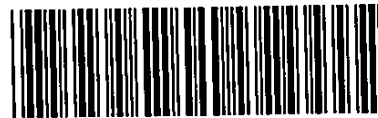


**Report of the Directors and  
Financial Statements for the Year Ended 30 November 2011  
for  
Boughton Holdings**

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for the Year Ended 30 November 2011**

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**Boughton Holdings**  
**Company Information**  
**for the Year Ended 30 November 2011**

**DIRECTORS:** M E Dunn  
W A Oliver

**REGISTERED OFFICE:** Sir Stanley Clarke House  
7 Ridgeway  
Quinton Business Park  
Birmingham  
West Midlands  
B32 1AF

**REGISTERED NUMBER:** 04112012 (England and Wales)

**AUDITORS:** Deloitte LLP  
Chartered Accountants  
& Statutory Auditor  
Four Brindleyplace  
Birmingham  
West Midlands  
B1 2HZ

**Report of the Directors  
for the Year Ended 30 November 2011**

The directors present their report with the financial statements of the company for the year ended 30 November 2011

**PRINCIPAL ACTIVITY**

The principal activity of the company was that of making investments, however as all interest payable was settled in the prior year the company has now ceased trading. The directors consider that the results and future prospects are satisfactory.

**DIRECTORS**

W A Oliver has held office during the whole of the period from 1 December 2010 to the date of this report.

Other changes in directors holding office are as follows:

M E Dunn - appointed 1 December 2010

**BASIS OF PREPARATION**

The company ceased trading during the prior year and therefore the directors have prepared the financial statements on a basis other than going concern. No adjustment arose as a result of ceasing to apply the going concern basis.

**DIRECTORS' INDEMNITIES**

For the financial year ended 30 November 2011 qualifying third party indemnity provisions (provided by the ultimate parent company St Modwen Properties PLC) were in force for the benefit of all the directors of the company and these remain in force at the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 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.

**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, and
- 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 s418 of the Companies Act 2006.

**AUDITORS**

Deloitte LLP, our appointed Auditors, have conducted the audit for the year ended 30 November 2011 and have expressed a willingness to remain in office. Arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

**Boughton Holdings (Registered number: 04112012)**

**Report of the Directors  
for the Year Ended 30 November 2011**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'Michael A.', written in a cursive style.

M E Dunn - Director

30 August 2012

## **Report of the Independent Auditors to the Members of Boughton Holdings**

We have audited the financial statements of Boughton Holdings for the year ended 30 November 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. 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 a Report of the Auditors 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 and express an opinion on 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2011 and of its loss 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.

### **Emphasis of matter**

#### **Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

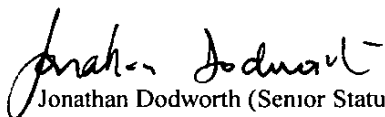
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
Boughton Holdings**

**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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors



Jonathan Dodworth (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants  
& Statutory Auditor  
Four Brindleyplace  
Birmingham  
West Midlands  
B1 2HZ

30 August 2012

**Boughton Holdings (Registered number. 04112012)**

**Profit and Loss Account  
for the Year Ended 30 November 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>		-	-
<b>OPERATING PROFIT</b>	3	-	-
Interest payable and similar charges	4	-	(11,883,725)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	(11,883,725)
Tax on loss on ordinary activities	5	(4,498,000)	8,259,786
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(4,498,000)</u>	<u>(3,623,939)</u>

**DISCONTINUED OPERATIONS**

All of the company's activities were discontinued during the previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year

The notes form part of these financial statements

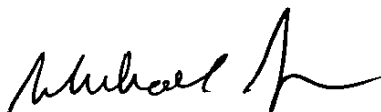


**Boughton Holdings (Registered number: 04112012)**

**Balance Sheet  
30 November 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Investments	6	166,500,001	166,500,001
<b>CURRENT ASSETS</b>			
Debtors	7	16,122,712	20,620,712
<b>CREDITORS</b>			
Amounts falling due within one year	8	(250,000,000)	-
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(233,877,288)</u>	<u>20,620,712</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(67,377,287)	187,120,713
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	-	(250,000,000)
<b>NET LIABILITIES</b>		<u>(67,377,287)</u>	<u>(62,879,287)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1,192	1,192
Profit and loss account	11	(67,378,479)	(62,880,479)
<b>SHAREHOLDERS' FUNDS</b>	14	<u>(67,377,287)</u>	<u>(62,879,287)</u>

The financial statements were approved and authorised for issue by the Board of Directors on 30 August 2012 and were signed on its behalf by



M E Dunn - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 30 November 2011**

**1 ACCOUNTING POLICIES**

**Accounting convention**

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

As the company ceased trading during the prior year, the financial statements have been prepared on a basis other than a going concern. No adjustment arose as a result of ceasing to apply the going concern basis.

The accounting policies have been applied consistently throughout the year and the preceding year.

**Group accounts**

The company is entitled to the exemption under s400 of the Companies Act 2006 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.

**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.

**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.

**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.

**Investments**

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

**2 STAFF COSTS**

The company had no employees (2010: nil) and is managed by its ultimate parent company, St Modwen Properties PLC.

**3 OPERATING PROFIT**

None of the directors received any remuneration during the year (2010: £nil). 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.

Auditors' remuneration was borne by its parent company, St Modwen Properties PLC. The fee payable for audit of the financial statements was £2,100 (2010: £2,100) and the fee payable for tax services was £1,050 (2010: £1,050).

Notes to the Financial Statements - continued  
for the Year Ended 30 November 2011

4 **INTEREST PAYABLE AND SIMILAR CHARGES**

	2011 £	2010 £
Amortisation of financial option premium	-	11,883,725

5 **TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	4,498,000	(10,821,786)
Deferred tax	-	2,562,000
Tax on loss on ordinary activities	4,498,000	(8,259,786)

**Factors affecting the tax charge/(credit)**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Loss on ordinary activities before tax	-	(11,883,725)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.667% (2010 - 28%)	-	(3,327,443)
Effects of		
Surrender of capital losses	-	(6,672,362)
Adjustment in respect of previous periods	4,498,000	(821,981)
Current tax charge/(credit)	4,498,000	(10,821,786)

**Factors that may affect future tax charges**

The Finance Act 2011 introduced legislation to reduce the main rate of corporation tax from 26% to 25% effective from 1 April 2012. This legislation was substantively enacted at the balance sheet date and accordingly this reduction has been taken into account when stating the deferred tax liability at 30 November 2011.

On 21 March 2012 the chancellor announced that the main rate of corporation tax would be further reduced to 24% with effect from 1 April 2012 and subsequently would reduce by 1% per annum to reach 22% by 1 April 2014. As these rate reductions had not been substantively enacted at the balance sheet date the effect of these tax rate reductions has not been reflected in the deferred tax balance.

**Deferred tax**

At the balance sheet date the company has £nil (2010: £nil) of potential deferred tax in relation to tax losses in 2009 and prior years. Of this amount, £nil (2010: £nil) has been recognised as a deferred tax asset within debtors. The deferred tax asset was recognised on the basis that the losses will shelter latent gains realised on the property portfolio of the wider St Modwen group, which happened in the year to 30 November 2010.

**Notes to the Financial Statements - continued  
for the Year Ended 30 November 2011**

**6 FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertakings £
<b>COST</b>	
At 1 December 2010 and 30 November 2011	<u>166,500,001</u>
<b>NET BOOK VALUE</b>	
At 30 November 2011	<u>166,500,001</u>
At 30 November 2010	<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

**7 DEBTORS**

	2011 £	2010 £
Amounts owed from parent undertaking	<u>16,122,712</u>	<u>20,620,712</u>

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Amounts owed to subsidiary undertakings	<u>250,000,000</u>	<u>-</u>

The company has not provided any security against this loan and no interest is charged on the balance. It is not expected that the balance will be settled in the foreseeable future.

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2011 £	2010 £
Amounts owed to subsidiary undertakings	<u>-</u>	<u>250,000,000</u>

**10 CALLED UP SHARE CAPITAL**

	2011 £	2010 £
<b>Authorised equity</b>		
1,000,000 Ordinary shares of 1p each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid equity</b>		
119,200 Ordinary share of 1p each	<u>1,192</u>	<u>1,192</u>

**Notes to the Financial Statements - continued  
for the Year Ended 30 November 2011**

**11 RESERVES**

	Profit and loss account £
At 1 December 2010	(62,880,479)
Deficit for the year	(4,498,000)
At 30 November 2011	<u>(67,378,479)</u>

**12 ULTIMATE PARENT COMPANY**

The immediate and ultimate parent company is St Modwen Properties PLC, a company registered in England and Wales. 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 smallest and largest group into which this company is consolidated.

**13 RELATED PARTY DISCLOSURES**

As the company is wholly owned by the group, it has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose transactions with other companies in the group.

**14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2011 £	2010 £
Loss for the financial year	(4,498,000)	(3,623,939)
<b>Net reduction of shareholders' funds</b>	<b>(4,498,000)</b>	<b>(3,623,939)</b>
Opening shareholders' funds	(62,879,287)	(59,255,348)
<b>Closing shareholders' funds</b>	<b><u>(67,377,287)</u></b>	<b><u>(62,879,287)</u></b>