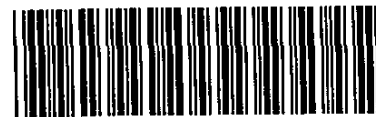


Company Registration No. 3385920 (England and Wales)

BENCHLEVEL DEVELOPMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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COMPANIES HOUSE

BENCHLEVEL DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	W B Todd G H Hedger
Secretary	W B Todd
Company number	3385920
Registered office	58-60 Berners Street London W1T 3JS
Auditor	Montpelier Audit Limited Chartered Accountants 58-60 Berners Street London W1T 3JS
Business address	First Floor 103 Portobello Road London W11 2QB

BENCHLEVEL DEVELOPMENTS LIMITED

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BENCHLEVEL DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

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

Principal activities and review of the business

The principal activity of the company continued to be that of property development and investment

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

Competitive pressure in the residential and commercial property markets are a continuing risk for the company. The company manages this risk by providing added value services, having fast response times in handling all tenant queries and by maintaining strong relationships with tenants and suppliers

The company's turnover from property development for the year was £9.5 million (2010 - £17.4 million) which resulted in a gross margin of 33.5% (2010 - 10.5%) and net profit before tax of £34,073 (2010 - £1,023,062). The rental income as disclosed under other operating income has increased by 26% from £102,882 to £129,656.

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 January 2011

W B Todd
G H Hedger

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	31 December 2011	1 January 2011
W B Todd	-	-
G H Hedger	-	-

Financial instruments

The company's principal financial instruments comprise bank balance, bank overdrafts and inter-company loans. The financial instruments are principally in place to raise funds to finance the company's operations.

The company's approach to managing risks applicable to the financial instruments concerned is shown below

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the businesses.

Interest rate risk

The company is exposed to the fair value interest rate risk on its borrowings from the mortgage lender. The interest on bank loan amounting to £176,558 is at Libor at a current rate of interest of 5.25% per annum. The company manages the interest rate risk by maintaining a rental income from investment properties in excess of the interest payments.

BENCHLEVEL DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Auditor

The auditor, Montpelier Audit Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities

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

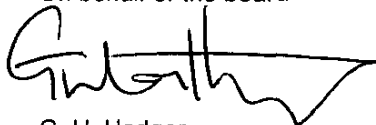
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



G H Hedger

Director

25 September 2012

BENCHLEVEL DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BENCHLEVEL DEVELOPMENTS LIMITED

We have audited the financial statements of BENCHLEVEL DEVELOPMENTS LIMITED for the year ended 31 December 2011 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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.

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 auditor's 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.

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.

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 2011 and of its profit 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BENCHLEVEL DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BENCHLEVEL DEVELOPMENTS LIMITED

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



Howard Reuben FCA (Senior Statutory Auditor)
for and on behalf of Montpelier Audit Limited

25 September 2012

Chartered Accountants
Statutory Auditor

58-60 Berners Street
London
W1T 3JS

BENCHLEVEL DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	9,500,000	17,437,000
Cost of sales		(9,180,847)	(15,591,452)
Gross profit		319,153	1,845,548
Administrative expenses		(236,323)	(242,157)
Other operating income		129,656	102,882
Operating profit	3	212,486	1,706,273
Profit on disposal of investment property		-	114,943
Profit on ordinary activities before interest		212,486	1,821,216
Other interest receivable and similar income	4	1,809	16,293
Interest payable and similar charges	5	(180,222)	(814,447)
Profit on ordinary activities before taxation		34,073	1,023,062
Tax on profit on ordinary activities	6	-	(3,679)
Profit for the year	13	34,073	1,019,383

The profit and loss account has been prepared on the basis that all operations are continuing operations

BENCHLEVEL DEVELOPMENTS LIMITED

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

	Notes	2011 £	2010 £
Profit for the financial year		34,073	1,019,383
Unrealised (deficit)/surplus on revaluation of properties		-	292,765
Total recognised gains and losses relating to the year		34,073	1,312,148

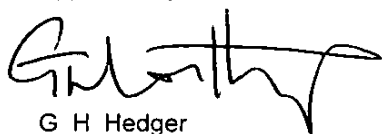
BENCHLEVEL DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	7	6,611,412		3,450,000	
Investments	8		101		100
		6,611,513		3,450,100	
Current assets					
Stocks	9	-		9,077,509	
Debtors	10	14,341,751		11,874,604	
Cash at bank and in hand		418,491		700,516	
		14,760,242		21,652,629	
Creditors. amounts falling due within one year	11	(20,215,228)		(23,980,275)	
Net current liabilities		(5,454,986)		(2,327,646)	
Total assets less current liabilities		1,156,527		1,122,454	
Capital and reserves					
Called up share capital	12		2		2
Revaluation reserve	13	1,067,785		1,067,785	
Profit and loss account	13	88,740		54,667	
Shareholders' funds	14	1,156,527		1,122,454	

Approved by the Board and authorised for issue on 25 September 2012



G H Hedger
Director

Company Registration No 3385920

BENCHLEVEL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Going concern

The financial statements have been prepared on a going concern basis even though at the Balance Sheet date the Company's current liabilities exceeded its current assets by £5,454,986

The Directors consider the going concern basis to be appropriate because, in their opinion, the Company will continue to obtain sufficient funding to enable it to pay its debts as they fall due. If the Company were unable to obtain this funding, it would be unable to continue trading and adjustments would have to be made to reduce the value of assets to their realisable amount and to provide for any further liabilities which might arise

1.3 Turnover

Turnover represents proceeds received from sale of property stock

1.4 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.6 Stock

Work in progress is valued at the lower of cost and net realisable value

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets

BENCHLEVEL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies (continued)

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2011 £	2010 £
Operating profit is stated after charging		
Auditor's remuneration (including expenses and benefits in kind)	18,280	12,500

4 Investment income	2011 £	2010 £
Bank interest	867	102
Other interest	942	16,191
	1,809	16,293

5 Interest payable	2011 £	2010 £
On bank loans and overdrafts	176,558	814,447
On overdue tax	2	-
Other interest	3,662	-
	180,222	814,447

BENCHLEVEL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

6	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	-	3,679
	Total current tax	-	3,679
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	34,073	1,023,062
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26 00% (2010 - 21 00%)	8,859	214,843
	Effects of		
	Non deductible expenses	-	31
	Tax losses utilised	(8,859)	(204,940)
	Chargeable disposals	-	17,883
	Other tax adjustments	-	(24,138)
		(8,859)	(211,164)
	Current tax charge for the year	-	3,679

The company has estimated losses of £ 189,614 (2010 - £ 223,687) available for carry forward against future trading profits

On the basis of these financial statements no provision has been made for corporation tax

BENCHLEVEL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

7 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 January 2011	3,450,000
Additions	3,161,412
	<hr/>
At 31 December 2011	6,611,412
	<hr/>
Net book value	
At 31 December 2011	6,611,412
	<hr/>
At 31 December 2010	3,450,000
	<hr/>

The valuation of investment properties was made as at 31 December 2011 by the directors on an open market value basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £5,543,627 (2010 - £2,382,215). The investment properties are secured by charges in favour of Nationwide Building Society in respect of the borrowings of its parent company, Benchlevel Properties Limited.

Tax of approximately £134,093 would be payable if the properties were to be sold at this value.

BENCHLEVEL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

8 Fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2011	100
Additions	1
	<hr/>
At 31 December 2011	101
	<hr/>
Net book value	
At 31 December 2011	101
	<hr/>
At 31 December 2010	100
	<hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Wellington Close Limited	England & Wales	Ordinary	100 00
Westbourne Grove Developments Limited	England & Wales	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2011 £	Profit/(loss) for the year 2011 £
	Principal activity		
Wellington Close Limited	property investment	(297,701)	(146,998)
Westbourne Grove Developments Limited	property investment	(8,510)	(8,511)
		<hr/>	<hr/>

9 Stocks

	2011 £	2010 £
Finished goods and goods for resale	-	9,077,509
	<hr/>	<hr/>

BENCHLEVEL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

10 Debtors	2011 £	2010 £
Amounts owed by group undertakings	8,717,009	1,486,350
Other debtors	5,624,742	10,388,254
	<u>14,341,751</u>	<u>11,874,604</u>

11 Creditors' amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	7,000,000	6,668,905
Amounts owed to group undertakings	13,057,705	17,082,163
Taxation and social security	-	34,045
Other creditors	157,523	195,162
	<u>20,215,228</u>	<u>23,980,275</u>

The bank loans are secured by way of fixed charges on investment properties owned by Westbourne Grove Developments Limited, a subsidiary of the company

12 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

13 Statement of movements on reserves	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2011	1,067,785	54,667
Profit for the year	-	34,073
	<u>1,067,785</u>	<u>88,740</u>
Balance at 31 December 2011		

BENCHLEVEL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

14 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the financial year	34,073	1,019,383
Other recognised gains and losses	-	292,765
Net addition to shareholders' funds	34,073	1,312,148
Opening shareholders' funds	1,122,454	(189,694)
Closing shareholders' funds	1,156,527	1,122,454

15 Contingent liabilities

The company has given guarantees supported by a legal charge over certain freehold properties, and debentures to secure the borrowings of its parent company, Benchlevel Properties Limited. At the balance sheet date Benchlevel Properties Limited's indebtedness in respect of these guarantees was £2,778,512.

16 Employees

Number of employees

There were no employees during the year apart from the directors.

17 Control

The ultimate parent company is Benchlevel Properties Limited, a company registered in England and Wales.

Benchlevel Properties Limited is not controlled by any single individual.

BENCHLEVEL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

18 Related party relationships and transactions

Loans to directors and related parties

During the year the company made and received payments by way of loan advances to and from companies in which the directors of the company, G H Hedger or W B Todd had direct control. All the loans are repayable on demand. The overall net inter-company balances as at the year end were as follows:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Courtney Investments Limited	-	3,565,132	-	-	(2,000,000)	1,565,132
Holland Park Investments Limited	-	2,201,150	-	-	(87,500)	2,113,650
Bondminster Limited	-	1,342,516	-	-	-	1,342,516
		<u>7,108,798</u>	<u>-</u>	<u>-</u>	<u>(2,087,500)</u>	<u>5,021,298</u>

During the year the company made purchases on normal commercial terms totalling £45,329 (2010: £1,980,120) from Kenham Building Limited, a company controlled by G H Hedge.

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.