

2594369

Report of the Directors and  
Financial Statements for the Year Ended 31 March 2005  
for  
Bovale Limited



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for the Year Ended 31 March 2005

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Bovale Limited

Company Information  
for the Year Ended 31 March 2005

**DIRECTORS:**

T G Bailey  
M F Bailey  
D M Macmillan

**SECRETARY:**

D M Macmillan

**REGISTERED OFFICE:**

4 Belmont  
Shrewsbury  
Shropshire  
SY1 1TE

**REGISTERED NUMBER:**

2594369 (England and Wales)

**AUDITORS:**

Dawkins Lewis & Soar  
Chartered Accountants  
& Registered Auditors  
Cowdown Business Park  
Micheldever  
Winchester  
Hampshire  
SO21 3DN

Bovale Limited

Report of the Directors  
for the Year Ended 31 March 2005

The directors present their report with the financial statements of the company for the year ended 31 March 2005.

**PRINCIPAL ACTIVITY**

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

**REVIEW OF BUSINESS**

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

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2005.

**DIRECTORS**

The directors during the year under review were:

T G Bailey  
M F Bailey  
D M Macmillan

The beneficial interests of the directors holding office on 31 March 2005 in the issued share capital of the company were as follows:

	31.3.05	1.4.04
<b>Ordinary £1 shares</b>		
T G Bailey	1	1
M F Bailey	1	1
D M Macmillan	-	-

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

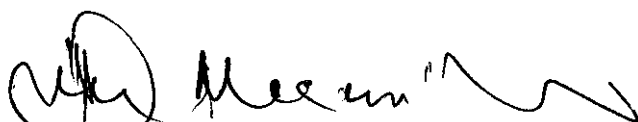
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

**AUDITORS**

The auditors, Dawkins Lewis & Soar, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



D M Macmillan - Secretary

26 April 2006

Report of the Independent Auditors to the Shareholders of  
Bovale Limited

We have audited the financial statements of Bovale Limited for the year ended 31 March 2005 on pages four to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors 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 transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

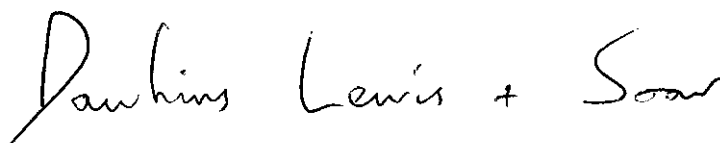
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Dawkins Lewis & Soar  
Chartered Accountants  
& Registered Auditors  
Cowdown Business Park  
Micheldever  
Winchester  
Hampshire  
SO21 3DN



26 April 2006

Bovale Limited

Profit and Loss Account  
for the Year Ended 31 March 2005

		<u>31.3.05</u>	<u>31.3.04</u>
	Notes	£	£
<b>TURNOVER</b>		3,700,000	9,461,531
Cost of sales		<u>3,038,203</u>	<u>8,260,089</u>
<b>GROSS PROFIT</b>		661,797	1,201,442
Administrative expenses		<u>78,730</u>	<u>379,952</u>
		583,067	821,490
Other operating income		<u>292,569</u>	<u>24,135</u>
<b>OPERATING PROFIT</b>	3	875,636	845,625
Interest receivable and similar income		<u>85,454</u>	<u>85,478</u>
		961,090	931,103
Interest payable and similar charges	4	<u>209,409</u>	<u>11,031</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		751,681	920,072
Tax on profit on ordinary activities	5	<u>13,035</u>	<u>330,837</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		738,646	589,235
Retained profit brought forward		<u>1,107,784</u>	<u>518,549</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£1,846,430</u>	<u>£1,107,784</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current and previous years.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**


The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

Bovale Limited

Balance Sheet  
31 March 2005

		<u>31.3.05</u>		<u>31.3.04</u>	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		5,114		10,734
Investments	7		<u>8,619,814</u>		<u>-</u>
			8,624,928		10,734
<b>CURRENT ASSETS:</b>					
Stocks	8	22,732,985		10,579,565	
Debtors	9	78,512		846,785	
Cash at bank and in hand		<u>3,201,818</u>		<u>3,900,900</u>	
		26,013,315		15,327,250	
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>28,321,597</u>		<u>10,058,223</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS:</b>			<u>(2,308,282)</u>		<u>5,269,027</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			6,316,646		5,279,761
<b>CREDITORS: Amounts falling due after more than one year</b>	11		(4,470,214)		(4,170,214)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	15		<u>-</u>		<u>(1,761)</u>
			<u>£1,846,432</u>		<u>£1,107,786</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	16		2		2
Profit and loss account			<u>1,846,430</u>		<u>1,107,784</u>
<b>SHAREHOLDERS' FUNDS:</b>	18		<u>£1,846,432</u>		<u>£1,107,786</u>

ON BEHALF OF THE BOARD:

  
D M Macmillan - Director

Approved by the Board on 26 April 2006

Bovale Limited

Cash Flow Statement  
for the Year Ended 31 March 2005

		<u>31.3.05</u>	<u>31.3.04</u>
	Notes	£	£
Net cash inflow from operating activities	1	8,370,585	2,003,981
Returns on investments and servicing of finance	2	(123,955)	74,447
Taxation		(325,159)	(125,117)
Capital expenditure and financial investment	2	<u>(8,620,553)</u>	<u>(962)</u>
(Decrease)/Increase in cash in the period		<u>£(699,082)</u>	<u>£1,952,349</u>

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Reconciliation of net cash flow  
to movement in net funds

	3		
(Decrease)/Increase in cash in the period		<u>(699,082)</u>	<u>1,952,349</u>
Change in net funds resulting from cash flows		<u>(699,082)</u>	<u>1,952,349</u>
Movement in net funds in the period		<u>(699,082)</u>	<u>1,952,349</u>
Net funds at 1 April		<u>3,900,900</u>	<u>1,948,551</u>
Net funds at 31 March		<u>£3,201,818</u>	<u>£3,900,900</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 March 2005

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.3.05 £	31.3.04 £
Operating profit	875,636	845,625
Depreciation charges	6,359	6,682
(Increase)/decrease in debtors	768,273	(115,985)
Increase in bank loans	18,962,624	1,146,897
Increase/(decrease) in creditors	(88,887)	1,270,152
Increase in stocks	<u>(12,153,420)</u>	<u>(1,149,390)</u>
<b>Net cash inflow from operating activities</b>	<u><u>8,370,585</u></u>	<u><u>2,003,981</u></u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.3.05 £	31.3.04 £
<b>Returns on investments and servicing of finance</b>		
Interest received	85,454	85,478
Interest paid	<u>(209,409)</u>	<u>(11,031)</u>
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u><u>(123,955)</u></u>	<u><u>74,447</u></u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(739)	(962)
Additions to investments	<u>(8,619,814)</u>	<u>-</u>
Net cash outflow for capital expenditure	<u><u>(8,620,553)</u></u>	<u><u>(962)</u></u>

Notes to the Cash Flow Statement  
for the Year Ended 31 March 2005

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.04 £	Cash flow £	At 31.3.05 £
Net cash:			
Cash at bank and in hand	<u>3,900,900</u>	<u>(699,082)</u>	<u>3,201,818</u>
	<u>3,900,900</u>	<u>(699,082)</u>	<u>3,201,818</u>
 Total	 <u>3,900,900</u>	 <u>(699,082)</u>	 <u>3,201,818</u>
 <b>Analysed in Balance Sheet</b>			
Cash at bank and in hand	<u>3,900,900</u>		<u>3,201,818</u>
	<u>3,900,900</u>		<u>3,201,818</u>

1. **ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents net invoiced sales, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 33% on cost

**Stocks**

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. **STAFF COSTS**

	31.3.05	31.3.04
	£	£
Wages and salaries	102,273	95,361
Social security costs	<u>11,877</u>	<u>11,171</u>
	<u>114,150</u>	<u>106,532</u>

The average monthly number of employees during the year was as follows:

	31.3.05	31.3.04
Management and administration	<u>4</u>	<u>4</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.05	31.3.04
	£	£
Hire of plant and machinery	2,353	975
Depreciation - owned assets	6,359	6,682
Auditors' remuneration	<u>3,000</u>	<u>2,000</u>
Directors' emoluments	<u>75,000</u>	<u>68,823</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.3.05	31.3.04
	£	£
Bank interest	<u>209,409</u>	<u>11,031</u>

5. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.05	31.3.04
	£	£
Current tax:		
UK corporation tax	14,796	276,760
Under-provision in earlier years	<u>-</u>	<u>55,537</u>
Total current tax	14,796	332,297
Deferred taxation	<u>(1,761)</u>	<u>(1,460)</u>
Tax on profit on ordinary activities	<u>13,035</u>	<u>330,837</u>

6. **TANGIBLE FIXED ASSETS**

	Office equipment	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
<b>COST:</b>				
At 1 April 2004	-	10,489	13,963	24,452
Additions	<u>739</u>	<u>-</u>	<u>-</u>	<u>739</u>
At 31 March 2005	<u>739</u>	<u>10,489</u>	<u>13,963</u>	<u>25,191</u>
<b>DEPRECIATION:</b>				
At 1 April 2004	-	4,409	9,309	13,718
Charge for year	<u>185</u>	<u>1,520</u>	<u>4,654</u>	<u>6,359</u>
At 31 March 2005	<u>185</u>	<u>5,929</u>	<u>13,963</u>	<u>20,077</u>
<b>NET BOOK VALUE:</b>				
At 31 March 2005	<u>554</u>	<u>4,560</u>	<u>-</u>	<u>5,114</u>
At 31 March 2004	<u>-</u>	<u>6,080</u>	<u>4,654</u>	<u>10,734</u>

Notes to the Financial Statements  
for the Year Ended 31 March 2005

7. **FIXED ASSET INVESTMENTS**

	£	
<b>COST:</b>		
Additions		<u>8,619,814</u>
At 31 March 2005		<u>8,619,814</u>
<b>NET BOOK VALUE:</b>		
At 31 March 2005		<u>8,619,814</u>
	31.3.05	31.3.04
	£	£
Unlisted investments	<u>8,619,814</u>	<u>-</u>

As all the fixed asset investments were acquired during the year, the directors believe their cost represents open market value at 31 March 2005.

8. **STOCKS**

	31.3.05	31.3.04
	£	£
Work in progress	<u>22,732,985</u>	<u>10,579,565</u>

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.05	31.3.04
	£	£
V.A.T.	15,769	103,840
Trade debtors	11,818	66,448
Other debtors	4,324	92,021
Accrued income	7,778	6,081
Prepayments	782	2,714
Solicitor's client account	<u>38,041</u>	<u>575,681</u>
	<u>78,512</u>	<u>846,785</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.05	31.3.04
	£	£
Bank loans and overdrafts (see note 12)	28,018,647	9,056,023
Trade creditors	46,622	314,441
Directors loan accounts	164,109	320,401
Other creditors	4,510	4,000
Social security & other taxes	3,656	-
Deferred income	32,631	-
Taxation	19,145	329,508
Accruals	<u>32,277</u>	<u>33,850</u>
	<u>28,321,597</u>	<u>10,058,223</u>

Notes to the Financial Statements  
for the Year Ended 31 March 2005

11. **CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	31.3.05	31.3.04
	£	£
Bovale Developments Limited	<u>4,470,214</u>	<u>4,170,214</u>

12. **LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	31.3.05	31.3.04
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>28,018,647</u>	<u>9,056,023</u>

13. **OPERATING LEASE COMMITMENTS**

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	31.3.05	31.3.04	31.3.05	31.3.04
	£	£	£	£
Expiring:				
Between one and five years	<u>8,300</u>	<u>8,300</u>	<u>2,611</u>	<u>2,557</u>

14. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.3.05	31.3.04
	£	£
Bank loans	<u>28,018,647</u>	<u>9,056,023</u>

The loans from Anglo Irish Bank Corporation PLC are secured by unlimited personal guarantees from two of the company's directors, M F Bailey and T G Bailey, and by legal charges over the assets acquired with the funds advanced.

15. **PROVISIONS FOR LIABILITIES AND CHARGES**

	31.3.05	31.3.04
	£	£
Deferred taxation	<u>-</u>	<u>1,761</u>

## 15. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax £
Balance at 1 April 2004	1,761
Decrease in provision	<u>(1,761)</u>
Balance at 31 March 2005	<u>-</u>

## 16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.3.05 £	31.3.04 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.05 £	31.3.04 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

## 17. RELATED PARTY DISCLOSURES

The company is controlled by M F Bailey and T G Bailey, each of whom owns 50% of the issued share capital.

M F Bailey and T G Bailey are also interested in the entire issued share capital of Bovale Developments Limited, a company registered in the Irish Republic. Apart from Anglo Irish Bank Corporation PLC, Bovale Developments Limited was the company's major creditor as at 31 March 2004 and 31 March 2005.

Bovale Developments Limited was owed £4,470,214 as at 31 March 2005 (31 March 2004: £4,170,214).

## 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.05 £	31.3.04 £
Profit for the financial year	<u>738,646</u>	<u>589,235</u>
<b>Net addition to shareholders' funds</b>	738,646	589,235
Opening shareholders' funds	<u>1,107,786</u>	<u>518,551</u>
<b>Closing shareholders' funds</b>	<u>1,846,432</u>	<u>1,107,786</u>
Equity interests	<u>1,846,432</u>	<u>1,107,786</u>