

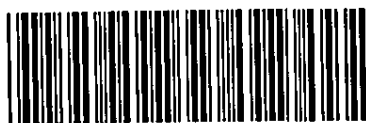
Registration number 4112012

Boughton Holdings

Annual report and financial statements

for the year ended 30 November 2008

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Boughton Holdings

Directors' report for the year ended 30 November 2008

The directors present their report and the financial statements for the year ended 30 November 2008.

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 264(4) of the Companies Act 1985.

Principal activity and review of the business

The principal activity of the company is that of making investments. The directors consider that the result and future prospects are satisfactory. No changes are envisaged.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend (2007: £nil).

Post balance sheet event

On 8 June 2009 St. Modwen Properties PLC, the ultimate parent company, completed a placing and open offer of new shares raising £102m of net proceeds which has significantly strengthened the financial position of the St Modwen group.

Directors and their interests

The following were directors of the company during the year and subsequently none of whom had any interest in the shares of the company:

T P Haywood
W A Oliver

Statement of directors' responsibilities

The directors are responsible for preparing 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). 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 those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- 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.

Boughton Holdings

Directors' report for the year ended 30 November 2008

Going concern

The current economic conditions create uncertainty over the level of demand for property and access to liquidity. However, despite the uncertain outlook, the directors believe that the company is well placed to manage its risks by adapting its activities to changing conditions. Such action has included:

- Eliminating speculative development activity;
- Minimising any non-funded commitments; and
- Close management of working capital.

The ultimate parent company, St. Modwen Properties PLC, has provided the directors with confirmation that it will continue to provide the company with financial support, to the extent that it is not otherwise available, for a period of at least 12 months from the date of approval of the financial statements. As disclosed in its Annual Report dated 26 February 2009, St Modwen Properties PLC has adequate lines of credit in place which do not require any material refinancing before 2011 and the company is trading within all its banking covenants. The group's forecasts, taking account of reasonably possible changes in property valuation, and anticipated marshalling gains, show that the group should be able to operate within its current facilities and comply with its banking covenants.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to the auditors

Each director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware;
- they have taken all steps necessary to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Auditors

Deloitte LLP, our auditors, previously Deloitte & Touche LLP, have conducted the audit for the year ended 30 November 2008 and have expressed a willingness to remain in office. A resolution to reappoint Deloitte LLP will be put forward at the Annual General Meeting.

This report was approved by the Board on 29/09/09 and signed on its behalf by



T P Haywood
Director

**Independent auditors' report to the shareholders of
Boughton Holdings**

We have audited the company's financial statements for the year ended 30 November 2008 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 13. These financial statements have been prepared under 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 the auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable 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 directors' report 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 directors' report 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 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 judgments 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.

**Independent auditors' report to the shareholders of
Boughton Holdings (Continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Birmingham, United Kingdom
Date: 30/09/09

Boughton Holdings

**Profit and loss account
for the year ended 30 November 2008**

		2008	2007
	Notes	£	£
Interest payable and similar charges	3	(15,219,505)	(15,188,265)
Loss on ordinary activities before taxation	2	<u>(15,219,505)</u>	<u>(15,188,265)</u>
Tax on loss on ordinary activities	4	4,363,432	4,550,396
Loss for the year	9	<u>(10,856,073)</u>	<u>(10,637,869)</u>

All amounts derive from continuing operations.

There were no recognised gains or losses for the current and prior years other than as shown above, and accordingly no Statement of total recognised gains and losses is presented.

The notes on pages 7 to 11 form an integral part of these financial statements.

Boughton Holdings

Balance sheet as at 30 November 2008

		2008		2007	
	Notes	£	£	£	£
Fixed assets					
Investments	5		166,500,001		166,500,001
Current assets					
Debtors	6				
falling due within one year		27,429,332		23,065,900	
falling due after more than one year		11,883,725		27,103,230	
Net current assets			39,313,057		50,169,130
Total assets			205,813,058		216,669,131
Creditors: amounts falling due after more than one year	7		(250,000,000)		(250,000,000)
Net liabilities			(44,186,942)		(33,330,869)
Capital and reserves					
Called up share capital	8		1,192		1,192
Profit and loss account	9		(44,188,134)		(33,332,061)
Shareholders' deficit	10		(44,186,942)		(33,330,869)

The financial statements were approved by the Board on 29/11/09 and signed on its behalf by



TP Haywood
Director

The notes on pages 7 to 11 form an integral part of these financial statements.

Boughton Holdings

Notes to the financial statements for the year ended 30 November 2008

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom company law and accounting standards.

The accounting policies have been applied consistently throughout the year and the preceding period. The directors have prepared the financial statements on a going concern basis for the reasons set out in the paragraph headed going concern in the directors' report.

1.2. Group accounts

The company is entitled to the exemption under Section 228 of the Companies Act 1985 from the obligation to prepare group accounts as the company is included in the consolidated accounts of St. Modwen Properties PLC. The financial statements therefore show information about the company as an individual undertaking and not about its group.

1.3. Interest and finance costs

Finance costs associated with long term borrowings are charged to the profit and loss account over the life of the liability to which they relate.

1.4. Investments

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

1.5. Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, 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 is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1.6. Cash flow statement

The company is a 100% subsidiary of St. Modwen Properties PLC. Its cash flows are included in that company's consolidated cash flow statement. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement.

Boughton Holdings

Notes to the financial statements for the year ended 30 November 2008

2. Loss on ordinary activities before taxation

2.1. Audit fees

Auditors' remuneration was borne by its parent company, St. Modwen Properties PLC. The amounts borne were as follows:

	2008	2007
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	2,100	2,000
Fees payable to the company's auditors for other services to the company – Tax services	1,050	1,000
	<u>3,150</u>	<u>3,000</u>

2.2. Information regarding directors and employees

None of the directors received any remuneration during the year (2007: £nil). The company had no employees (2007: nil) and is managed by its ultimate parent company, St. Modwen Properties PLC.

The remuneration of the directors is paid by other group undertakings for both the current financial year and the prior financial year and no part of their remuneration is specifically attributable to their services to this company.

3. Interest payable

	2008	2007
	£	£
Amortisation of financial option premium	15,219,505	15,219,506
Correction of prior years' amortisation	-	(31,241)
	<u>15,219,505</u>	<u>15,188,265</u>

Boughton Holdings

Notes to the financial statements for the year ended 30 November 2008

4. Tax on loss on ordinary activities

Analysis of tax credit in year

	2008 £	2007 £
Current tax		
Group relief	(4,363,432)	(4,556,480)
Adjustment in respect of prior years	-	6,084
	<u>(4,363,432)</u>	<u>(4,550,396)</u>

Factors affecting tax charge for year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 28.67% (2007: 30%). The differences are explained below:

	2008 £	2007 £
Loss on ordinary activities before taxation	<u>(15,219,505)</u>	<u>(15,188,265)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK at 28.67% (2007: 30%)	(4,363,432)	(4,556,480)
Effects of:		
Adjustment in respect of prior years	-	6,084
Current tax credit for year	<u>(4,363,432)</u>	<u>(4,550,396)</u>

Factors that may affect future tax charges

With effect from 1 April 2008 the corporation tax rate for large companies was reduced to 28%. Accordingly, the standard rate of tax for the year ended 30 November 2008 is 28.67% (2007: 30%).

5. Fixed asset investments

	Subsidiary undertakings shares £	Total £
Cost		
At 1 December 2001 and 30 November 2008	<u>166,500,001</u>	<u>166,500,001</u>
Net book values		
At 30 November 2007 and 30 November 2008	<u>166,500,001</u>	<u>166,500,001</u>

The investment represents the entire share capital of Boughton Enterprises Limited, a company registered in England and Wales, whose principal activity is that of a group finance company.

Boughton Holdings

Notes to the financial statements for the year ended 30 November 2008

6. Debtors	2008	2007
	£	£
Prepayments- Financial option premium (of which £11,883,725 (2007: £27,103,230) is due in more than one year)	27,103,230	42,322,735
Amounts due from fellow subsidiary undertakings	12,209,827	7,846,395
	<u>39,313,057</u>	<u>50,169,130</u>
7. Creditors: amounts falling due after more than one year	2008	2007
	£	£
Amounts owed to subsidiary undertakings	250,000,000	250,000,000
8. Share capital	2008	2007
	£	£
Authorised equity		
1,000,000 Ordinary shares of 1p each	10,000	10,000
Allotted, called up and fully paid		
119,200 Ordinary shares of 1p each	1,192	1,192
9. Reserves	Profit and loss account	Total
	£	£
At 1 December 2007	(33,332,061)	(33,332,061)
Loss for the year	(10,856,073)	(10,856,073)
At 30 November 2008	<u>(44,188,134)</u>	<u>(44,188,134)</u>

Boughton Holdings

Notes to the financial statements for the year ended 30 November 2008

10. Reconciliation of movements in shareholders' deficit	2008	2007
	£	£
Loss for the year	(10,856,073)	(10,637,869)
Opening shareholders' deficit	(33,330,869)	(22,693,000)
Closing shareholders' deficit	<u>(44,186,942)</u>	<u>(33,330,869)</u>

11. Related party transactions

As the company is wholly owned by the group, it has taken advantage of the exemption under FRS8 "Related Party Disclosures" not to disclose transactions with other companies in the group.

12. Ultimate parent undertaking

The ultimate parent company is St. Modwen Properties PLC, a company registered in England. Copies of the Group report and accounts of St. Modwen Properties PLC are available from the Registered Office at 7 Ridgeway, Quinton Business Park, Birmingham, B32 1AF. This is the largest and smallest group into which this company is consolidated.

13. Post balance sheet event

On 8 June 2009 St. Modwen Properties PLC completed a placing and open offer of new shares raising £102m of net proceeds which has significantly strengthened the financial position of the St Modwen group.