

# Softvalley Limited

## FINANCIAL STATEMENTS

for the year ended

31 May 2010

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COMPANIES HOUSE

Company Registration No 05496111

# Softvalley Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

V A Tchenguiz  
Michael Watson

### SECRETARIES

M H P Ingham  
J C D Kirwan-Taylor

### COMPANY NUMBER

05496111 (England and Wales)

### REGISTERED OFFICE

4th Floor  
Leconfield House  
Curzon Street  
London  
W1J 5JA

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey  
GU1 1UW

# Softvalley Limited

## DIRECTORS' REPORT

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The directors present their report and the financial statements of Softvalley Limited for the year ended 31 May 2010

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was that of an investment company investing in unlisted investments

No additional investments were made during the year, and there were no disposals of previously acquired investments

The directors consider the market value of the investments to be £325,000 (2009 £325,000)

In the opinion of the directors the result for the year and the financial position of the company at 31 May 2010 were satisfactory, given the support of Vincos Limited, a fellow group company

### KEY PERFORMANCE INDICATORS

The directors use the following key indicators to measure performance based upon the valuation of the investment portfolio

	2010	2009
Income yield on investment portfolio	2.89%	1.42%

### RISK AND UNCERTAINTIES

The principal risk the company is exposed to is the fluctuations in the value of its investment portfolio

### DIVIDENDS

The directors do not recommend the payment of a dividend

### DIRECTORS

The following directors have held office since 1 June 2009

V A Tchenguiz  
Michael Watson

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

On behalf of the board



Michael Watson  
Director

7 October 2010

# Softvalley Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Softvalley Limited

## INDEPENDENT AUDITOR'S REPORT

### To The Members Of Softvalley Limited

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We have audited the financial statements on pages 5 to 10. 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 members, 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 members 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 members as a body for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

As more fully explained in the Directors' Responsibilities Statement, 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 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**

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/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2010 and of its result 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.

#### **Opinion on other matter 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

*Baker Tilly UK Audit LLP*

David Worrow FCA (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey  
GU1 1UW

25/10/2010

**Softvalley Limited**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 May 2010**

	Notes	2010 £	2009 £
Other operating expenses	1	(1,238)	(3,337)
<b>OPERATING LOSS</b>		<b>(1,238)</b>	<b>(3,337)</b>
Investment income	2	7,222	4,620
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<b>5,984</b>	<b>1,283</b>
Taxation	5	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	9	<b>5,984</b>	<b>1,283</b>

All amounts derive from continuing activities

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

# Softvalley Limited

## BALANCE SHEET

As at 31 May 2010

Company registration No 05496111

	Notes	2010 £	2009 £
FIXED ASSETS			
Investments	6	250,025	250,025
CREDITORS Amounts falling due after more than one year	7	(223,255)	(229,239)
NET ASSETS		<u>26,770</u>	<u>20,786</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account	9	<u>26,769</u>	<u>20,785</u>
SHAREHOLDERS' FUNDS	10	<u>26,770</u>	<u>20,786</u>

The financial statements on pages 5 to 10 were approved by the board of directors and authorised for issue on 7 October 2010 and are signed on its behalf by



Michael Watson

Director

# Softvalley Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards

The financial statements have been prepared under the historical cost convention

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements

### GOING CONCERN

The directors have assessed the continuation and availability of support being provided by Vincos Limited, a fellow group company. Vincos Limited has agreed not to demand repayment of the amount due to it should that result in the company not being able to meet its obligations in the normal course of business. The directors are aware that since there is no formal agreement in place that Vincos Limited could request repayment although that is not their intention. If this occurred the directors consider that the company's investment is sufficiently marketable and attractive that alternative funding could be obtained so as to be able to repay the debt and continue to trade.

On this basis, the directors have determined that the company has, or can expect to have, sufficient working capital for its needs for at least the next 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate to prepare the accounts on the going concern basis.

### INVESTMENTS

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

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax is measured on a non-discounted basis.

### CASH FLOW STATEMENT

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.



# Softvalley Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2010

1	OTHER OPERATING EXPENSES	2010 £	2009 £
	Administrative expenses	<u>1,238</u>	<u>3,337</u>
2	INVESTMENT INCOME	2010 £	2009 £
	Dividends from unlisted investments	<u>7,222</u>	<u>4,620</u>
3	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2010 £	2009 £
	Profit is stated after charging		
	Auditor's remuneration	<u>1,175</u>	<u>3,307</u>
4	EMPLOYEES		
	There were no employees during the year apart from the directors, who received no emoluments		
5	TAXATION	2010 £	2009 £
	UK Corporation tax		
	Current tax charge	<u>-</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>5,984</u>	<u>1,283</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>1,676</u>	<u>359</u>
	Effects of		
	Tax losses (utilised)/carried forward	(725)	1,815
	UK transfer pricing	(951)	(2,174)
		<u>(1,676)</u>	<u>(359)</u>
	Current tax charge	<u>-</u>	<u>-</u>

The company has estimated losses of £ 25,232 (2009 - £ 27,822) available for carry forward against future trading profits

The deferred tax asset arising on the losses carried forward has not been recognised as their utilisation in the foreseeable future is considered remote

# Softvalley Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2010

### 6 FIXED ASSET INVESTMENTS

	<i>Unlisted investments</i>
	£
Cost	
1 June 2009 and 31 May 2010	250,025

7 CREDITORS amounts falling due after more than one year	2010	2009
	£	£
Amounts owed to group undertakings	223,255	229,239

The group undertaking Vincos Ltd has confirmed that it will not request repayment of this funding within 12 months of the signing of these accounts except on an earlier realisation of the company's investment

8 SHARE CAPITAL	2010	2009
	£	£
Allotted, issued and fully paid		
Equity		
1 Ordinary share of £1	1	1

9 RESERVES	Profit and loss account
	£
Balance at 1 June 2009	20,785
Profit for the year	5,984
Balance at 31 May 2010	26,769

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2010	2009
	£	£
Profit for the financial year	5,984	1,283
Opening shareholders' funds	20,786	19,503
Closing shareholders' funds	26,770	20,786

# Softvalley Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2010

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### 11 CONTROL

The company's immediate holding company is Ciano Investments Limited, a company registered in the British Virgin Islands

The company's ultimate holding company is Amora Investments Limited, a company registered in the British Virgin Islands

The ultimate controlling party is the Tchenguiz Family Trust

### 12 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 "Related Party Disclosures" and has not disclosed transactions with fellow group undertakings where 100% of the voting rights are controlled within the group