

**Registration number 4112012**

**Boughton Holdings**  
**Annual report and financial statements**  
**for the year ended 30 November 2007**

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# **Boughton Holdings**

## **Directors' report for the year ended 30 November 2007**

The directors present their report and the financial statements for the year ended 30 November 2007

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 (2006 £nil).

### **Directors and their interests**

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

T P Haywood  
W A Oliver

### **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 2007**

#### **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 & Touche LLP, our newly appointed Auditors, have conducted the audit for the year ended 30 November 2007 and have expressed a willingness to remain in office. A resolution to reappoint Deloitte & Touche LLP will be put forward at the Annual General Meeting

This report was approved by the Board on 25/9/08 and signed on its behalf by



**J Messent**  
**Secretary**

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

We have audited the company's financial statements for the year ended 30 November 2007 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 12. 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 2007 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 & Touche LLP*

**Deloitte & Touche LLP**  
**Chartered Accountants and Registered Auditors**  
**Birmingham, United Kingdom**  
Date: 25/9/08

## **Boughton Holdings**

### **Profit and loss account for the year ended 30 November 2007**

		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Interest payable and similar charges	<b>3</b>	(15,188,265)	(15,220,000)
<b>Loss on ordinary activities before taxation</b>	<b>2</b>	(15,188,265)	(15,220,000)
Tax on loss on ordinary activities	<b>4</b>	4,550,396	3,296,000
<b>Loss for the year</b>	<b>9</b>	(10,637,869)	(11,924,000)

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 2007

		2007		2006	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	5		166,500,001		166,500,001
<b>Current assets</b>					
Debtors	6				
falling due within one year		23,065,900		18,515,999	
falling due after more than one year		27,103,230		42,291,000	
<b>Net current assets</b>			50,169,130		60,806,999
<b>Total assets</b>			216,669,131		227,307,000
<b>Creditors: amounts falling due after more than one year</b>	7		(250,000,000)		(250,000,000)
<b>Net liabilities</b>			(33,330,869)		(22,693,000)
<b>Capital and reserves</b>					
Called up share capital	8		1,192		1,192
Profit and loss account	9		(33,332,061)		(22,694,192)
<b>Shareholders' deficit</b>	10		(33,330,869)		(22,693,000)

The financial statements were approved by the Board on 25/9/08 and signed on its behalf by

  
T P 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 2007**

#### **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

##### **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 2007**

### **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:

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditors for the audit of the company's annual accounts	2,000	2,000
Fees payable to the company's auditors for other services to the company – Tax services	1,000	1,000
	<u>3,000</u>	<u>3,000</u>

The 2007 fees were payable to Deloitte & Touche LLP, the 2006 fees were payable to the incumbent auditors Ernst & Young LLP.

#### **2.2. Information regarding directors and employees**

None of the directors received any remuneration during the year (2006: £Nil). The company had no employees (2006: 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**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Amortisation of financial option premium	15,219,506	15,220,000
Correction of prior years' amortisation	(31,241)	-
	<u>15,188,265</u>	<u>15,220,000</u>

# Boughton Holdings

## Notes to the financial statements for the year ended 30 November 2007

### 4. Tax on loss on ordinary activities

#### Analysis of tax credit in year

	2007 £	2006 £
<b>Current tax</b>		
Group relief	(4,556,480)	(3,296,000)
Adjustment in respect of prior years	6,084	-
	<u>(4,550,396)</u>	<u>(3,296,000)</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 30% (2006 30%) The differences are explained below

	2007 £	2006 £
Loss on ordinary activities before taxation	<u>(15,188,265)</u>	<u>(15,220,000)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK at 30% (2006 30%)	(4,556,480)	(4,566,000)
<b>Effects of:</b>		
Disallowed expenses	-	1,270,000
Adjustment in respect of prior years	6,084	-
Current tax credit for year	<u>(4,550,396)</u>	<u>(3,296,000)</u>

#### Factors that may affect future tax charges

The UK Government announced that they would reduce the corporation tax rate for large companies to 28% with effect from 1st April 2008

### 5. Fixed asset investments

	Subsidiary undertakings shares £	Total £
<b>Cost</b>		
At 1 December 2006 and 30 November 2007	<u>166,500,001</u>	<u>166,500,001</u>
<b>Net book values</b>		
At 30 November 2007	<u>166,500,001</u>	<u>166,500,001</u>
At 30 November 2006	<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 2007

6.	Debtors	2007 £	2006 £
	Prepayments- Financial option premium (of which £27,103,230 (2006 £42,291,000) is due in more than one year)	42,322,735	57,510,999
	Amounts due from fellow subsidiary undertakings	7,846,395	3,296,000
		<u>50,169,130</u>	<u>60,806,999</u>
7.	Creditors: amounts falling due after more than one year	2007 £	2006 £
	Amounts owed to subsidiary undertakings	<u>250,000,000</u>	<u>250,000,000</u>
8.	Share capital	2007 £	2006 £
	Authorised equity		
	1,000,000 Ordinary shares of 1p each	<u>10,000</u>	<u>10,000</u>
	Allotted, called up and fully paid		
	119,200 Ordinary shares of 1p each	<u>1,192</u>	<u>1,192</u>
9.	Reserves	Profit and loss account £	Total £
	At 1 December 2006	(22,694,192)	(22,694,192)
	Loss for the year	(10,637,869)	(10,628,497)
	At 30 November 2007	<u>(33,332,061)</u>	<u>(33,322,689)</u>

## **Boughton Holdings**

### **Notes to the financial statements for the year ended 30 November 2007**

<b>10. Reconciliation of movements in shareholders' deficit</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Loss for the year	(10,637,869)	(11,924,000)
Opening shareholders' deficit	(22,693,000)	(10,769,000)
Closing shareholders' deficit	<u>(33,330,869)</u>	<u>(22,693,000)</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.