be influenced by the macro-economic, financial, credit and property industry conditions, which are outside of the group's control. Ongoing difficulties in the economic environment, with continued negative repercussions for both financial institutions and the property market, could materially impact the property portfolio assembled by the group and affect its ability to meet its longer term financing requirements.

In addition, a significant proportion of the group's bank borrowings previously held by Irish financial institutions have now been transferred to the National Asset Management Agency ("NAMA").

NAMA is a special purpose vehicle that has been established by the Irish government on a statutory basis in order to manage acquired loans with the aim of achieving the best possible return for the Irish taxpayer over a 7 to 10 year timeframe.

As required by NAMA, the group (in conjunction with a joint arrangement partner) is in the process of preparing a detailed business plan with a view to seeking NAMA's approval of that plan. While formal approval of the group's business plan has yet to be completed, the directors are confident that such approval will be forthcoming and hence have prepared the financial statements on a going concern basis.

The directors of the group assess the basis of preparation of the financial statements each year, and whether it is appropriate to prepare them on a going concern basis. In doing so, they assess the financial plan and cashflow projections for the group. The following represent the key assumptions of that financial plan:

- the acceptance by NAMA of the group's business plan, and the ability of the company to successfully implement the plan;
- bank loans falling due for repayment in the coming financial year with NAMA and other financial institutions will be renewed on terms consistent with the existing loan arrangements;
- in the case of current breaches of bank covenants and any future breaches of bank covenants that arise, that the related loan facilities will be re-negotiated and renewed;
- the group will continue to realise sufficient cash through bank financing and property disposal transactions during the course of 2012/2013 that will enable it to meet working capital and other commitments as they arise.

CIC PROPERTIES LIMITED**Notes to the financial statements****Year ended 30 April 2012**

1. Accounting policies *(continued)***Basis of accounting** *(continued)*

A subsidiary company, Windsor Securities Limited has provided an interest shortfall guarantee in favour of a related company Windsor Fairlawn Limited. Windsor Fairlawn Limited bank facilities of £11,254,000 expired on 30 September 2011 and £5,200,000 expired on 31 October 2012. The bank continue to support the company despite the fact negotiations to renew facilities have not yet been agreed. The financial statements are prepared on the basis that the Windsor Fairlawn Limited bank facilities will be renewed and that any potential liability remains a contingent liability.

Based on the above assumptions, the directors believe that the group will have sufficient cash reserves and debt facilities to meet its ongoing requirements for at least 12 months from the date of approval of the financial statements.

The directors of the group have concluded that the above factors represent material uncertainties. Failure to deliver on the above assumptions may cast significant doubt on the ability of the group to continue as a going concern and it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, having considered the basis of preparation and the assumptions underlying the group's cashflow projections together with assessing the status of negotiations with NAMA, and assuming the renewal of expiring facilities and continued forbearance of its lenders, the directors of the company have reasonable expectation that the group will be able to meet its liabilities as they fall due for the foreseeable future.

It is on the basis that the directors consider it appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustment that would result from the going concern basis of preparation being inappropriate.

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 section 408 of the Companies Act 2006.

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.

CIC PROPERTIES LIMITED

Notes to the financial statements

Year ended 30 April 2012

1. Accounting policies *(continued)*

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 or revaluation 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
Motor Vehicles	- 25% straight line

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.

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Order is required in order to give a true and fair view.

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 2012**

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 groups 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.

CIC PROPERTIES LIMITED

Notes to the financial statements

Year ended 30 April 2012

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.

3. Other operating income

	2012	2011
	£	£
Management charges receivable	325,000	325,000
Other operating income	110,097	—
	<u>435,097</u>	<u>325,000</u>

4. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2012	2011
	£	£
Depreciation of owned fixed assets	4,404	5,389
Auditor's remuneration		
- as auditor	13,000	18,000
Operating lease costs:		
- Other	23,550	23,550
Net loss/(profit) on foreign currency translation	4,721	(4,266)
Provision for related party balance	5,556,499	—
	<u>5,556,499</u>	<u>—</u>

The directors have included a provision against the amount due from a related party debtor due to circumstances affecting the recoverability of the debt totalling £5,556,499.

5. Particulars of employees

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

	2012	2011
	No	No
Number of other staff (including directors)	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	59,878	70,973
Social security costs	—	—
	<u>59,878</u>	<u>70,973</u>

CIC PROPERTIES LIMITED**Notes to the financial statements****Year ended 30 April 2012****6. Directors' remuneration**

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

	2012	2011
	£	£
Remuneration receivable	<u>42,419</u>	<u>68,625</u>

7. Amounts written off investments

	2012	2011
	£	£
Investments written off	<u>-</u>	<u>1,202,800</u>

Amounts written off investments relates to a provision against 50% of the group's share of the investment value in Henderson Property Development Limited.

8. Interest payable and similar charges

	2012	2011
	£	£
Interest payable on bank borrowing	<u>210,267</u>	<u>265,929</u>

9. Taxation on ordinary activities**(a) Analysis of charge in the year**

	2012	2011
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2011 - 28%)	11,710	115,821
Share of associate taxation charge	37,452	1,377
Total current tax	<u>49,162</u>	<u>117,198</u>

CIC PROPERTIES LIMITED

Notes to the financial statements

Year ended 30 April 2012

9. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2011 - 28%).

	2012 £	2011 £
(Loss)/profit on ordinary activities before taxation	<u>(5,509,416)</u>	<u>3,202,352</u>
(Loss)/profit on ordinary activities by rate of tax	(1,101,883)	896,659
Capital allowances in excess of depreciation	256	442
Share of associate tax charge	37,452	1,377
Income not subject to tax	(212,481)	(750,421)
Expenses not deductible for tax purposes	1,232,019	-
Losses	93,799	9,683
Group relief not paid for	-	(3,435)
Effect of change in tax rate	-	(37,107)
Total current tax (note 9(a))	<u>49,162</u>	<u>117,198</u>

10. Profit attributable to members of the parent company

The profit dealt with in the accounts of the parent company was £749,951 (2011 - £6,999,951).

11. Dividends

Equity dividends

	2012 £	2011 £
Paid during the year		
Equity dividends on ordinary shares	<u>784,000</u>	<u>7,007,000</u>

CIC PROPERTIES LIMITED**Notes to the financial statements****Year ended 30 April 2012****12. Tangible fixed assets**

Group	Investment Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation				
At 1 May 2011	974,080	40,637	–	1,014,717
Additions	–	–	16,700	16,700
Disposals	–	–	(12,300)	(12,300)
At 30 April 2012	<u>974,080</u>	<u>40,637</u>	<u>4,400</u>	<u>1,019,117</u>
Depreciation				
At 1 May 2011	–	19,080	–	19,080
Charge for the year	–	4,312	92	4,404
At 30 April 2012	<u>–</u>	<u>23,392</u>	<u>92</u>	<u>23,484</u>
Net book value				
At 30 April 2012	<u>974,080</u>	<u>17,245</u>	<u>4,308</u>	<u>995,633</u>
At 30 April 2011	<u>974,080</u>	<u>21,557</u>	<u>–</u>	<u>995,637</u>

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

	2012	2011
	£	£
Net book value at end of year	<u>816,021</u>	<u>816,021</u>
Historical cost	<u>790,060</u>	<u>790,060</u>

CIC PROPERTIES LIMITED
Notes to the financial statements
Year ended 30 April 2012

13. Investments

Group	Joint	Associate	Other	
	Arrangement		£	£
Cost or valuation				
At 1 May 2011	1,202,800	3,641,307	680,740	5,524,847
Additions	-	-	10,283	10,283
Disposals	-	-	(691,023)	(691,023)
Revaluations	-	115,717	-	115,717
At 30 April 2012	<u>1,202,800</u>	<u>3,757,024</u>	<u>-</u>	<u>4,959,824</u>
Amounts written off				
At 1 May 2011 and 30 April 2012	<u>1,202,800</u>	<u>-</u>	<u>-</u>	<u>1,202,800</u>
Net book value				
At 30 April 2012	<u>-</u>	<u>3,757,024</u>	<u>-</u>	<u>3,757,024</u>
At 30 April 2011	<u>-</u>	<u>3,641,307</u>	<u>680,740</u>	<u>4,322,047</u>

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

Subsidiary undertakings

	Country of incorporation	Proportion of voting rights and holding 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
Associated undertakings			
Eastonsco Holdings Limited	N Ireland	Ord. shares 50%	Property Rental

CIC PROPERTIES LIMITED

Notes to the financial statements

Year ended 30 April 2012

13. Investments *(continued)*

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 2012 except for Eastonsco Holdings Limited and Henderson Property Development Limited both of whom have year ends ending 30 September 2012.

Company	Group companies £
Cost or valuation	
At 1 May 2011 and 30 April 2012	<u>452,755</u>
Amounts written off	
At 1 May 2011 and 30 April 2012	<u>452,655</u>
Net book value	
At 30 April 2012 and 30 April 2011	<u>100</u>

14. Stocks

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Stock	<u>7,939,890</u>	<u>7,552,313</u>	<u>—</u>	<u>—</u>

The valuation of the group's stock at the date of the approval of the financial statements is subject to uncertainty in light of current market conditions where property assets are relatively illiquid.

CIC PROPERTIES LIMITED

Notes to the financial statements

Year ended 30 April 2012

15. Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	7,236	20,927	-	-
Corporation tax repayable	43,460	-	-	-
VAT recoverable	-	43,983	-	-
Amounts owed from related parties	343,589	6,945,987	-	-
Other debtors	402	500	-	-
Prepayments and accrued income	15,990	6,490	-	-
	<u>410,677</u>	<u>7,017,887</u>	<u>-</u>	<u>-</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Other debtors	-	5,475,000	-	-
	<u>-</u>	<u>5,475,000</u>	<u>-</u>	<u>-</u>

16. Creditors: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	7,385,000	7,385,000	-	-
Directors' loan accounts	14,752	14,752	-	-
Other creditors including taxation and social security:				
Corporation tax	-	114,643	-	-
Other taxation and social security	8,168	-	-	-
Other creditors	1,335,500	1,179,975	-	-
Other creditors	2,611,168	2,754,900	-	-
Accruals and deferred income	381,829	249,759	-	-
	<u>11,736,417</u>	<u>11,699,029</u>	<u>-</u>	<u>-</u>

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

The loan of £7,385,000 has been transferred to NAMA.

CIC PROPERTIES LIMITED

Notes to the financial statements

Year ended 30 April 2012

17. Creditors: Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Other creditors	<u>6,346,147</u>	<u>6,346,147</u>	<u>-</u>	<u>-</u>

18. Deferred taxation

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

Group	2012		2011	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>181,550</u>	<u>-</u>	<u>181,550</u>	<u>-</u>

19. Commitments under operating leases

At 30 April 2012 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2012	2011
	£	£
Operating leases which expire:		
After more than 5 years	<u>23,550</u>	<u>10,000</u>

20. Contingencies

A subsidiary company, Windsor Securities Limited, has given an unlimited cross-guarantee in respect of the borrowings of certain companies within the group and a letter of guarantee in favour of a related party for interest shortfall.

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.

CIC PROPERTIES LIMITED

Notes to the financial statements

Year ended 30 April 2012

21. Related party transactions

The company was under the control of the Board of Directors throughout the current and previous years.

Amounts due from other companies with common directors and included in other debtors in note 15 include the following:

	2012	2011
	£	£
Britneyhill Properties Limited	20,650	–
G R Homes Limited	20,150	1,169,500
Hutoma Properties BV	273,007	273,007
Windsor Fairlawn Limited	–	5,475,000
	<u>313,807</u>	<u>6,917,507</u>

The directors have included a provision against the amount due from Windsor Fairlawn Limited due to circumstances affecting the recoverability of the debt.

Amounts owed to other companies with common directors and included in other creditors in note 16 include the following:

	2012	2011
	£	£
Periga Developments BV	<u>1,335,000</u>	<u>1,175,000</u>

Amounts owed to other companies with common directors and included in other creditors in note 13 include the following:

	2012	2011
	£	£
Aberne	<u>6,346,147</u>	<u>6,346,147</u>

Ardmore Limited is the ultimate parent company of CIC Properties Limited. Hutoma Properties BV and Periga Developments BV are also under the control of Ardmore Limited.

Windsor Securities Limited holds an associate interest in Eastonsco Holding Limited. During the year, Windsor Securities Limited received management charges of £325,000 (2011: £165,000) from Eastonsco Holding Limited. At 30 April 2012, the balance owed by Windsor Securities Limited to Eastonsco Holding Limited was £1,793,750 (2011: £1,875,000).

Windsor Securities Limited holds an joint venture interest in Henderson Property Developments Limited. At 30 April 2012, the balance owed by Windsor Securities Limited to Henderson Property Development Limited was £817,418 (2011: £850,445).

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

CIC PROPERTIES LIMITED
Notes to the financial statements
Year ended 30 April 2012

22. Share capital**Authorised share capital:**

	2012	2011
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

23. Reserves

Group	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	2,551,160	22,779
Loss for the year	-	(5,558,578)
Equity dividends	-	(784,000)
Balance carried forward	<u>2,551,160</u>	<u>(6,319,799)</u>

Company

	Profit and loss account
	£
Balance brought forward	36,933
Profit for the year	749,951
Equity dividends	(784,000)
Balance carried forward	<u>2,884</u>

24. Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
(Loss)/Profit for the financial year	(5,558,578)	3,085,154
Equity dividends	(784,000)	(7,007,000)
Transfer from revaluation reserve	-	648,361
Transfer to profit and loss account	-	(648,361)
Net reduction to shareholders' funds	<u>(6,342,578)</u>	<u>(3,921,846)</u>
Opening shareholders' funds	<u>2,574,039</u>	<u>6,495,885</u>
Closing shareholders' (deficit)/funds	<u>(3,768,539)</u>	<u>2,574,039</u>

25. Ultimate parent company

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