
BUSINESS ENVIRONMENT WEMBLEY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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COMPANIES HOUSE

BUSINESS ENVIRONMENT WEMBLEY LIMITED

COMPANY INFORMATION

DIRECTORS

S Rusk
D Saul
B Klug
C Gershinson
J Jenkins
A Emden
G Hefferman
G Mercer
A Stewart
N Gandy

COMPANY SECRETARY

S Rusk

COMPANY NUMBER

05723405

REGISTERED OFFICE

2nd Floor
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

AUDITORS

BDO LLP
Chartered Accountants and Registered Auditors
Kings Wharf
20-30 Kings Road
Reading
United Kingdom
RG1 3EX

BUSINESS ENVIRONMENT WEMBLEY LIMITED

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BUSINESS ENVIRONMENT WEMBLEY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the company is that of a property landlord

DIRECTORS

The directors who served during the year were

S Rusk
D Saul
B Klug
C Gershinson
J Jenkins
A Emden
G Hefferman
G Mercer
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 Financial Reporting Standards for Smaller Entities (United Kingdom Accounting Standards applicable to Smaller Entities 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 estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BUSINESS ENVIRONMENT WEMBLEY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

PROVISION 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, BDO LLP, 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

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 and signed on its behalf



S Rusk
Director

Date 29 November 2012

BUSINESS ENVIRONMENT WEMBLEY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUSINESS ENVIRONMENT WEMBLEY LIMITED

We have audited the financial statements of Business Environment Wembley Limited for the year ended 31 December 2011, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, 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 (APB's) Ethical Standards for Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

Included in creditors' amounts falling due after more than one year, shown on the balance sheet, is an amount of £5,120,000 relating to loans which, at the balance sheet date, were due to expire on 15 March 2012.

In our opinion, at the balance sheet date, the loans are due within one year and accordingly creditors' amounts falling due after more than one year should be reduced by £5,120,000 and creditors' amounts falling due within one year should be increased by £5,120,000.

QUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER - Going concern

In forming our opinion on the company's financial statements we have considered the adequacy of the

BUSINESS ENVIRONMENT WEMBLEY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUSINESS ENVIRONMENT WEMBLEY LIMITED

disclosures made in Note 1 to the financial statements concerning the company's ability to continue as a going concern

As disclosed in Note 1, the company is reliant on the ability of the Group of which it is a member to secure bank funding, including its own, in order to continue as a going concern. Some of the Group's bank facilities have expired with the remainder expiring on 28 December 2012. The Group requires funding from its banks on an ongoing basis to enable the Group and its trading subsidiaries to continue to trade on a going concern basis, unless the Group is able to secure alternative funding. As at the date of approval of these financial statements, the main bank facilities of the Group are being renegotiated and legal process is being finalised. However as at the date of the approval of these financial statements, no committed long term bank facilities are in place. The Group's directors are confident that the refinancing will be completed in 2012.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the company was unable to continue as a going concern.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

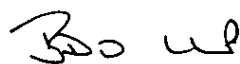
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In respect of the above disagreement regarding the classification of creditors, the financial statements are not in agreement with the accounting records and returns.

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
- 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 and the directors' report in accordance with the small companies regime.



Simon Brooker (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor

BDO Reading
United Kingdom

29 November 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

BUSINESS ENVIRONMENT WEMBLEY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
TURNOVER	1	323,064	323,063
Administrative expenses		(86,785)	(27,570)
OPERATING PROFIT	2	236,279	295,493
Interest payable and similar charges		(98,789)	(91,626)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		137,490	203,867
Tax on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL YEAR	9	137,490	203,867

The notes on pages 8 to 14 form part of these financial statements

BUSINESS ENVIRONMENT WEMBLEY LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	£	£
PROFIT FOR THE FINANCIAL YEAR	137,490	203,867
Unrealised surplus/(deficit) on revaluation of tangible fixed assets	-	(398,400)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	137,490	(194,533)

The notes on pages 8 to 14 form part of these financial statements

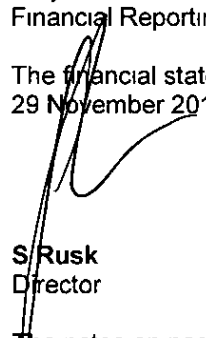
BUSINESS ENVIRONMENT WEMBLEY LIMITED
REGISTERED NUMBER 05723405

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	4		6,000,000		6,000,000
CURRENT ASSETS					
Debtors	5	13,758		12,876	
Cash at bank		3,137		22,524	
		<u>16,895</u>		<u>35,400</u>	
CREDITORS * amounts falling due within one year	6	(4,873)		(22,044)	
NET CURRENT ASSETS			<u>12,022</u>		<u>13,356</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,012,022</u>		<u>6,013,356</u>
CREDITORS * amounts falling due after more than one year	7		(6,014,773)		(6,153,597)
NET LIABILITIES			<u>(2,751)</u>		<u>(140,241)</u>
CAPITAL AND RESERVES					
Called up share capital	8		1		1
Revaluation reserve	9		(398,400)		(398,400)
Profit and loss account	9		<u>395,648</u>		<u>258,158</u>
SHAREHOLDERS' DEFICIT			<u>(2,751)</u>		<u>(140,241)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 November 2012


S. Rusk
 Director

The notes on pages 8 to 14 form part of these financial statements

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of tangible fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 GOING CONCERN

The financial statements for the company have been prepared on a going concern basis. The company recorded a profit for the financial year ended 31 December 2011 of £137,490 (2010 - £203,867), and had net liabilities of £2,751 (2010 - £140,241) at the balance sheet date.

The company has developed its main property asset, being freehold land and buildings at Olympic Way, Wembley and has leased the property to a fellow subsidiary company. The directors consider that future occupancy levels, as well as the price achieved per square foot, will enable the company to continue profitably in the future.

A detailed trading forecast has been prepared. The directors are confident that the company will trade profitably, and generate sufficient reserves going forward to support itself. However in the event of the company requiring the support of the Group, the directors of Business Environment Holding Limited, the ultimate owner of the issued share capital of the company, have confirmed that the Group has undertaken to continue to provide such financial support as the company requires for its continued operations for a period of not less than twelve months from the date of the approval of these financial statements.

The company is reliant on the ability of the Group of which it is a member to secure bank funding, including its own, in order to continue as a going concern. Some of the Group's facilities have expired with the remainder expiring on 28 December 2012. The Group requires funding from its banks on an ongoing basis to enable the Group and its trading subsidiaries to continue to trade on a going concern basis, unless the Group is able to secure alternative funding. As at the date of approval of these financial statements, the main bank facilities of the Group are being renegotiated and legal process is being finalised. The Group's directors are currently reviewing draft loan documentation. In addition, a major bank has agreed to join the Group's syndicate of senior debt providers and has credit approval to commit £30m of funding. The directors believe that this is a major achievement considering the current economic climate and banks' attitudes generally to lending to new customers. However as at the date of the approval of these financial statements, no committed long term bank facilities are in place. The Group's directors are confident that the refinancing will be completed in 2012.

As a result of the above, the directors consider it appropriate to prepare the financial statements on a going concern basis. However, as at the date of approval of these financial statements, the Group's main bank facilities had expired and were in the process of being renegotiated. Until the legal processes are completed and the documents signed, there remains material uncertainty over the ability of the Group to secure bank facilities on an ongoing basis. However, if the refinancing is concluded as expected, as agreed by the banks and documented in the draft security documents then the Group will continue as a going concern. These circumstances indicate the existence of a material uncertainty which may cast significant doubt over the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

1.3 CASH FLOW

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.4 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2% straight line
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Land is not depreciated. All buildings are depreciated to a residual value over their estimated useful lives. The group's policy is to dispose of freehold and long leasehold interests before the residual value becomes impaired. The directors consider the residual value annually.

1.6 REVALUATION OF TANGIBLE FIXED ASSETS

FRS 15 requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this, freehold and long leasehold land and buildings are revalued annually by the directors having taken appropriate professional advice and are subject to a full professional valuation every five years with an interim valuation in the third year. The directors review this valuation for impairment on an annual basis, taking appropriate professional advice.

The property is included in the balance sheet at a value lower than historic cost. After seeking appropriate professional advice, the directors have concluded that this diminution in value is considered to be caused by temporary factors attributable to the current economic environment, and that the building's value is expected to recover to at least its historic cost value of £6.4m within ten years.

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES (continued)

1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 DIVIDENDS

Dividends payable by the company are recorded as a liability following a dividend declaration by the Board. Interim dividends are recognised when paid.

1.9 CAPITALISED INTEREST

Interest on loans taken out to purchase properties has been capitalised, on an apportioned basis, from the date of acquisition to the date when the properties are available for use as business centres.

1.10 COST OF FREEHOLD LAND AND BUILDINGS

Cost of freehold land and buildings includes, on an apportioned basis, directly attributable and separately identifiable incremental costs of holding the asset whilst the properties are being converted into business centres. Capitalisation of these costs ceases as soon as the properties are available for use as business centres.

2. OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	-	1,600

During the year, no director received any emoluments (2010 - £NIL)

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

3. TAXATION

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate was to be reduced from 28% to 24% between 2011 and 2014. A number of further changes were announced in the 2011 and 2012 Budgets, so that the main rate of corporation tax was reduced to 26% from 1 April 2011, to 24% from 1 April 2012 and with further reductions planned to reduce it to 22% by 1 April 2014.

For the purposes of deferred tax, the rate change from 26% to 24% had not been substantively enacted by the balance sheet date. The deferred tax is therefore provided for at a rate of 25%, which was the most recent rate to be substantively enacted before the balance sheet date, although it is recognised that this rate is not going to apply for any year.

It is not yet possible to quantify the full effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charges and deferred tax assets accordingly.

4. TANGIBLE FIXED ASSETS

	Freehold property £
COST OR VALUATION	
At 1 January 2011 and 31 December 2011	6,001,600
DEPRECIATION	
At 1 January 2011 and 31 December 2011	1,600
NET BOOK VALUE	
At 31 December 2011	6,000,000
At 31 December 2010	6,000,000

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

4. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2011 £	2010 £
Cost	6,400,000	6,400,000
Accumulated depreciation	(1,600)	(1,600)
Net book value	<u>6,398,400</u>	<u>6,398,400</u>

If the property assets were sold at their revalued amounts the tax payable would be £785,136 (2010 - £848,378)

The last full valuation of freehold property was performed by King Sturge LLP, a firm of chartered surveyors, on 31 December 2010, on the basis of existing value including trading potential. The valuation was undertaken in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance Notes.

The company's land and buildings were revalued on 31 December 2011 by the directors having taken appropriate advice from a suitably qualified internal expert C Gershinson FRICS, at existing value, including trading potential. The directors do not consider that the value of land and buildings has changed materially since the full valuation performed in the prior year.

Valuation of the property at 31 December 2011 is as follows

	2011 £	2010 £
Valuation		
Per last full external valuation - 31 December 2010	<u>6,000,000</u>	<u>6,000,000</u>
Directors valuation at 31 December	<u>6,000,000</u>	<u>6,000,000</u>

5. DEBTORS

	2011 £	2010 £
Other debtors	<u>13,758</u>	<u>12,876</u>

BUSINESS ENVIRONMENT WEMBLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

**6. CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Sundry creditors	<u>4,873</u>	<u>22,044</u>

**7 CREDITORS.
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2011 £	2010 £
Bank loans	5,120,000	5,120,000
Amounts owed to group undertakings	894,773	1,033,597
	<u>6,014,773</u>	<u>6,153,597</u>

Bank loans totalling £5,120,000 (2010 £5,120,000) are secured on the company's freehold land and buildings

8. SHARE CAPITAL

	2011 £	2010 £
ALLOTTED, CALLED UP AND FULLY PAID		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

9 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2011	(398,400)	258,158
Profit for the year		137,490
At 31 December 2011	<u>(398,400)</u>	<u>395,648</u>

10. OTHER FINANCIAL COMMITMENTS

The company has cross-guaranteed group bank borrowings totalling £110,129,000 (2010 £110,129,000)

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

11. RELATED PARTY TRANSACTIONS

The company is a 100% subsidiary of Business Environment Limited and as such has taken advantage of the exemption conferred by FRS 8 not to disclose transactions with other wholly owned undertakings in the group

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

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