

# **Amova Limited**

Financial statements

For the 17 months ended 31 August 2007

Grant Thornton 

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**Company No. SC180488**

## Officers and professional advisers

<b>Company Registration Number</b>	SC180488
<b>Registered Office</b>	Head Office Weatherhouse Bowhill SELKIRK TD7 5ES
<b>Directors</b>	M D Clarke J C Lamont
<b>Secretary</b>	M J McGrath
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1 4 Atholl Crescent EDINBURGH EH3 8LQ

# Contents

<b>Report of the directors</b>	3
<b>Report of the independent auditor</b>	4 5
<b>Accounting policies</b>	6
<b>Profit and loss account</b>	7
<b>Balance sheet</b>	8
<b>Notes to the financial statements</b>	9 11

# Report of the Directors

The directors present their report and the financial statements of the company for the period ended 31 August 2007

## Principal activities and business review

The principal activities of the company during the period were trading in and development of property

## Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these 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 that 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information

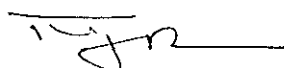
## Auditor

A resolution to re appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

## Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

BY ORDER OF THE BOARD



M J McGrath  
Secretary

Grant Thornton 

## Report of the independent auditor to the members of Amova Limited

We have audited the financial statements of Amova Limited for the period ended 31 August 2007 on pages 9 to 11. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out on page 6.

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 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 directors and auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

## Report of the independent auditor to the members of Amova Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 August 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

25 April 2008

## Accounting Policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

### **Turnover**

The turnover shown in the profit and loss account represents rental income receivable and, where appropriate, the sale of property

### **Stocks**

Stock is valued at the lower of cost and net realisable value. Cost includes property costs and net realisable value is based on estimated selling price less estimated cost of disposal

### **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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

### **Interest payable**

Interest payable on bank and other loans is charged to the profit and loss account as incurred.

## Profit and loss account

For the period ended 31 August 2007

	Note	17 month Period 2007 £	2006 £
Turnover		4,418,658	108,504
Cost of Sales		3,807,803	–
Other operating charges	1	44,400	32,981
<b>Operating profit</b>	2	<b>566,455</b>	<b>75,523</b>
Interest receivable		67,144	2,714
Interest payable and similar charges		(39,711)	(161,038)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>593,888</b>	<b>(82,801)</b>
Tax on profit/(loss) on ordinary activities	3	(154,207)	–
<b>Profit/(loss) for the financial period</b>		<b>439,681</b>	<b>(82,801)</b>
Balance brought forward		350,629	433,430
Balance carried forward		<u>790,310</u>	<u>350,629</u>

The accompanying accounting policies and notes form part of these financial statements.




## Balance sheet


As at 31 August 2007

	Note	2007 £	2006 £
<b>Current assets</b>			
Stocks	4	–	3,650,140
Debtors	5	10,253	14,495
Cash at bank		1,409,819	15,722
		<u>1,420,072</u>	<u>3,680,357</u>
<b>Creditors: amounts falling due within one year</b>	6	164,762	2,864,728
<b>Net current assets</b>		<u>1,255,310</u>	<u>815,629</u>
<b>Total assets less current liabilities</b>		<u>1,255,310</u>	<u>815,629</u>
<b>Capital and reserves</b>			
Called up equity share capital	8	465,000	465,000
Profit and loss account	9	790,310	350,629
<b>Shareholders' funds</b>		<u>1,255,310</u>	<u>815,629</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on 18/4/08 and are signed on their behalf by

  
M D Clarke  
Director

  
J C Lamont  
Director

## Notes to the financial statements

### 1 Other operating charges

	17 month Period 2007 £	2006 £
Administrative expenses	<u>44,400</u>	<u>32,981</u>

### 2 Operating profit

	17 month Period 2007 £	2006 £
Operating profit is stated after charging		
Auditor's fees	<u>3,500</u>	<u>6,615</u>

### 3 Taxation on ordinary activities

	17 month Period 2007 £	2006 £
Current tax		
UK Corporation tax based on the results for the period at 30% (2006 19%)	<u>154,207</u>	
Total current tax	<u>154,207</u>	

### 4 Stocks

	2007 £	2006 £
Development properties		<u>3,650,140</u>

**5 Debtors**

	2007 £	2006 £
Trade debtors	9,921	13,895
Other debtors	332	600
	<u>10,253</u>	<u>14,495</u>

**6 Creditors: amounts falling due within one year**

	2007 £	2006 £
Bank loans	-	2,137,000
Corporation tax	154,207	-
Other creditors	10,555	727,728
	<u>164,762</u>	<u>2,864,728</u>

The bank loan was used to fund the purchase and redevelopment of a property and the bank holds a preferred security over the property and its associated assets. The Buccleuch Estates Limited has also granted a guarantee for the amount of the loan in favour of the bank.

Included within other creditors is a loan for £nil (2006 £689,516) from The Buccleuch Estates Limited. The principal amount and all accrued interest, was repaid on disposal of the property.

The Buccleuch Estates Limited is a related party of Amova Limited by way of common directors and shareholders.

**7 Related party transactions**

Apart from the items disclosed in note 6 to the financial statements, no transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**8 Share capital**

Authorised share capital

	2007 £	2006 £
465,000 Ordinary shares of £1 each	<u>465,000</u>	<u>465,000</u>

Allotted, called up and fully paid.

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>465,000</u>	<u>465,000</u>	<u>465,000</u>	<u>465,000</u>

At the period end no one shareholder had a controlling interest in the company.

**9 Profit and loss account**

	2007 £	2006 £
Balance brought forward	350,629	433,430
Profit/(loss) for the financial period	439,681	(82,801)
Balance carried forward	<u>790,310</u>	<u>350,629</u>

**10 Post balance sheet events**

Post period end the shareholders have received an offer from Bellendean Insurance Services Limited for the whole share capital of the company. This has been accepted.