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**BOVALE LIMITED**

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**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2013**



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## **BOVALE LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO BOVALE LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 3 to 8, together with the financial statements of Bovale Limited for the year ended 30 September 2013 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.

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 are properly prepared.

#### **OPINION ON FINANCIAL STATEMENTS**

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 on pages 3 to 8 have been properly prepared in accordance with the regulations made under that section.

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**BOVALE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO BOVALE LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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**OTHER INFORMATION**

On 25 June 2014 we reported as auditors to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraph

**EMPHASIS OF MATTER**

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 2013 the company had net current liabilities of £61,384,202 and net liabilities £56,210,587. The company is in the process of negotiating a financial restructuring in accordance with its strategic plan. Whilst the directors are confident that the financial restructure will be approved 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**

Chartered Accountants & Statutory Auditors

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

25 June 2014

**BOVALE LIMITED**  
**REGISTERED NUMBER: 02594369**

**ABBREVIATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	2		2,494		5,824
Investment property	3		5,053,912		4,970,000
Investments	4		117,209		200,000
			<u>5,173,615</u>		<u>5,175,824</u>
<b>CURRENT ASSETS</b>					
Stocks		31,785,072		34,575,292	
Debtors amounts falling due after more than one year	5	-		168,011	
Debtors amounts falling due within one year	5	199,136		90,690	
Investments		7		7	
Cash in hand		599,846		394,134	
		<u>32,584,061</u>		<u>35,228,134</u>	
<b>CREDITORS: amounts falling due within one year</b>		<u>(93,968,263)</u>		<u>(92,407,499)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(61,384,202)</u>		<u>(57,179,365)</u>
<b>NET LIABILITIES</b>			<u>(56,210,587)</u>		<u>(52,003,541)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	6		3		3
Investment property reserve	7		-		(5,074,375)
Profit and loss account			<u>(56,210,590)</u>		<u>(46,929,169)</u>
<b>SHAREHOLDERS' DEFICIT</b>			<u>(56,210,587)</u>		<u>(52,003,541)</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 25 June 2014

M F Bailey  
Director



The notes on pages 3 to 7 form part of these financial statements

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## BOVALE LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

##### 1.2 Going concern

At 30 September 2013, being the company's financial year-end, the company had net current liabilities of £61,384,202 and net liabilities of £56,210,587. 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 directors have agreed to provide support for the foreseeable future.

The company is in the process of negotiating a financial restructuring in accordance with its strategic plan. The directors are confident that the financial restructure will be approved 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.

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.

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of net invoiced sales during the year, exclusive of Value Added Tax.

##### 1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Other fixed assets	- 25% reducing balance
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##### 1.5 Investments

Investments are stated at cost less provision for impairment.

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## BOVALE LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

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#### **1 ACCOUNTING POLICIES (continued)**

##### **1.6 Investment properties**

Investment properties are included in the Balance Sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

##### **1.7 Stocks and work in progress**

Stocks 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 value of the land and the likelihood of achieving a planning consent and the value thereof. Provision is made to reflect any irrecoverable amounts.

##### **1.8 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### **1.9 Borrowing costs**

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

##### **1.10 Group accounts policy**

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.

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**BOVALE LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

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**2. TANGIBLE FIXED ASSETS**

	£
<b>Cost</b>	
At 1 October 2012	47,352
Disposals	(8,623)
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At 30 September 2013	38,729
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<b>Depreciation</b>	
At 1 October 2012	41,528
Charge for the year	830
On disposals	(6,123)
	<hr/>
At 30 September 2013	36,235
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<b>Net book value</b>	
At 30 September 2013	2,494
	<hr/> <hr/>
<i>At 30 September 2012</i>	<hr/> <hr/> 5,824

**3. INVESTMENT PROPERTY**

	£
<b>Valuation</b>	
At 1 October 2012	4,970,000
Surplus on revaluation	83,912
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At 30 September 2013	5,053,912
	<hr/> <hr/>
<b>Comprising</b>	
Cost	10,044,375
Annual revaluation surplus/(deficit)	
2011	(5,074,375)
2013	83,912
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At 30 September 2013	5,053,912
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Investment property was valued on an open market value basis on 30 September 2011 by the property advisors, GVA Grimley

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**BOVALE LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

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**4. FIXED ASSET INVESTMENTS**

	£
<b>Cost or valuation</b>	
At 1 October 2012 and 30 September 2013	8,230,574
<b>Provisions</b>	
At 1 October 2012	8,030,574
Charge for the year	82,791
At 30 September 2013	8,113,365
<b>Net book value</b>	
At 30 September 2013	117,209
At 30 September 2012	200,000

The unlisted investment in Intercard Limited is shown at cost of £200,000, which the directors believe represents its open market value at 30 September 2013. Intercard Limited is a private limited company, registered in England & Wales. The registered office address of Intercard Limited is 2 Maylands Wood, Hall Road, Hemel Hempstead, Hertfordshire, HP2 7BH.

**5. DEBTORS**

Debtors include £NIL (2012 - £168,011) falling due after more than one year.

**6. SHARE CAPITAL**

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary A shares of £1 each	2	2
1 Ordinary B share of £1	1	1
	3	3

1 Ordinary B Share of £1 was allotted and fully paid for cash at par during 2012.

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



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**BOVALE LIMITED**

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**7. RESERVES**

	<b>Investment property revaluation reserve £</b>
At 1 October 2012	<b>(5,074,375)</b>
Revaluation of investment property	<b>83,912</b>
Crystallisation of temporary diminution of value on investment property	<b>4,990,463</b>
At 30 September 2013	<b>-</b>