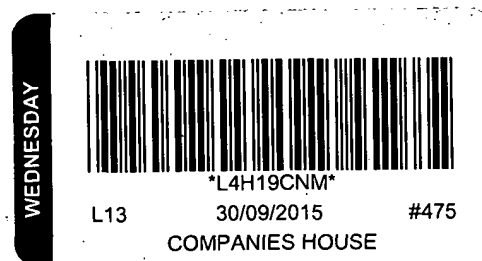


Registration number 07889319

Boulton Finance Limited

Directors' report and financial statements

for the period ended 31st December 2014



Boulton Finance Limited

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Boulton Finance Limited

Strategic Report

for the period ended 31st December 2014

The directors present their strategic report for the period ended 31st December 2014.

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 £24,716,872 (2013:£10,913,560).

Shareholders funds total £89,489,208 (2013:£80,505,472)

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

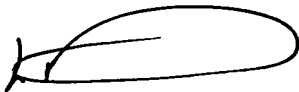
The company lends to business engaged in the UK property market that has seen an improvement along with the economic environment.

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 2015 and signed on its behalf by

Director



L. Roberts

Boulton Finance Limited

**Directors' report
for the period ended 31st December 2014**

The directors present their report and the financial statements for the period ended 31st December 2014.

Dividends

The directors do not recommend payment of a final dividend.

Directors

The directors who served during the period 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 period. 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 period. 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.

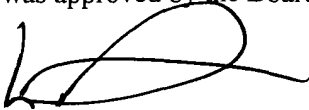
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets 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 2015 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 period ended 31st December 2014 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 2014 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.

Other Matters

The comparative figures for the period ended 31st December 2013 were not audited.

Boulton Finance Limited

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

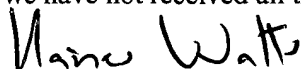
Opinion on other matters prescribed by the Companies Act 2006

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 2015

Boulton Finance Limited

**Profit and loss account
for the period ended 31st December 2014**

		31/12/14	30/12/13
	Notes	£	£
Turnover		2,473,489	1,485,959
Staff costs	6	(96,673)	-
Other operating charges		(61,406)	(39,164)
Operating profit		<u>2,315,410</u>	<u>1,446,795</u>
Investment income		23,313,294	10,464,380
Other interest receivable and similar income	4	25,386	30,915
Amount written off investments	3	-	(517,756)
Interest payable and similar charges	5	-	(12,953)
Profit on ordinary activities before taxation		<u>25,654,090</u>	<u>11,411,381</u>
Tax on profit on ordinary activities	7	(937,218)	(497,821)
Profit on ordinary activities after taxation		<u>24,716,872</u>	<u>10,913,560</u>
Profit for the period	13	<u><u>24,716,872</u></u>	<u><u>10,913,560</u></u>

Statement of total recognised gains and losses

Profit on ordinary activities after taxation	24,716,872	10,913,560
Unrealised revaluation of investments	(15,733,136)	22,500,000
Total recognised gains since last annual report	<u><u>8,983,736</u></u>	<u><u>10,913,560</u></u>

The presentation of the profit and loss account has been restated to shown interest as turnover because in the opinion of the directors this presents a fairer view of the company's principal activity.

The notes on pages 9 to 16 form an integral part of these financial statements.

Boulton Finance Limited

**Balance sheet
as at 31st December 2014**

		31/12/14		30/12/13	
	Notes	£	£	£	£
Fixed assets					
Investments	8		11,051,554		28,420,467
Current assets					
Debtors	9	72,554,937		51,755,136	
Cash at bank and in hand		9,782,735		3,123,751	
		<u>82,337,672</u>		<u>54,878,887</u>	
Creditors: amounts falling due within one year	10	<u>(3,900,018)</u>		<u>(2,793,882)</u>	
Net current assets			<u>78,437,654</u>		<u>52,085,005</u>
Net assets			<u>89,489,208</u>		<u>80,505,472</u>
Capital and reserves					
Called up share capital	12		101,000		101,000
Revaluation reserve	13		6,766,864		22,500,000
Profit and loss account	13		82,621,344		57,904,472
Equity shareholders' funds	14		<u>89,489,208</u>		<u>80,505,472</u>

The financial statements were approved by the Board on 30th September 2015 and signed on its behalf by



**L. Roberts
Director**

Company No:07889319

The notes on pages 9 to 16 form an integral part of these financial statements.

Boulton Finance Limited

**Cash flow statement
for the period ended 31st December 2014**

		Period ended 31/12/14 £	Period ended 30/12/13 £
	Notes		
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		2,315,410	1,446,795
(Increase) in debtors		(20,799,801)	(22,921,915)
Increase in creditors		685,510	1,586,469
Net cash outflow from operating activities		(17,798,881)	(19,888,651)
Cash flow statement			
Net cash outflow from operating activities		(17,798,881)	(19,888,651)
Returns on investments and servicing of finance	17	21,118,136	8,031,235
Taxation	17	(516,592)	(148,566)
Acquisitions and disposals	17	3,856,321	7,979,642
Increase\Decrease in cash in the period		6,658,984	(4,026,340)
Reconciliation of net cash flow to movement in net funds (Note 18)			
Increase\Decrease in cash in the period		6,658,984	(4,026,340)
Net funds at 31st December 2013 and 1st January 2013		3,123,751	7,150,091
Net funds at 31st December 2014 and 31st December 2013		9,782,735	3,123,751

Boulton Finance Limited

**Notes to the financial statements
for the period ended 31st December 2014**

..... continued

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The comparative figures for the period to 31st December 2013 have not been audited.

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. 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.

	Period ended 31/12/14 £	Period ended 30/12/13 £
2. Income from investments		
Dividends and profit shares	<u>23,313,294</u>	<u>10,464,380</u>
	Period ended 31/12/14 £	Period ended 30/12/13 £
3. Amounts written off investments		
Amounts written off investments	<u>-</u>	<u>517,756</u>

Boulton Finance Limited

**Notes to the financial statements
for the period ended 31st December 2014**

	Period ended 31/12/14 £	Period ended 30/12/13 £
4. Interest receivable and similar income		
Bank interest	25,386	30,915
	<u>25,386</u>	<u>30,915</u>
	Period ended 31/12/14 £	Period ended 30/12/13 £
5. Interest payable and similar charges		
Other interest	-	12,953
	<u>-</u>	<u>12,953</u>
6. Employees		
Number of employees	Period ended 31/12/14	Period ended 30/12/13
The average monthly numbers of employees (including the directors) during the period were:	2	2
	<u>2</u>	<u>2</u>
	31/12/14 £	30/12/13 £
Employment costs		
Wages and salaries	86,583	-
Social security costs	10,090	-
	<u>96,673</u>	<u>-</u>
	Period ended 31/12/14 £	Period ended 30/12/13 £
6.1. Directors' emoluments		
Remuneration and other emoluments	86,583	-
	<u>86,583</u>	<u>-</u>

Boulton Finance Limited

**Notes to the financial statements
for the period ended 31st December 2014**

..... continued

7. Tax on profit on ordinary activities

	Period ended 31/12/14 £	Period ended 30/12/13 £
Analysis of charge in period		
Current tax		
UK corporation tax	937,218	497,821

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (22 per cent). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before taxation	25,654,090	11,411,381
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (30th December 2013 : 23%)	5,515,629	2,653,146
Effects of:		
Expenses not deductible for tax purposes	11,461	120,378
Capital allowances for period in excess of depreciation	-	(292,112)
Adjustments to tax charge in respect of previous periods	(21,598)	(29,466)
Dividends received	(4,534,941)	(1,863,086)
Indexation in respect of gains	(33,333)	(91,039)
Current tax charge for period	937,218	497,821

Boulton Finance Limited

**Notes to the financial statements
for the period ended 31st December 2014**

..... continued

8. Fixed asset investments	Participating	
	interests	Total
	shares	
	£	£
Cost		
At 31st December 2013	28,420,467	28,420,467
Additions	4,606,479	4,606,479
Disposals	(6,242,256)	(6,242,256)
Revaluations	(15,733,136)	(15,733,136)
At 31st December 2014	<u>11,051,554</u>	<u>11,051,554</u>
Net book values		
At 31st December 2014	<u>11,051,554</u>	<u>11,051,554</u>
At 30th December 2013	<u>28,420,467</u>	<u>28,420,467</u>

Boulton Finance Limited

Notes to the financial statements for the period ended 31st December 2014

..... continued

8.1. 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 Construction Limited	England & Wales	Property Investment	Ordinary shares	48.9%
Capital Great Eastern Limited	England & Wales	Property Investment	Ordinary shares	50.6%
Boulton (Featherstone 2) LLP	England & Wales	Property Investment	Capital/ income	45%
Boulton (City Road 2) LLP	England & Wales	Property Investment	Capital/ income	56.69%
Boulton (Bromley2) LLP	England & Wales	Property Investment	Capital/ income	99.99%

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 Construction Limited	12,941,000	-	17,671,599
Boulton (City Road 2) LLP	6,567,988	3,200,000	192,104
Boulton (Bromley 2) LLP	(1,504)	-	2,035,917

Information in respect of Boulton (Featherstone 2) LLP & Capital Great Eastern Limited was not available. The entities had ceased activity and were in the process of being dissolved.

Boulton (Bromley 2)LLP also ceased activity during the period and was dissolved after the period end.

9. Debtors	31/12/14 £	30/12/13 £
Other debtors	<u>72,554,937</u>	<u>51,755,136</u>

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

Boulton Finance Limited

**Notes to the financial statements
for the period ended 31st December 2014**

..... continued

10. Creditors: amounts falling due within one year	31/12/14	30/12/13
	£	£
Trade creditors	31	19,200
Corporation tax	918,569	497,943
Other taxes and social security costs	4,582	-
Other creditors	2,974,336	2,274,239
Accruals and deferred income	2,500	2,500
	<u>3,900,018</u>	<u>2,793,882</u>
11. Potential liability to deferred taxation	31/12/14	30/12/13
	£	£
Surplus on revaluation of investment at the tax rate of 19%.	600,136	-
	<u>600,136</u>	<u>-</u>
12. Share capital	31/12/14	30/12/13
	£	£
Allotted, called up and fully paid equity		
10,100,000 Ordinary shares of £0.01 each	101,000	101,000
	<u>101,000</u>	<u>101,000</u>
13. Equity Reserves	Revaluation reserve	Profit and loss account
	£	£
At 31st December 2013	22,500,000	57,904,472
Revaluation of investments	(15,733,136)	-
Profit for the period	-	24,716,872
At 31st December 2014	<u>6,766,864</u>	<u>82,621,344</u>
		<u>89,388,208</u>

Boulton Finance Limited

Notes to the financial statements for the period ended 31st December 2014

..... continued

14. Reconciliation of movements in shareholders' funds	31/12/14 £	30/12/13 £
Profit for the period	24,716,872	10,913,560
Other recognised gains or losses	(15,733,136)	22,500,000
Net addition to shareholders' funds	8,983,736	33,413,560
Opening shareholders' funds	80,505,472	47,091,912
Closing shareholders' funds	89,489,208	80,505,472

15. Related party transactions

Included within investment income are dividends from Boulton Construction Limited , £21,092,750 (2013:£8,013,273) and £2,220,544 (2013:£2,451,107) 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 £	2013 £
Boulton Properties Limited	2,487,617	5,472,311
Boulton Estates Limited	44,582,649	29,459,043
Boulton (Rivergate) Limited	5,710,608	3,026,938
Boulton Rivington Limited	6,619,816	3,945,166
Boulton Brooks (Hatton Wall) Limited	7,699,160	-
Boulton Trading Company Limited	824,505	-
Boulton Brooks (Plymouth) Limited	517,208	-
Boulton Brooks (Reading) Limited	1,570,028	-
Boulton Brooks (Orsman) Limited	2,543,344	-

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 £2,441,490 (2013:£1,306,219).

Included within other creditors was £501,676 (2013:£1,741,199) due to the director C.E.Boulton Brooks. Also included was £2,442,253 due to Retail Growth LLP , an entity in which C.E.Boulton-Brooks was interested.

Boulton Finance Limited

Notes to the financial statements for the period ended 31st December 2014

..... continued

16. Controlling interest

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

17. Gross cash flows

	31/12/14 £	30/12/13 £
Returns on investments and servicing of finance		
Interest received	25,386	30,915
Interest paid	-	(12,953)
Dividends received	21,092,750	8,013,273
	<u>21,118,136</u>	<u>8,031,235</u>
Taxation		
Corporation tax paid	<u>(516,592)</u>	<u>(148,566)</u>
Acquisitions and disposals		
Receipts on disposal of group interests	6,242,256	8,679,642
Payments on acquisition of group interests	<u>(2,385,935)</u>	<u>(700,000)</u>
	<u>3,856,321</u>	<u>7,979,642</u>

18. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	3,123,751	6,658,984	9,782,735
Net funds	<u>3,123,751</u>	<u>6,658,984</u>	<u>9,782,735</u>