
BUSINESS ENVIRONMENT HEAD OFFICE LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2019



BUSINESS ENVIRONMENT HEAD OFFICE LIMITED
REGISTERED NUMBER: 06426547

BALANCE SHEET
AS AT 31 DECEMBER 2019

| | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|--|------|------------------|------------------|----------------|--------------------|
| Current assets | | | | | |
| Debtors | 6 | 9,815,969 | | 669,229 | |
| Cash at bank and in hand | 7 | 11,571 | | 5,414 | |
| | | <u>9,827,540</u> | | <u>674,643</u> | |
| Creditors: amounts falling due within one year | 8 | (10,566,609) | | (6,286,704) | |
| Net current liabilities | | | <u>(739,069)</u> | | <u>(5,612,061)</u> |
| Total assets less current liabilities | | | <u>(739,069)</u> | | <u>(5,612,061)</u> |
| Net liabilities | | | <u>(739,069)</u> | | <u>(5,612,061)</u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 1 | | 1 |
| Profit and loss account | | | (739,070) | | (5,612,062) |
| | | | <u>(739,069)</u> | | <u>(5,612,061)</u> |

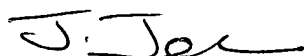
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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

16 August 2021.



J Jenkins
Director

The notes on pages 4 to 10 form part of these financial statements.

BUSINESS ENVIRONMENT HEAD OFFICE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Called up share capital | Profit and loss account | Total equity |
|--|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 January 2019 | 1 | (5,612,062) | (5,612,061) |
| Comprehensive income for the year | | | |
| Profit for the year | - | 4,872,992 | 4,872,992 |
| At 31 December 2019 | <u>1</u> | <u>(739,070)</u> | <u>(739,069)</u> |

The notes on pages 4 to 10 form part of these financial statements.

BUSINESS ENVIRONMENT HEAD OFFICE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Called up share capital | Profit and loss account | Total equity |
|--|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 January 2018 | 1 | (739,070) | (739,069) |
| Comprehensive income for the year | | | |
| Loss for the year | - | (4,872,992) | (4,872,992) |
| At 31 December 2018 | 1 | (5,612,062) | (5,612,061) |

The notes on pages 4 to 10 form part of these financial statements.

BUSINESS ENVIRONMENT HEAD OFFICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of BE Offices Limited as at 31 December 2019 and these financial statements may be obtained from the Registrar at Companies House.

1.3 Going concern

The financial statements have been prepared on a going concern basis, the validity of which is dependent upon the continuing financial support of the immediate parent company. The immediate parent company has confirmed that it will continue to support the company, which will enable the company to trade in the foreseeable future and pay all of its debts as and when they fall due.

The impact of COVID-19 on the cash flows of the Company has been assessed by management and the impact on the going concern assumption has been identified.

BUSINESS ENVIRONMENT HEAD OFFICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.4 Revenue

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.6 Debtors

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

1.7 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.8 Financial instruments

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

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

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

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

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

1.9 Creditors

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

1.10 Finance costs

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

1.11 Borrowing costs

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

BUSINESS ENVIRONMENT HEAD OFFICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.12 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

1.13 Related party transactions

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

BUSINESS ENVIRONMENT HEAD OFFICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

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

Revenue recognition and allowance for doubtful receivables

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

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

3. General information

Business Environment Head Office Limited is a company domiciled in England and Wales, registration number 06426547. The registered office is Finsgate 5-7 Cranwood Street London EC1V 9EE and its principal place of business is 45 Beech Street London EC2Y 8AD.

The company's principal activity is the the provison of head office services to group companies.

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

4. Auditors' remuneration

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

BUSINESS ENVIRONMENT HEAD OFFICE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Employees

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

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

The average monthly number of employees, including directors, during the year was 0 (2018 - 0).

6. Debtors

| | 2019 £ | 2018 £ |
|-------------------------------------|------------------|----------------|
| Due after more than one year | | |
| Other debtors | 79,840 | 79,841 |
| | <u>79,840</u> | <u>79,841</u> |
| Due within one year | | |
| Trade debtors | 445,841 | 176,486 |
| Other debtors | 170,096 | 152,755 |
| Prepayments and accrued income | 9,120,192 | 260,147 |
| | <u>9,815,969</u> | <u>669,229</u> |

7. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|-----------------|-----------------|
| Cash at bank and in hand | 11,571 | 5,414 |
| Less: bank overdrafts | (46,983) | (30,578) |
| | <u>(35,412)</u> | <u>(25,164)</u> |

BUSINESS ENVIRONMENT HEAD OFFICE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|-------------------|------------------|
| Bank overdrafts | 46,983 | 30,578 |
| Trade creditors | 293,983 | 93,452 |
| Amounts owed to group undertakings | 9,863,970 | 5,954,212 |
| Other creditors | 28,052 | 48,462 |
| Accruals and deferred income | 333,621 | 160,000 |
| | <u>10,566,609</u> | <u>6,286,704</u> |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9. Post balance sheet events

In March 2020, an outbreak of the Covid19 coronavirus caused disruption in the operations of the business. The directors expect the trading performance to be challenging in 2020.

10. Controlling party

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

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

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:
We draw attention to note 1.3 in the financial statements, which indicates that at the balance sheet date, the company's current liabilities exceeded its total assets by £739,069. As stated in note 1.3, these events or conditions, along with the other matters as set forth in note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 16 August 2021 by Justin Randall FCA (senior statutory auditor) on behalf of Jeffreys Henry LLP.