
BUSINESS ENVIRONMENT WEMBLEY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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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

REGISTERED NUMBER

05723405

REGISTERED OFFICE

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

INDEPENDENT AUDITORS

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

BUSINESS ENVIRONMENT WEMBLEY LIMITED

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BUSINESS ENVIRONMENT WEMBLEY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- 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 2012**

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

haysmacintyre were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the Annual General Meeting.

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 3 March 2014 and signed on its behalf



S Rusk
Director

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 2012, set out on pages 5 to 13. 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 (2011 £5,120,000) relating to loans.

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 (2011 £5,120,000) and creditors' amounts falling due within one year should be increased by £5,120,000 (2011 £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 2012 and of its loss 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.

BUSINESS ENVIRONMENT WEMBLEY LIMITED

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

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

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



Neil Gillam (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

3 March 2014

BUSINESS ENVIRONMENT WEMBLEY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1	323,064	323,064
Administrative expenses		(75,387)	(86,785)
OPERATING PROFIT	2	247,677	236,279
EXCEPTIONAL ITEMS			
Impairment of fixed assets	3	(3,396,800)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(3,149,123)	236,279
Interest payable and similar charges		(92,259)	(98,789)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,241,382)	137,490
Tax on (loss)/profit on ordinary activities	4	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	10	(3,241,382)	137,490

The notes on pages 7 to 13 form part of these financial statements

BUSINESS ENVIRONMENT WEMBLEY LIMITED
REGISTERED NUMBER: 05723405

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	5		3,000,000		6,000,000
CURRENT ASSETS					
Debtors	6	5		13,758	
Cash at bank		3,192		3,137	
		<u>3,197</u>		<u>16,895</u>	
CREDITORS: amounts falling due within one year	7	(18,774)		(4,873)	
NET CURRENT (LIABILITIES)/ASSETS			(15,577)		12,022
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,984,423</u>		<u>6,012,022</u>
CREDITORS: amounts falling due after more than one year	8		(5,830,156)		(6,014,773)
NET LIABILITIES			<u>(2,845,733)</u>		<u>(2,751)</u>
CAPITAL AND RESERVES					
Called up share capital	9		1		1
Revaluation reserve	10		-		(398,400)
Profit and loss account	10		(2,845,734)		395,648
SHAREHOLDERS' DEFICIT			<u>(2,845,733)</u>		<u>(2,751)</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 3 March 2014.

S Rusk
Director

The notes on pages 7 to 13 form part of these financial statements

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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 before exceptional items for the financial year ended 31 December 2012 of £155,418 (2011 - £137,490), and had net liabilities of £2,845,733 (2011 £2,751) 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 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 trading as a going concern. The Group's bank facilities have expired. 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. As at the date of the approval of these financial statements, the main bank facilities of the Group have been renegotiated, legal process has been finalised and committed long term bank facilities are in place.

As a result of the above, the directors consider it appropriate to prepare the financial statements on a going concern basis.

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.

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES (continued)

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

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.

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.

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (continued)

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

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the company	1,600	-

The directors of the company are paid by fellow group undertakings (Business Environment Human Resources Limited and Business Environment Limited) 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 and Business Environment Limited

3. EXCEPTIONAL ITEMS

	2012 £	2011 £
The loss arises on the revaluation downwards of the company's freehold property	3,396,800	-

BUSINESS ENVIRONMENT WEMBLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

4. 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 24.5% (2011 - 26.5%)

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 from 26% to 24% from 1 April 2012, to 23% from 1 April 2013 and with further reductions planned to reduce it to 21% from 1 April 2014. A further announcement in the 2013 Budget on 20 March 2013 confirmed that the main rate of corporation tax would be reduced to 20% from 1 April 2015.

For the purposes of deferred tax, the rate change from 24% to 23% had been substantively enacted by the balance sheet date. The deferred tax is therefore provided for at a rate of 23%.

Although not applied in calculating the deferred tax, the full effect of the announced further 2% rate reduction will reduce the company's future current tax charges and deferred tax assets accordingly.

5. TANGIBLE FIXED ASSETS

	Freehold property £
COST OR VALUATION	
At 1 January 2012	6,001,600
Impairment	(2,998,400)
At 31 December 2012	3,003,200
DEPRECIATION	
At 1 January 2012	1,600
Charge for the year	1,600
At 31 December 2012	3,200
NET BOOK VALUE	
At 31 December 2012	3,000,000
At 31 December 2011	6,000,000

BUSINESS ENVIRONMENT WEMBLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

5 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

	2012	2011
	£	£
Cost	6,400,000	6,400,000
Accumulated depreciation	(3,200)	(1,600)
Net book value	<u>6,396,800</u>	<u>6,398,400</u>

If the property assets were sold at their revalued amounts the tax payable would be £33,337 (2011 - £785,136)

The last full valuation of freehold property was performed by Jones Lang Lasalle, a firm of chartered surveyors, on 24 October 2012. 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 2012 by the directors having taken appropriate advice from a suitably qualified internal expert C Gershinson FRICS, at existing value, including trading potential.

Valuation of the property at 31 December 2012 is as follows

	2012	2011
	£	£
Valuation.		
Per last full external valuation - 24 October 2012	<u>3,000,000</u>	<u>6,000,000</u>
Directors' valuation at 31 December	<u>3,000,000</u>	<u>6,000,000</u>

6 DEBTORS

	2012	2011
	£	£
Other debtors	<u>5</u>	<u>13,758</u>

BUSINESS ENVIRONMENT WEMBLEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

**7 CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Bank loans and overdrafts	30	-
Sundry creditors	18,744	4,873
	<u>18,774</u>	<u>4,873</u>

**8 CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2012 £	2011 £
Bank loans	5,120,000	5,120,000
Amounts owed to group undertakings	710,156	894,773
	<u>5,830,156</u>	<u>6,014,773</u>

Bank loans totalling £5,120,000 (2011 £5,120,000) are secured on the company's freehold land and buildings

9. SHARE CAPITAL

	2012 £	2011 £
ALLOTTED, CALLED UP AND FULLY PAID		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

10. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2012	(398,400)	395,648
Loss for the year		(3,241,382)
Surplus on revaluation of freehold property	398,400	
At 31 December 2012	<u>-</u>	<u>(2,845,734)</u>

BUSINESS ENVIRONMENT WEMBLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

11. OTHER FINANCIAL COMMITMENTS

The company has cross-guaranteed group bank borrowings totalling £110,129,000 (2011 £110,129,000)

The company is part of a multilateral guarantee with other group members as security for a group overdraft facility of £510,000

12. 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

13. 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.