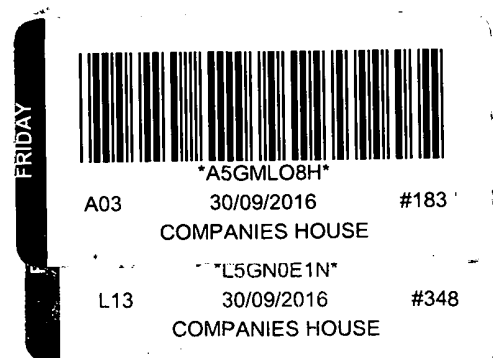


**Registration number 07889319**

**Boulton Finance Limited**

**Directors' report and financial statements**

**for the year ended 31st December 2015**



# **Boulton Finance Limited**

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**Boulton Finance Limited**  
**Strategic Report**  
**for the year ended 31st December 2015**

The directors present their strategic report for the period ended 31st December 2015.

**Principal activity and review of the business**

The principal activity of the company was the provision of finance to entities engaged in real estate activities.

The profit for the period, after taxation, amounted to £2,753,393 (2014:£24,716,872).

Shareholders funds total £92,124,153 (2014:£89,489,208).

The performance of the company has produced satisfactory results in accordance with its business plan.

**Principal Risks and uncertainties**

The process of risk acceptance and management is addressed through procedures and internal controls. All policies are agreed at Board level and are subject to ongoing review. The principal risks from lending money are in respect of repayment. The board carefully considers the covenant of a borrower before agreeing to lend and monitors its financial performance throughout the duration of a loan. It also continually reviews the market in which borrowers are active.

The directors consider that the company's exposure to financial risk is low.

The directors also monitor the company's cashflow to ensure that there is sufficient liquidity available to meet foreseeable needs.

**Business Environment**

The company lends to business engaged in the UK property market that is stable.

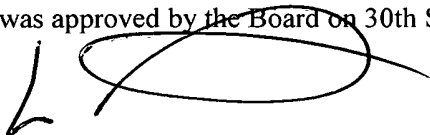
**Strategy and future developments**

The company's success depends on the demand for money from those who are engaged in the UK property market and the ability of those who borrow to repay loans with interest. The company will continue to lend while the conditions within the UK property market and economy remain positive.

This report was approved by the Board on 30th September 2016 and signed on its behalf by

**Director**

**L.Roberts**

A handwritten signature in black ink, appearing to be 'L. Roberts', is written over a large, faint, oval-shaped watermark or stamp.

## **Boulton Finance Limited**

### **Directors' report for the year ended 31st December 2015**

The directors present their report and the financial statements for the year ended 31st December 2015.

#### **Dividends**

The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who served during the year are as stated below:

C.E.Boulton-Brooks  
L.Roberts

#### **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 the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and 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 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 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.

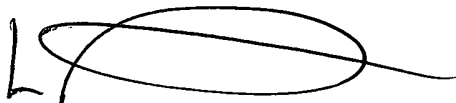
In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 30th September 2016 and signed on its behalf by

**Director**

**L.Roberts**



## **Boulton Finance Limited**

### **Independent auditors' report to the shareholders of Boulton Finance Limited**

We have audited the financial statements of Boulton Finance Limited for the year ended 31st December 2015 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and the auditors**

As explained more fully in the Statement of Director's Responsibilities, 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 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 Strategic Report and the Directors Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our audit report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2015 and for the profit for the period 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.

**Boulton Finance Limited**

**Independent auditors' report to the shareholders of Boulton Finance Limited continued**

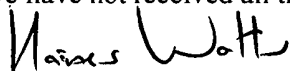
**Opinion on other matters prescribed by the Companies Act 2006**

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

**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 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.



**Jonathan Moughton (Senior Statutory Auditor)**

**Haines Watts Chartered Accountants and Statutory Auditors**

**New Derwent House**

**69-73 Theobalds Road**

**London**

**WC1X 8TA**

Date: 30th September 2016

**Boulton Finance Limited**

**Profit and loss account  
for the year ended 31st December 2015**

		31/12/15	31/12/14
	Notes	£	£
<b>Turnover</b>	<b>1</b>	3,961,733	2,473,489
Staff costs	7	(145,676)	(96,673)
Other operating charges		(28,524)	(61,406)
<b>Operating profit</b>	<b>2</b>	<u>3,787,533</u>	<u>2,315,410</u>
Investment income	3	1,110,169	23,313,294
Other interest receivable and similar income	5	15,638	25,386
Loss on disposal of investments	4	(1,339,405)	-
Interest payable and similar charges	6	<u>(16,612)</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>		3,557,323	25,654,090
Tax on profit on ordinary activities	9	<u>(803,930)</u>	<u>(937,218)</u>
<b>Profit on ordinary activities after taxation</b>		<u>2,753,393</u>	<u>24,716,872</u>
<b>Profit for the year</b>	<b>15</b>	<u><u>2,753,393</u></u>	<u><u>24,716,872</u></u>
<b>Statement of total recognised gains and losses</b>			
<b>Profit on ordinary activities after taxation</b>		2,753,393	24,716,872
Unrealised revaluation of investments		<u>(118,448)</u>	<u>(15,733,136)</u>
<b>Total recognised gains since last annual report</b>		<u><u>2,634,945</u></u>	<u><u>8,983,736</u></u>

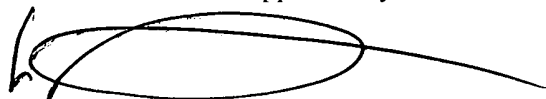
The notes on pages 9 to 17 form an integral part of these financial statements.

**Boulton Finance Limited**

**Balance sheet  
as at 31st December 2015**

	Notes	31/12/15		31/12/14	
		£	£	£	£
<b>Fixed assets</b>					
Investments	10		9,837,049		11,051,554
<b>Current assets</b>					
Debtors	11	93,603,850		72,554,937	
Cash at bank and in hand		2,375,760		9,782,735	
		<u>95,979,610</u>		<u>82,337,672</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(13,692,506)</u>		<u>(3,900,018)</u>	
<b>Net current assets</b>			82,287,104		78,437,654
<b>Net assets</b>			<u>92,124,153</u>		<u>89,489,208</u>
<b>Capital and reserves</b>					
Called up share capital	14		101,000		101,000
Revaluation reserve	15		6,648,416		6,766,864
Profit and loss account	15		85,374,737		82,621,344
<b>Equity shareholders' funds</b>	16		<u>92,124,153</u>		<u>89,489,208</u>

The financial statements were approved by the Board on 30th September 2016 and signed on its behalf by



**L.Roberts**  
**Director**

Company No:07889319

**The notes on pages 9 to 17 form an integral part of these financial statements.**



# Boulton Finance Limited

## Cash flow statement for the year ended 31st December 2015

		Year ended 31/12/15 £	Period ended 31/12/14 £
	Notes		
<b>Reconciliation of operating profit to net cash outflow from operating activities</b>			
Operating profit		3,787,533	2,315,410
Investment income		(243,348)	-
(Increase) in debtors		(21,048,913)	(20,799,801)
Increase in creditors		10,042,104	685,510
<b>Net cash outflow from operating activities</b>		<b>(7,462,624)</b>	<b>(17,798,881)</b>
<b>Cash flow statement</b>			
Net cash outflow from operating activities		(7,462,624)	(17,798,881)
Returns on investments and servicing of finance	19	1,109,195	21,118,136
Taxation	19	(1,053,546)	(516,592)
Acquisitions and disposals	19	-	3,856,321
<b>Decrease\ increase in cash in the year</b>		<b>(7,406,975)</b>	<b>6,658,984</b>
<b>Reconciliation of net cash flow to movement in net debt (Note 20)</b>			
Decrease\ increase in cash in the year		(7,406,975)	6,658,984
Net funds at 1st January 2015 and 1st January 2014		9,782,735	3,123,751
<b>Net funds at 31st December 2015 and 31st December 2014</b>		<b>2,375,760</b>	<b>9,782,735</b>

# **Boulton Finance Limited**

## **Notes to the financial statements for the year ended 31st December 2015**

..... continued

### **1. Accounting policies**

#### **1.1. Accounting convention**

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (Effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified for the revaluation of Fixed asset investments.

#### **1.2. Turnover**

Turnover represents interest receivable and finance arrangement fees net of VAT.

#### **1.3. Investments**

Fixed asset investments are stated at valuation as determined by the directors , less provision for permanent diminution in value. The valuation is determined on the basis of the market value of the underlying assets held by the entities in which the company has an interest.

The investment in Limited Liability Partnerships represents capital introduced/withdrawn and entitlement to a share of profit and any revaluation reserve to the extent that it has not been withdrawn.

#### **1.4. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

#### **1.5. Deferred taxation**

Deferred taxation is provided in respect of all timing differences that have originated but not reversed by the balance sheet date. A provision is made in respect of revalued assets to the extent that it is expected to crystallise in the foreseeable future.

### **2. Operating profit**

Operating profit is stated after charging:  
Auditors' remuneration

<b>Year ended 31/12/15 £</b>	<b>Period ended 31/12/14 £</b>
<b>8,400</b>	<b>-</b>

**Boulton Finance Limited**

**Notes to the financial statements  
for the year ended 31st December 2015**

	<b>Year ended 31/12/15 £</b>	<b>Period ended 31/12/14 £</b>
<b>3. Income from investments</b>		
Dividends and profit shares	<u>1,110,169</u>	<u>23,313,294</u>
<b>4. Amounts written off investments</b>		
Loss on disposal of fixed asset investments	<u>1,339,405</u>	<u>-</u>
<b>5. Interest receivable and similar income</b>		
Bank interest	<u>15,638</u>	<u>25,386</u>
<b>6. Interest payable and similar charges</b>		
Interest payable on loans < 1 yr	3,961	-
On overdue tax	12,651	-
	<u>16,612</u>	<u>-</u>

# Boulton Finance Limited

## Notes to the financial statements for the year ended 31st December 2015

..... continued

### 7. Employees

	Year ended 31/12/15	Period ended 31/12/14
<b>Number of employees</b>		
The average monthly numbers of employees (including the directors) during the year were:		
	2	2
<b>Employment costs</b>	<b>31/12/15</b>	<b>31/12/14</b>
	£	£
Wages and salaries	130,833	86,583
Social security costs	14,211	10,090
Pension costs-other operating charge	632	-
	<u>145,676</u>	<u>96,673</u>

	Year ended 31/12/15	Period ended 31/12/14
<b>7.1. Directors' emoluments</b>	£	£
Remuneration and other emoluments	130,833	86,583
Pension contributions	632	-
	<u>131,465</u>	<u>86,583</u>
	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	2	-

### 8. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £632 (2014 - £0).

# Boulton Finance Limited

## Notes to the financial statements for the year ended 31st December 2015

..... continued

### 9. Tax on profit on ordinary activities

	Year ended 31/12/15 £	Period ended 31/12/14 £
<b>Analysis of charge in period</b>		
<b>Current tax</b>		
UK corporation tax	815,915	958,816
Adjustments in respect of previous periods	(11,985)	(21,598)
	<u>803,930</u>	<u>937,218</u>

#### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (20 per cent). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>3,557,323</u>	<u>25,654,090</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31st December 2014 : 22%)	720,358	5,515,629
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	11,461
Adjustments to tax charge in respect of previous periods	(11,985)	(21,598)
Dividends received	(175,533)	(4,534,941)
Indexation in respect of gains	-	(33,333)
Loss on disposal of fixed asset investments	271,229	-
Other	(139)	-
Current tax charge for period	<u>803,930</u>	<u>937,218</u>

# Boulton Finance Limited

## Notes to the financial statements for the year ended 31st December 2015

..... continued

10. Fixed asset investments	Subsidiary undertakings	Participating interests	
	£	£	£
<b>Cost</b>			
At 1st January 2015	-	11,051,554	11,051,554
Additions	6,355,175	-	6,355,175
Disposals	-	(11,051,554)	(11,051,554)
Revaluations	3,481,874	-	3,481,874
At 31st December 2015	9,837,049	-	9,837,049
<b>Net book values</b>			
At 31st December 2015	9,837,049	-	9,837,049
At 31st December 2014	-	11,051,554	11,051,554

Included with disposal of participating interests is the transfer of the interest in Boulton (City Road 2) LLP to subsidiary undertakings £6,111,730 and the exchange of an interest in Boulton Construction Limited for an interest in Boulton Finance (Shelf 1) Limited via Central Leaf Limited during August 2015, £4,848,083. The interest in the latter is recorded at cost £97 and has been revalued to £1,592,171 being the fair value of the interest acquired.

### 10.1. Holdings of 20% or more

The company holds an interest of 20% or more in the following entities:

Entity	Country of registration or incorporation	Nature of business	Interest held class	Proportion of interest held
Boulton Finance (Shelf 1) Limited	England & Wales	Property Investment	Ordinary shares	97.06%
Boulton (City Road 2) LLP	England & Wales	Property Investment	Capital/ income	94.49%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial period were as follows:

Entity	Capital & reserves	Revaluation during the period	Profit for the period
	£	£	£
Boulton Finance (Shelf 1) Limited	438,479	-	438,379
Boulton (City Road 2) LLP	8,825,528	5,452,006	257,538

# Boulton Finance Limited

## Notes to the financial statements for the year ended 31st December 2015

..... continued

<b>11. Debtors</b>	<b>31/12/15</b>	<b>31/12/14</b>
	<b>£</b>	<b>£</b>
Other debtors	93,396,903	72,554,937
Prepayments and accrued income	206,947	-
	<u>93,603,850</u>	<u>72,554,937</u>

Of the amount included within other debtors, £45,048,065 (£43,000,000) is due to be recovered in more than one year.

<b>12. Creditors: amounts falling due within one year</b>	<b>31/12/15</b>	<b>31/12/14</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	31
Corporation tax	668,953	918,569
Other taxes and social security costs	5,337	4,582
Other creditors	13,009,816	2,974,336
Accruals and deferred income	8,400	2,500
	<u>13,692,506</u>	<u>3,900,018</u>

<b>13. Potential liability to deferred taxation</b>	<b>31/12/15</b>	<b>31/12/14</b>
	<b>£</b>	<b>£</b>
Surplus on revaluation of investment at the tax rate of 19%.	<u>919,956</u>	<u>600,136</u>

<b>14. Share capital</b>	<b>31/12/15</b>	<b>31/12/14</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid equity</b>		
10,100,000 Ordinary shares of £0.01 each	<u>101,000</u>	<u>101,000</u>

**Boulton Finance Limited**

**Notes to the financial statements  
for the year ended 31st December 2015**

..... continued

<b>15. Equity Reserves</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1st January 2015</b>	6,766,864	82,621,344	89,388,208
Revaluation of investments	(118,448)	-	(118,448)
Profit for the year	-	2,753,393	2,753,393
<b>At 31st December 2015</b>	<u>6,648,416</u>	<u>85,374,737</u>	<u>92,023,153</u>

<b>16. Reconciliation of movements in shareholders' funds</b>	<b>31/12/15 £</b>	<b>31/12/14 £</b>
Profit for the year	2,753,393	24,716,872
Other recognised gains or losses	(118,448)	(15,733,136)
Net addition to shareholders' funds	<u>2,634,945</u>	<u>8,983,736</u>
Opening shareholders' funds	<u>89,489,208</u>	<u>80,505,472</u>
Closing shareholders' funds	<u>92,124,153</u>	<u>89,489,208</u>



## **Boulton Finance Limited**

### **Notes to the financial statements for the year ended 31st December 2015**

..... continued

#### **17. Related party transactions**

Included within investment income are dividends from Boulton Construction Limited , £792,485 (2014:£21,092,750) and £243,348 (2014:£2,220,544) share of profits from Limited Liability Partnerships in which the company was interested.

Included within other debtors are the following amounts due from companies in which the director C.E.Boulton-Brooks is interested:

		2014
	£	£
Boulton Properties Limited	-	2,487,617
Boulton Estates Limited	66,139,836	44,582,649
Boulton (Rivergate) Limited	-	5,710,608
Boulton Rivington Limited	-	6,619,816
Boulton Brooks (Hatton Wall) Limited	4,112,630	7,699,160
Boulton Trading Company Limited	744,821	824,505
Boulton Brooks (Plymouth) Limited	18,445	517,208
Boulton Brooks (Reading) Limited	2,324,695	1,570,028
Boulton Brooks (Orsman) Limited	3,243,564	2,543,344
Boulton Brooks (79 Mosley Street) Limited	5,329,096	-
Boulton Brooks (Chapel No1) Limited	3,170,767	-
Boulton Brooks (67-75 Mosley Street) Limited	8,515,546	-

Interest was charged on the above mentioned loans at the rate of 4-5% per annum. The total amount of interest receivable included within the profit and loss account for the year was £3,834,234 (2014:£2,441,490).

Included within other creditors was £7,526,299 (2014:£501,676) due to the director C.E.Boulton Brooks. Also included was £ 4,342,253 (2014:£2,442,253) due to Retail Growth LLP , £430,169 was owed to Boulton Finance (Shelf 1) Limited and £673,580 to Boulton Properties Limited. The director C.E.Boulton Brooks was interested in these companies.

#### **18. Controlling interest**

The ultimate controlling party was C.E.Boulton-Brooks and his family.

**Boulton Finance Limited**

**Notes to the financial statements  
for the year ended 31st December 2015**

..... continued

**19. Gross cash flows**

	<b>31/12/15</b>	<b>31/12/14</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	15,638	25,386
Interest paid	(16,612)	-
Dividends received	866,831	21,092,750
	<u>865,857</u>	<u>21,118,136</u>
<b>Taxation</b>		
Corporation tax paid	(1,093,793)	(516,592)
Corporation tax repaid	40,247	-
	<u>(1,053,546)</u>	<u>(516,592)</u>
<b>Acquisitions and disposals</b>		
Receipts on disposal of group interests	-	6,242,256
Payments on acquisition of group interests	-	(2,385,935)
	<u>-</u>	<u>3,856,321</u>

**20. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	9,782,735	(7,406,975)	2,375,760
<b>Net funds</b>	<u>9,782,735</u>	<u>(7,406,975)</u>	<u>2,375,760</u>