

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

TUESDAY



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COMPANIES HOUSE

BUSINESS ENVIRONMENT SOANEPOINT LIMITED
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COMPANY INFORMATION

DIRECTORS

S Rusk
D Saul
J Jenkins
A Emden
G Hefferman
A Stewart
N Gandy

COMPANY SECRETARY

S Rusk

REGISTERED NUMBER

05723403

REGISTERED OFFICE

26 Red Lion Square
London
WC1R 4AG

INDEPENDENT AUDITORS

haysmacintyre
Chartered Accountants & Registered Auditors
26 Red Lion Square
London
WC1R 4AG

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

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BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

DIRECTORS

The directors who served during the year were:

S Rusk
D Saul
J Jenkins
A Emden
G Hefferman
G Mercer (resigned 9 February 2017)
A Stewart
N Gandy

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 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.

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Haysmacintyre, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 30 April 2007.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28 July 2017 and signed on its behalf.



J Jenkins
Director

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUSINESS ENVIRONMENT SOANEPOINT LIMITED

We have audited the financial statements of Business Environment Soanepoint Limited for the year ended 31 December 2016, which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 on page 1, 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 Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/UKNP.

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 31 December 2016 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, based on the work undertaken in the course of the audit, the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUSINESS ENVIRONMENT
SOANEPOINT LIMITED (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 and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Neil M Gillam (senior statutory auditor)

for and on behalf of
haysmacintyre, Statutory Auditor

Chartered Accountants
Registered Auditors

26 Red Lion Square
London
WC1R 4AG

28 July 2017

BUSINESS ENVIRONMENT SOANEPOINT LIMITED
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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	463,696	478,060
Operating expenses		(124,701)	(116,357)
Exceptional items	8	(1,220,742)	1,058,937
OPERATING (LOSS)/PROFIT		(881,747)	1,420,640
Interest payable and similar charges		(483,516)	(342,623)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,365,263)	1,078,017
Taxation on (loss)/profit on ordinary activities	7	329,076	(27,331)
(LOSS)/PROFIT FOR THE YEAR		(1,036,187)	1,050,686

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.

The notes on pages 10 to 20 form part of these financial statements.

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
(Loss)/profit for the year	<u>(1,036,187)</u>	<u>1,050,686</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(1,036,187)</u>	<u>1,050,686</u>

The notes on pages 10 to 20 form part of these financial statements.

BUSINESS ENVIRONMENT SOANEPOINT LIMITED
REGISTERED NUMBER: 05723403

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investment property	9	17,000,000	17,750,000
		<u>17,000,000</u>	<u>17,750,000</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	39,157	27,285
Cash at bank and in hand	11	80,012	-
		<u>119,169</u>	<u>27,285</u>
Creditors: amounts falling due within one year	12	(663,582)	(193,540)
NET CURRENT LIABILITIES		(544,413)	(166,255)
TOTAL ASSETS LESS CURRENT LIABILITIES		16,455,587	17,583,745
Creditors: amounts falling due after more than one year	13	(15,620,782)	(15,383,677)
PROVISIONS FOR LIABILITIES			
Deferred tax	16	(1,204,591)	(1,533,667)
		<u>(1,204,591)</u>	<u>(1,533,667)</u>
NET (LIABILITIES)/ASSETS		(369,786)	666,401
CAPITAL AND RESERVES			
Called up share capital		1	1
Other reserves	17	1,381,998	1,381,998
Profit and loss account	17	(1,751,785)	(715,598)
		<u>(369,786)</u>	<u>666,401</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 2017.



J Jenkins
Director

The notes on pages 10 to 20 form part of these financial statements.

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	1	1,381,998	(715,598)	666,401
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(1,036,187)	(1,036,187)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	(1,036,187)	(1,036,187)
 AT 31 DECEMBER 2016	 1	 1,381,998	 (1,751,785)	 (369,786)

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	1	-	(1,766,284)	(1,766,283)
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	1,050,686	1,050,686
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	1,050,686	1,050,686
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS				
Capital contribution	-	1,381,998	-	1,381,998
TOTAL TRANSACTIONS WITH OWNERS	-	1,381,998	-	1,381,998
AT 31 DECEMBER 2015	1	1,381,998	(715,598)	666,401

The notes on pages 10 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2. GENERAL INFORMATION

Business Environment SoanePoint Limited is a company domiciled in England and Wales, registration number 05723403. The registered office is 26 Red Lion Square London WC1R 4AG and its principal place of business is SoanePoint 6-8 Market Place Reading RG1 2EG.

The company's principal activity is that of an investment property company.

The company's functional currency and reporting currency is pounds sterling.

2.1 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Business Environment Holding Limited as at 31 December 2016 and these financial statements may be obtained from the Registrar at Companies House.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue represents occupancy fees receivable from conventional lettings. Revenue is recognised when the amount of revenue can be measured reliably and when it is probable that the company will receive the consideration due under the contract.

2.3 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

Alternatively fair values are determined by the directors after discussions with and advice from independent experts.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (continued)

reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Leased assets: the Company as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.10 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. ACCOUNTING POLICIES (CONTINUED)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.14 Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the company's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In the process of applying its accounting policies, the company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The following paragraphs detail the estimates and judgements the company believes to have the most significant impact on the results under FRS 102.

Revenue recognition and allowance for doubtful receivables

The company recognises revenue generally at the time of delivery and when collection of the resulting receivable is reasonably assured. When the company considers that the criteria for revenue recognition are not met for a transaction, revenue recognition is delayed until such time as collectability is reasonable assured. Payments received in advance of revenue recognition are recorded as deferred income.

At each reporting date, the company evaluate the recoverability of trade receivables and record allowances for doubtful receivables based on experience. These allowances are based on, amongst other things, a consideration of actual collection history. The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

Loans

Where loans which are not repayable on demand are made from Business Environment No 1 Limited which are not considered to be at a market rate of interest, the loan is discounted to its present value using a discount rate equivalent to the presumed market rate of interest of 10%, less the interest accruing on the loan.

4. TURNOVER

All turnover arose within the United Kingdom and is derived from the company's principal activity..

5. OPERATING (LOSS)/PROFIT

The directors of the company are paid by fellow group undertakings and no specific recharge for directors' remuneration is made to the company. Details of directors' remuneration are disclosed in the notes to the accounts of Business Environment Holding Limited.

6. AUDITORS' REMUNERATION

Fees payable to the company's auditor for the audit of the company's annual accounts have been charged to the ultimate parent undertaking, Business Environment Holding Limited.

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. TAXATION

	2016	2015
	£	£
DEFERRED TAX		
Origination and reversal of timing differences	5,881	4,349
Changes to tax rates	(85,203)	(150,634)
Origination and reversal of timing differences - capital gains	(249,754)	173,616
TOTAL DEFERRED TAX	(329,076)	27,331
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	(329,076)	27,331

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016	2015
	£	£
(Loss)/profit on ordinary activities before tax	(1,365,263)	1,078,017
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(273,053)	218,298
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	478
Deferred tax not recognised	(4,899)	(31)
Adjustments to tax charge in respect of prior periods	-	(4,451)
Difference between accounting and tax base cost	(49,680)	(19,113)
Adjust opening and closing deferred tax to average rate of 20.25%	(42,711)	(172,846)
Group relief	41,267	4,996
TOTAL TAX CHARGE FOR THE YEAR	(329,076)	27,331

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. TAXATION (CONTINUED)**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The UK corporation tax rate remains at 20% from 1 April 2015. This is set to reduce to 19% from 1 April 2017. A further reduction was announced in the 2016 Budget and has been enacted to reduce the rate to 17% in 2020.

For the purposes of deferred tax, the rate change to 17% had been substantively enacted by the balance sheet date. The deferred tax is therefore provided for at the rate it is expected to crystallise of 17%.

8. EXCEPTIONAL ITEMS

	2016 £	2015 £
Fair value movement	1,220,742	(743,181)
Reversal of impairment of investment property	-	(315,756)
	<u>1,220,742</u>	<u>(1,058,937)</u>

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

9. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2016	17,750,000
Additions at cost	470,742
Surplus on revaluation	(1,220,742)
AT 31 DECEMBER 2016	17,000,000

The 2016 valuations were made by Colliers, on an open market value for existing use basis.

The company's property has been valued at fair value 31 December 2016. The valuation was provided as at 31 December 2016 by the company's independent external valuer, Colliers. The valuation was carried out by RICS qualified chartered surveyors and registered valuers and was prepared in accordance with the RICS Valuation – Professional Standards January 2014 ("the Red Book").

The 2015 valuations were prepared by the directors of the company, on an open market value for existing use basis using established valuation procedures, and having regard to discussions with and advice from independent experts.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	2015 £
Historic cost	17,665,758	17,195,016
Accumulated depreciation and impairments	(19,888)	(19,888)
	17,645,870	17,175,128

10. DEBTORS

	2016 £	2015 £
Trade debtors	22,941	30
Prepayments and accrued income	16,216	27,255
	39,157	27,285

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	80,012	-
Less: bank overdrafts	-	(4,788)
	<u>80,012</u>	<u>(4,788)</u>

12. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	-	4,788
Trade creditors	143	262
Amounts owed to group undertakings	288,670	-
Other taxation and social security	5,304	4,868
Obligations under finance lease and hire purchase contracts	167,368	-
Other creditors	-	3,497
Accruals and deferred income	202,097	180,125
	<u>663,582</u>	<u>193,540</u>

13. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	13,120,000	13,120,000
Net obligations under finance leases and hire purchase contracts	237,105	-
Amounts owed to group undertakings	2,263,677	2,263,677
	<u>15,620,782</u>	<u>15,383,677</u>

Secured loans

Bank loans totalling £13,120,000 (2015: £13,120,000) are secured over the company's freehold land and buildings and by way of a floating charge over the company's assets.

Obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. LOANS

Analysis of the maturity of loans is given below:

	2016 £	2015 £
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	13,120,000	-
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	-	13,120,000
	<u>13,120,000</u>	<u>13,120,000</u>

The loan expires in December 2018. The interest rate on the loan varies throughout the 5 year term of the loan between LIBOR + 1.1% and LIBOR + 5%. The loan was repaid in full in February 2017.

15. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	190,512	-
Between 1-2 years	190,512	-
Between 2-5 years	79,380	-
	<u>460,404</u>	<u>-</u>

BUSINESS ENVIRONMENT SOANEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

16. DEFERRED TAXATION

	2016 £	2015 £
At beginning of year	(1,533,667)	(1,506,336)
Charged to the profit or loss	329,076	(27,331)
AT END OF YEAR	(1,204,591)	(1,533,667)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(131,493)	(133,000)
Capital gains	(1,073,098)	(1,400,667)
	(1,204,591)	(1,533,667)

17. RESERVES

Other reserves

Other reserves comprise the capital contribution arising on the discounting of the inter company loan as required by FRS 102.

Profit & loss account

Profit and loss account includes all current and prior period retained profits and losses.

18. OTHER FINANCIAL COMMITMENTS

The company has cross-guaranteed group bank borrowings totalling £89,924,491 (2015: £89,924,491).

The company is part of a multilateral guarantee with other group members as security for a group overdraft facility of £500,000 and a bank loan of £1,620,000.

19. CONTROLLING PARTY

The ultimate parent undertaking and controlling party is considered to be Business Environment Holding Limited, which heads the largest and smallest group for which consolidated accounts are prepared.

The consolidated accounts are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.