

REGISTERED NUMBER: 02594369 (England and Wales)

Abbreviated Accounts for the Year Ended 30 September 2012

for

Bovale Limited

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Bovale Limited (Registered number 02594369)

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for the Year Ended 30 September 2012**

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Bovale Limited

Company Information
for the Year Ended 30 September 2012

DIRECTORS:

T G Bailey
M F Bailey

REGISTERED OFFICE.

Martin Kaye LLP
The Foundry
Euston Way
Telford
Shropshire
TF3 4LY

REGISTERED NUMBER.

02594369 (England and Wales)

AUDITORS:

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Report of the Independent Auditors to
Bovale Limited
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages three to seven, together with the full financial statements of Bovale Limited for the year ended 30 September 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion


In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Other information

On 3 October 2013 we reported as auditors to the shareholders of the company on the full financial statements for the year ended 30 September 2012 prepared under Section 396 of the Companies Act 2006, and our report included the following extract:

"Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. At 30 September 2012 the Company had net current liabilities of £57,179,365 and net liabilities of £52,003,541. The Company is in the process of negotiating the approval of an additional loan application in accordance with its strategic plan. Whilst the directors are confident that sufficient funds will be approved and obtained to enable the Company to complete property development to a stage where positive cash flows can be generated, were the funds not forthcoming the Company would have to seek alternative financing to meet its obligations. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern."



Jonathan Talbot (Senior Statutory Auditor)
for and on behalf of Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
Portwall Place
Portwall Lane
Bristol
BS1 6NA

3 October 2013

Bovale Limited (Registered number 02594369)

Abbreviated Balance Sheet
30 September 2012

| | Notes | 30 9 12 £ | £ | 30 9 11 £ | £ |
|--|-------|-------------------|---------------------|-------------------|---------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 2 | | 5,824 | | 9,965 |
| Investments | 3 | | 200,000 | | 200,000 |
| Investment property | 4 | | 4,970,000 | | 4,970,000 |
| | | | <u>5,175,824</u> | | <u>5,179,965</u> |
| CURRENT ASSETS | | | | | |
| Stock | | 34,575,292 | | 44,009,147 | |
| Debtors | | 258,701 | | 381,264 | |
| Investments | | 7 | | 7 | |
| Cash at bank and in hand | | 394,134 | | 347,472 | |
| | | <u>35,228,134</u> | | <u>44,737,890</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 5 | 92,407,499 | | 87,262,501 | |
| | | <u></u> | | <u></u> | |
| NET CURRENT LIABILITIES | | | <u>(57,179,365)</u> | | <u>(42,524,611)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>(52,003,541)</u> | | <u>(37,344,646)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 6 | | 3 | | 2 |
| Revaluation reserve | | | (5,074,375) | | (5,074,375) |
| Profit and loss account | | | (46,929,169) | | (32,270,273) |
| | | | <u>(52,003,541)</u> | | <u>(37,344,646)</u> |
| SHAREHOLDERS' FUNDS | | | <u>(52,003,541)</u> | | <u>(37,344,646)</u> |

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 3 October 2013 and were signed on its behalf by:

M F Bailey - Director



T G Bailey - Director



The notes form part of these abbreviated accounts

1 ACCOUNTING POLICIES

Going concern

At 30 September 2012, being the Company's financial year-end, the Company had net current liabilities of £57,179,365 and net liabilities of £52,003,541. The Company is reliant upon the continued support of its bank and the Directors together with its continuing ability to manage the timing of both settlement of borrowings, all of which are repayable on demand, and future liabilities as they arise. The bank and the Directors have agreed to provide support for the foreseeable future.

The Company is in the process of negotiating the approval of an additional loan application in accordance with its strategic plan. The Directors are confident that sufficient funds will be approved and obtained to enable the Company to complete property development to a stage where positive cash flows can then be generated. If the expected funds are not forthcoming, the Company would have to seek alternative financing to meet its financial obligations.

In addition, the Directors have also considered the likelihood of outstanding claims against the Company, as detailed in note 15, and are of the opinion that no outflow of economic benefits will result. Should this not be the case, the Directors would need to seek further funding, in addition to that detailed above, to settle the claim.

The Directors have concluded that the need to generate future funds from additional borrowings and from trading activities to satisfy the settlement of its ongoing and future liabilities represents a material uncertainty, which may cast significant doubt upon the Company's ability to continue as a going concern. Nevertheless, after making enquiries and considering this uncertainty and the measures that can be taken to mitigate the uncertainty, the Directors have reasonable expectation that the Company will have adequate resources to continue in existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the annual financial statements. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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.

Office equipment, fixtures, etc - 33% on cost and 25% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

No provision is made for depreciation of investment properties. This departure from the requirements of the Companies Act 2006 which requires all properties to be depreciated is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards.

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2012

1 ACCOUNTING POLICIES - continued

Stock

Stock and work in progress are valued at the lower of cost and net realisable value

Land with planning includes undeveloped land and land under development. Work in progress comprises direct materials, labour costs, site overheads, associated professional charges and other attributable overheads. Net realisable value represents the estimated selling prices less all estimated costs of completion and overheads.

Investments in land without the benefit of a planning consent are initially included at cost. Regular reviews are carried out to identify any impairment in the value of the land considering the existing use value of the land and the likelihood of achieving a planning consent and the value thereof. Provision is made to reflect any irrecoverable amounts.

Deferred tax

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

Fixed asset and current asset investments

Investments are stated at cost less any provision for impairment.

Borrowing costs

Borrowing costs have been included in work in progress since they are specific to the various developments the company is undertaking.

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company, its subsidiaries and its joint venture comprise a small-sized group as defined by the Companies Act 2006. The company has, therefore, not taken advantage of the option of preparing group accounts provided by Section 398, Companies Act 2006.

2 TANGIBLE FIXED ASSETS

| | Total £ |
|-----------------------|------------|
| COST | |
| At 1 October 2011 | |
| and 30 September 2012 | 47,352 |
| DEPRECIATION | |
| At 1 October 2011 | 37,387 |
| Charge for year | 4,141 |
| At 30 September 2012 | 41,528 |
| NET BOOK VALUE | |
| At 30 September 2012 | 5,824 |
| At 30 September 2011 | 9,965 |

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2012

3 FIXED ASSET INVESTMENTS

| | Investments other than loans £ |
|--|--|
| COST | |
| At 1 October 2011 and 30 September 2012 | 8,230,574 |
| PROVISIONS | |
| At 1 October 2011 and 30 September 2012 | 8,030,574 |
| NET BOOK VALUE | |
| At 30 September 2012 | 200,000 |
| At 30 September 2011 | 200,000 |

The company's investments at the balance sheet date in the share capital of companies include the following

Joint venture

Castle Farm Telford LLP

Nature of business Property Development

| | % holding | 30 9 12 | 30 9 11 |
|--------------------------------|--------------|--------------|--------------|
| Class of shares | | £ | £ |
| Share of capital & income | 87.50 | (50,302,940) | (45,367,328) |
| Aggregate capital and reserves | | (4,935,612) | (4,088,160) |
| Loss for the year | | | |

Castle Farm Telford LLP's principal place of business is 4, Belmont, Shrewsbury SY1 1TE

4 INVESTMENT PROPERTY

| | Total £ |
|--|------------|
| COST OR VALUATION | |
| At 1 October 2011 and 30 September 2012 | 4,970,000 |
| NET BOOK VALUE | |
| At 30 September 2012 | 4,970,000 |
| At 30 September 2011 | 4,970,000 |

5 CREDITORS

Creditors include an amount of £89,513,344 (30 9 11 - £86,045,512) for which security has been given

Bovale Limited (Registered number 02594369)

Notes to the Abbreviated Accounts - continued
for the Year Ended 30 September 2012

6 CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid Number | Class | Nominal value | 30 9 12 £ | 30 9 11 £ |
|---|------------|------------------|--------------|--------------|
| 2 | Ordinary A | £1 | 2 | 2 |
| 1 | Ordinary B | £1 | 1 | - |
| | | | <u>3</u> | <u>2</u> |

1 Ordinary B share of £1 was allotted and fully paid for cash at par during the year

On 25 January 2012 2 Ordinary shares of £1 each were redesignated as 2 Ordinary A shares of £1 each

7 ULTIMATE CONTROLLING PARTY

The company is ultimately controlled by M F Bailey and T G Bailey, both of whom are residents of the Republic of Ireland