

Registration number 4112012

Boughton Holdings
Annual report and financial statements
for the year ended 30 November 2009

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Boughton Holdings

Directors' report for the year ended 30 November 2009

The directors present their report and the financial statements for the year ended 30 November 2009

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 (2008 £nil).

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 Annual report and 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 judgments and accounting estimates that are reasonable and prudent, and
- 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.

For the financial year ended 30 November 2009, 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.

Boughton Holdings

Directors' report for the year ended 30 November 2009

Going concern

The Company is reliant on the support of its parent company, St Modwen Properties PLC, to be able to meet its liabilities as they fall due. However, the directors consider that the company is an integral part of St Modwen Properties PLC's structure and strategy and this is evidenced by a letter of support from St Modwen Properties PLC, which states its intent to provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. In doing so, the directors have considered the latest guidelines from the Financial Reporting Council regarding the preparation of accounts on a going concern basis.

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.

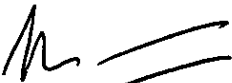
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

Deloitte LLP, our auditors, have conducted the audit for the year ended 30 November 2009 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 directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board on 26/8/10 and signed on its behalf by



T P Haywood
Director

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

We have audited the financial statements of Boughton Holdings for the year ended 30 November 2009 which comprise the profit and loss account, the Balance sheet and the related notes 1 to 12. 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 sections 495 and 496 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 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 auditors

As explained more fully 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 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.

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 2009 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.

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.

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

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 prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report

Stephen Griggs

**Stephen Griggs FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom**

Date *31 August 2010*

Boughton Holdings

Profit and loss account for the year ended 30 November 2009

		2009	2008
	Notes	£	£
Interest payable and similar charges	3	(15,219,505)	(15,219,505)
Loss on ordinary activities before taxation	2	<u>(15,219,505)</u>	<u>(15,219,505)</u>
Tax on loss on ordinary activities	4	151,099	4,363,432
Loss for the year	9	<u><u>(15,068,406)</u></u>	<u><u>(10,856,073)</u></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 2009

		2009		2008	
	Notes	£	£	£	£
Fixed assets					
Investments	5		166,500,001		166,500,001
Current assets					
Debtors	6				
falling due within one year		24,244,651		27,429,332	
falling due after more than one year		-		11,883,725	
Net current assets			24,244,651		39,313,057
Total assets			190,744,652		205,813,058
Creditors: amounts falling due after more than one year	7		(250,000,000)		(250,000,000)
Net liabilities			(59,255,348)		(44,186,942)
Capital and reserves					
Called up share capital	8		1,192		1,192
Profit and loss account	9		(59,256,540)		(44,188,134)
Shareholders' deficit	10		(59,255,348)		(44,186,942)

The financial statements of Boughton Holdings, registered number 4112012, were approved by the Board on 26/8/10 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 2009

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 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

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 2009

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:

	2009	2008
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	2,100	2,100
Fees payable to the company's auditors for other services to the company – Tax services	1,050	1,050
	<u>3,150</u>	<u>3,150</u>

2.2. Information regarding directors and employees

None of the directors received any remuneration during the year (2008: £nil). The company had no employees (2008: 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

	2009	2008
	£	£
Amortisation of financial option premium	15,219,505	15,219,505
	<u>15,219,505</u>	<u>15,219,505</u>

Boughton Holdings

Notes to the financial statements for the year ended 30 November 2009

4. Tax on loss on ordinary activities

Analysis of tax credit in year

	2009 £	2008 £
Current tax		
Group relief	(1,975,000)	(4,363,432)
Group relief prior year charge	4,385,901	-
	<u>2,410,901</u>	<u>(4,363,432)</u>
Deferred tax		
Increase in estimate of recoverable deferred tax asset	(2,562,000)	-
	<u>(151,099)</u>	<u>(4,363,432)</u>

Factors affecting tax credit for year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 28% (2008 28 67%) The differences are explained below

	2009 £	2008 £
Loss on ordinary activities before taxation	<u>(15,219,505)</u>	<u>(15,219,505)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK at 28% (2008 28 67%)	(4,261,461)	(4,363,432)
Effects of:		
Current year losses carried forward	2,286,461	-
Adjustment to tax charge in respect of previous periods	4,385,901	
	<u>2,410,901</u>	<u>(4,363,432)</u>

With effect from 1 April 2008 the corporation tax rate for large companies was reduced from 30% to 28%

Boughton Holdings

Notes to the financial statements for the year ended 30 November 2009

4. Tax on loss on ordinary activities (continued)

Deferred tax

At the balance sheet date the company has £6,672,362 (2008 £nil) of potential deferred tax in relation to tax losses in 2009 and prior years. Of this amount, £2,562,000 (2008 £nil) has been recognised as a deferred tax asset within debtors. The deferred tax asset is recognised on the basis that the losses will shelter latent gains realised on the property portfolio of the wider St Modwen Group.

No deferred tax asset has been recognised in respect of the remaining £4,110,362 (2008 £nil) as it is not considered certain that there will be taxable profits available in the short term against which the losses can be offset.

Factors that may affect future tax charges

The total amount of unprovided deferred tax is £4,110,362 (2008 £nil). The deferred tax asset has not been recognised because, in the opinion of the directors, it is not considered certain that there will be sufficient taxable gains available in the foreseeable future against which these can be offset.

5. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 December 2001 and 30 November 2009	166,500,001	166,500,001
Net book values		
At 30 November 2008 and 30 November 2009	166,500,001	166,500,001

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.

6. Debtors	2009 £	2008 £
Prepayments- Financial option premium (of which £nil (2008 £11,883,725) is due in more than one year)	11,883,725	27,103,230
Amounts due from parent undertaking	9,798,926	12,209,827
Deferred taxation (note 4)	2,562,000	-
	<u>24,244,651</u>	<u>39,313,057</u>

Boughton Holdings

Notes to the financial statements for the year ended 30 November 2009

7. Creditors: amounts falling due after more than one year	2009 £	2008 £
Amounts owed to subsidiary undertakings	250,000,000	250,000,000

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.

8. Share capital	2009 £	2008 £
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 2008	(44,188,134)	(44,188,134)
Loss for the year	(15,068,406)	(10,958,044)
At 30 November 2009	(59,256,540)	(55,146,178)

10. Reconciliation of movements in shareholders' deficit	2009 £	2008 £
Loss for the year	(15,068,406)	(10,856,073)
Opening shareholders' deficit	(44,186,942)	(33,330,869)
Closing shareholders' deficit	(59,255,348)	(44,186,942)

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.

Boughton Holdings

Notes to the financial statements for the year ended 30 November 2009

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.