
BUSINESS ENVIRONMENT MINORIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012



BUSINESS ENVIRONMENT MINORIES LIMITED

COMPANY INFORMATION

DIRECTORS

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

COMPANY SECRETARY

S Rusk

REGISTERED NUMBER

05723407

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 MINORIES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 15

BUSINESS ENVIRONMENT MINORIES 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 the provision of serviced office units and related services

DIRECTORS

The directors who served during the year were

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

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 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 MINORIES 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

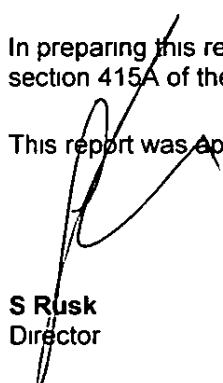
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing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

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

We have audited the financial statements of Business Environment Minories Limited for the year ended 31 December 2012, set out on pages 5 to 15. 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 STATEMENT

Included in creditors' amounts falling due after more than one year, shown on the balance sheet, is an amount of £22,771,943 (2011: £22,771,943) 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 £22,771,943 (2011: £22,771,943) and creditors' amounts falling due within one year should be increased by £22,771,943 (2011: £22,771,943).

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 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.

BUSINESS ENVIRONMENT MINORIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUSINESS ENVIRONMENT MINORIES 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 MINORITIES LIMITED

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

	Note	2012 £	2011 £
TURNOVER	1	3,156,192	2,765,260
Administrative expenses		(2,056,905)	(1,877,046)
OPERATING PROFIT	2	1,099,287	888,214
Interest payable and similar charges		(315,228)	(341,908)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		784,059	546,306
Tax on profit on ordinary activities	3	15,314	6,793
PROFIT FOR THE FINANCIAL YEAR	10	799,373	553,099

The notes on pages 8 to 15 form part of these financial statements

BUSINESS ENVIRONMENT MINORIES LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
PROFIT FOR THE FINANCIAL YEAR	799,373	553,099
Unrealised (deficit)/surplus on revaluation of tangible fixed assets	<u>(11,207,976)</u>	<u>14,672</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>(10,408,603)</u></u>	<u><u>567,771</u></u>

The notes on pages 8 to 15 form part of these financial statements

BUSINESS ENVIRONMENT MINORITIES LIMITED
REGISTERED NUMBER: 05723407

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	4		31,600,000		42,790,000
CURRENT ASSETS					
Debtors amounts falling due after more than one year	5	2,371,370		1,704,101	
Debtors amounts falling due within one year	5	311,603		437,914	
Cash at bank and in hand		69,850		20,523	
			<u>2,752,823</u>	<u>2,162,538</u>	
CREDITORS: amounts falling due within one year	6	(549,548)		(725,346)	
NET CURRENT ASSETS			<u>2,203,275</u>		<u>1,437,192</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>33,803,275</u>		<u>44,227,192</u>
CREDITORS: amounts falling due after more than one year	7		(22,771,943)		(22,771,943)
PROVISIONS FOR LIABILITIES					
Deferred tax	8		(317,663)		(332,977)
NET ASSETS			<u><u>10,713,669</u></u>		<u><u>21,122,272</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		1		1
Revaluation reserve	10		6,849,466		18,057,442
Profit and loss account	10		3,864,202		3,064,829
SHAREHOLDERS' FUNDS			<u><u>10,713,669</u></u>		<u><u>21,122,272</u></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 8 to 15 form part of these financial statements

BUSINESS ENVIRONMENT MINORIES 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 freehold land and buildings 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 2012 of £799,373 (2011 - £553,099), and had net assets of £10,713,669 (2011 - £21,122,272) at the balance sheet date.

The company has developed its main property asset, being freehold land and buildings at Minories, London and all suites are available under licence or lease. 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 MINORIES 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 land and buildings	-	2% straight line
Office equipment	-	12.5% straight line
Computer equipment	-	33.33% straight line
Other fixed assets	-	5% straight line

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.

1.7 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts 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.

During the year ended 31 December 2010 all finance lease assets and liabilities were transferred to Business Environment Central Services Limited, a fellow group undertaking.

1.8 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.

BUSINESS ENVIRONMENT MINORIES LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.9 DIVIDENDS

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

1.10 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.

1.11 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	11,411	8,558

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. TAXATION

	2012 £	2011 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
DEFERRED TAX		
Origination and reversal of timing differences	11,324	18,375
Effect of increased tax rate on opening liability	(26,638)	(25,168)
TOTAL DEFERRED TAX (see note 8)	(15,314)	(6,793)
TAX ON PROFIT ON ORDINARY ACTIVITIES	(15,314)	(6,793)

BUSINESS ENVIRONMENT MINORIES LIMITED

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

3. TAXATION (continued)

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.

4. TANGIBLE FIXED ASSETS

	Land and buildings £
COST OR VALUATION	
At 1 January 2012	42,806,951
Additions	29,387
Revaluation surplus/(deficit)	(11,207,976)
At 31 December 2012	31,628,362
DEPRECIATION	
At 1 January 2012	16,951
Charge for the year	11,411
At 31 December 2012	28,362
NET BOOK VALUE	
At 31 December 2012	31,600,000
At 31 December 2011	42,790,000

BUSINESS ENVIRONMENT MINORIES LIMITED

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

4. TANGIBLE FIXED ASSETS (continued)

If the property assets were sold at their revalued amounts the tax payable would be £4,484,603 (2011 £7,672,539)

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 land and buildings at 31 December 2012 is as follows

	2012 £	2011 £
Valuation Per last full external valuation 24 October 2012	<u>31,600,000</u>	<u>42,790,000</u>
Directors valuation at 31 December	<u>31,600,000</u>	<u>42,790,000</u>

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 £
Historical cost	24,778,896	24,749,509
Accumulated depreciation	(28,362)	(16,951)
Net book value	<u><u>24,750,534</u></u>	<u><u>24,732,558</u></u>

5. DEBTORS

	2012 £	2011 £
DUE AFTER MORE THAN ONE YEAR		
Amounts owed by group undertakings	<u><u>2,371,370</u></u>	<u><u>1,704,101</u></u>
	2012 £	2011 £
DUE WITHIN ONE YEAR		
Trade debtors	216,561	326,419
Other debtors	95,042	111,495
	<u><u>311,603</u></u>	<u><u>437,914</u></u>

BUSINESS ENVIRONMENT MINORIES LIMITED

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

5. DEBTORS (continued)

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

	2012	2011
	£	£
Bank loans and overdrafts	5	-
Trade creditors	66,474	133,476
Social security and other taxes	18,679	128,330
Other creditors	464,390	463,540
	549,548	725,346

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

	2012	2011
	£	£
Bank loans	22,771,943	22,771,943

Bank loans totalling £22,771,943 (2011 £22,771,943) are secured over the company's assets by way of a floating charge over the undertaking and a fixed charge over the freehold land and buildings

BUSINESS ENVIRONMENT MINORIES LIMITED

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

8. DEFERRED TAXATION

	2012 £	2011 £
At beginning of year	332,977	339,770
Released during year	(15,314)	(6,793)
At end of year	<u>317,663</u>	<u>332,977</u>

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	192,094	204,845
Capitalised interest	125,569	128,132
	<u>317,663</u>	<u>332,977</u>

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	18,057,442	3,064,829
Profit for the year		799,373
Movement in period	(11,207,976)	
At 31 December 2012	<u>6,849,466</u>	<u>3,864,202</u>

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

BUSINESS ENVIRONMENT MINORIES LIMITED

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

12. RELATED PARTY TRANSACTIONS

The company is a 100% subsidiary of Business Environment Holding 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. During the period the company entered into transactions with companies that are under common ownership and control. The value of these transactions, amounts outstanding at the balance sheet date and the relevant companies involved are disclosed as follows:

	2012 Transaction value £	2012 £	2011 Transaction value £	2011 £
Business Environment Human Resources Limited - provision of staff	-	-	-	-
Storm Operative Security Limited - provision of security services	115,346	-	111,900	-
Business Environment Developments Limited - refurbishment works	19,985	-	27,553	-
Business Environment Rewards Limited	-	-	-	-
Storm Operative Security Limited - licence fee income	35,319	-	129,880	-
BE Gordon House Limited	-	-	-	-
Aurora Pro Clean Limited - provision of cleaning services	134,228	-	89,322	-
Auriel PM Limited - licence fee income	-	-	46,000	-
Aurora Pro Clean Limited - licence fee income	5,179	-	96,216	-
&Meetings Limited - rental income	36,448	-	-	-

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.