Beechcroft Developments Limited

Directors' report and financial statements

Registered number 1798684

Year ended 30 April 2011

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Company information

Company registration number	1798684
Registered office	1 Church Lane Wallingford Oxfordshire OX10 0DX
Directors	CR Thompson A South BP Mills
Auditors	KPMG LLP Altius House 1 North Fourth Street Milton Keynes Buckinghamshire MK9 1NE

Directors' report

The directors present their report together with financial statements for the year ended 30 April 2011

Business review

The Company's principal business is as a private house builder specialising in the "over 55's' market The Company operates at the top end of the market in terms of price and quality, providing homes in mixed conversion and new build schemes These are aimed at a slightly younger end of the market, where people are looking to trade down from large family houses

There continues to be an imbalance between the demand and supply for retirement housing in the UK, despite an ageing population The number of UK households aged 65 and over is projected to increase by approximately 3 5 million by 2033 a rise of 60% over todays population Currently London and the South East of England account for more than 32% of people over 65

Despite a strong performance during what was undoubtedly a challenging economic period, the outlook for 2012 remains cautious The Governments Autumn 2011 statement downgraded 2012 forecasts to 0 7% and to 2 1% for 2013, suggesting the UK's deteriorating public finances were further from recovery than originally expected In an effort to stabilise the construction sector in the UK the Government have introduced several new initiatives aimed at kick starting new projects and assisting up to 100,000 people buy new homes, and these moves are welcomed by the Group

For the 12-months ending 30 April 2011 the Company generated turnover of £10,469k *(2010 turnover £13,550k)* After financing costs of £1,946k *(2010 £2 520k)* the Company returned a pre-tax loss of £2,900k *(2010 pre tax loss £2,747k)*

During the year the Group successfully refinanced and extended its debt facilities with Lloyds Banking Group, extending facilities to April 2013 Under the terms of the new arrangement all previous covenant breaches were waived and new covenants set The Directors, having prudently prepared cash forecasts believe adequate headroom existed within the new facilities to enable the Group to trade within these Subsequent to this and up to the balance sheet date the Company was able to repay £4 9m from its revolving credit facility from proceeds generated from the sale of current development units

The Directors believe that due to the changing demographics of the UK population and the current imbalance between demand and supply in housing for the over-55's an opportunity currently exists to expand the business, and sought new equity investment Subsequent to the balance sheet date Alchemy Special Opportunities Fund II LP, a private equity fund, acquired a controlling interest in the share capital of the Group Alchemy has made sufficient new funding available to allow the Group to take advantage of current market opportunities

The identification and management of risk is key in the execution of the Company's strategy The company seeks to continually mitigate and minimise these risks by careful management and continuous review

Directors' report *(continued)*

Sales risk

Through thorough and careful qualification of potential buyers and active management of sales chains cancellation rates are low when compared to industry averages Given the current economic climate the Directors felt that it should be made clear that the Company has little or no exposure to bad debt, the keys to properties are not provided to purchasers until the Company s solicitors confirm that they are in possession of cleared funds for the entire amount necessary to complete the purchase

As turnover on house sales is recognised on exchange of contracts and build completion, trade debtors represent the value of completion monies on those house sales exchanged but not legally complete All trade debtors at 30 April 2011 have subsequently completed and all completion monies received

Construction risk

The Company always places its contracts on an all-risk basis and works with an existing supply and subcontract base in order to manage its construction projects to cost and in time The Company operates a system of regular cost reviews of all its projects on a monthly basis and will take early action to ensure that budgets are maintained

Employees

The Company has a remuneration policy designed to attract and retain personnel of the highest calibre The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Company The Company is committed to the principal of equal opportunity in employment and accordingly, management will ensure that recruitment, selection, training, development and promotion procedures result in no job applicant or employee receiving less favourable treatment on the grounds of race, colour, nationality, ethnic or national origin, disability, trade union membership or non-membership, sex, sexual orientation or marital status, or being a part time worker or fixed-term worker The Company's objective is to ensure that individuals are selected, promoted and otherwise treated solely on the basis of their relevant aptitudes, skills and abilities Applications for employment by disabled persons are always considered bearing in mind the aptitudes of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged

Proposed dividend

The directors do not recommend payment of a dividend *(2010 £nil)*

Directors

The directors who held office during the period were as follows

CR Thompson
A South
JD Shelbourne (resigned 11 July 2011)
BP Mills

Political and charitable contributions

The company made charitable contributions of £nil in the year *(2010 £nil)* The company made no political contributions in the year *(2010 £nil)*

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information

Directors' report *(continued)*

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

CR Thompson
Director

26 January 2012

1 Church Lane
Wallingford
Oxfordshire
OX10 0DX

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG LLP
Altius House
One North Fourth Street
Milton Keynes
United Kingdom
MK9 1NE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEECHCROFT DEVELOPMENTS LIMITED

We have audited the financial statements of Beechcroft Developments Limited for the year ended 30 April 2011 set out on pages 8 to 21 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 out 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 set out on page 4, 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

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 web-site at www frc org uk/apb/scope/private cfm

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 30 April 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEECHCROFT DEVELOPMENTS LIMITED *(continued)*

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

M Matthewman

M Matthewman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
1 North Fourth Street
Milton Keynes
Buckinghamshire
MK9 1NE

30 January 2012

Profit and loss account

for the year ended 30 April 2011

	Note	**2011** **£000**	2010 £000
Turnover	*1*	**10,469**	13 550
Cost of sales		**(9,790)**	(12 170)
Gross profit/(loss)		**679**	1,380
Administrative expenses		**(1,633)**	(1,607)
Operating (loss)	*2*	**(954)**	(227)
Interest receivable and similar income	*3*	**-**	-
Interest payable and similar charges	*4*	**(1,946)**	(2 520)
(Loss) on ordinary activities before taxation		**(2,900)**	(2,747)
Tax on (loss) on ordinary activities	*7*	**3**	3
(Loss) for the financial period	*16*	**(2,897)**	(2 744)

There were no recognised gains or losses in the current or preceding period other than those passing through the profit and loss account

The results shown above are derived entirely from continuing operations

Balance sheet

as at 30 April 2011

	Note	2011 £000	2010 £000
Fixed assets			
Tangible assets	8	**414**	430
Investments	9	**204**	204
		618	634
Current assets			
Stock and work in progress	10	**13,435**	18 309
Debtors	11	**14,322**	3 933
Cash at bank and in hand		**-**	3 894
Total current assets		**27,757**	26,136
Total assets		**28,375**	26 770
Capital and reserves			
Called up share capital	15	**141**	141
Share premium account	16	**334**	334
Profit and loss account	16	**(18,317)**	(15,420)
Shareholders' deficit	17	**(17,842)**	(14 945)
Creditors amounts falling due within one year	12	**23,536**	41,715
Creditors. amounts falling due after more than one year	13	**22,681**	-
Total liabilities and shareholder's deficit		**28,375**	26,770

These financial statements were approved by the board of directors on 26 January 2012 and were signed on its behalf by

CR Thompson
Director

Company number 1798684

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements These financial statements present information about the Company as an individual undertaking and not about its group

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Beechcroft UK Limited, and 100% of the company's voting rights are controlled within the group headed by Beechcroft Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group The consolidated financial statements of Beechcroft Limited, within which this company is included, can be obtained from the address given in note 22

Going concern

The Company made a net loss for the year of £2,897,000 (2010 £2,744,000 loss) and had net liabilities of £17,842,000 (2010 £14,945,000) at the balance sheet date Notwithstanding these facts, the financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons

On 20 December 2010, the Group successfully renegotiated its banking facilities As a result of this renegotiation all of the previous covenant breaches were waived The total facilities remaining in use by the Group remained unchanged with the revolving facility increasing to £27 9 million, the mezzanine facility remaining at £5 million, the term loan reducing to £nil and an overdraft facility of £2 5 million being secured Using proceeds generated from the sale of its units the Company was subsequently able to repay £4 9m of the revolving facility and the Group was also able to repay the £5m mezzanine facility Furthermore covenants attached to the banking facility were renegotiated and a cash sweep covenant imposed which required at specified dates that the Group held sufficient cash to meet the renegotiated revolving facility repayment schedule

On 14 July 2011, a controlling interest in the Group was acquired by the private equity fund Alchemy Special Opportunities II LP As a result of this transaction approximately £13 million of the revolving facility held with the banking syndicate was repaid by the Group from funds advanced by Alchemy and its affiliates through the issue of new loan note instruments and a revolving facility agreement The £12 million remaining on the revolving facility with the banking syndicate was purchased by an affiliate of Alchemy and the guarantee and security in favour Lloyds Banking Group was released

The Directors have prepared cash flow forecasts for the Company for the period ending twelve months from the date of approval of these financial statements These indicate that the Company will have adequate cash resources to meet its obligations as they fall due, under both the base and sensitised cases and that the group will be able to meet the covenants that have been set under the revised facilities agreement

At the date of approval of the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Notes *(continued)*

1 Accounting policies *(continued)*

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Fixtures and fittings	15% straight line
Computer equipment	33% straight line
Computer Software	50% straight line
Plant and tools	50% straight line

Freehold land and buildings are not depreciated

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Post retirement benefits

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Stocks and work in progress

Land is stated at net realisable value based on its present condition Property in the course of developments is stated at the lower of direct cost and net realisable value Direct costs comprise the cost of land, development and construction costs to date less transfers to profit and loss account in respect of sales made, and excludes both development overheads and interest payable

Transfers to profit and loss account in respect of sales made are calculated as a proportion of total estimated sales for each development applied to the estimated total costs Net realisable value is the selling price less all further costs to completion and anticipated selling costs

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Turnover and profit

Turnover, which excludes VAT, represents amounts received and receivable in respect of land and properties sold

Turnover and profit is recognised on house sales upon exchange of contracts and build completion Profit is recognised on land sales when contracts are exchanged and all material conditions are met

Investments

Investments in subsidiaries are stated at cost less any permanent diminution in value

Notes *(continued)*

2 Operating (loss)

	2011 £000	2010 £000
Operating (loss) is stated after charging		
Auditors remuneration		
Audit of these financial statements	**15**	16
Depreciation on tangible fixed assets owned	**20**	22
Other operating leases rentals	**-**	-
Write down of land and work in progress	**687**	-
Write off of loan to Director	**-**	25

3 Interest receivable and similar income

	2011 £000	2010 £000
Bank interest receivable	**-**	-

4 Interest payable and similar charges

	2011 £000	2010 £000
On bank loans and overdrafts	**1,211**	1 309
Other loans payable to group companies	**735**	1,083
Cost of financing redeemable debt		
Redemption premium	**-**	100
Funding cost written off	**-**	28
	1,946	2 520

The ultimate parent company, Beechcroft Limited, secured loans to fund the growth and continuing trade of this company The interest costs, funding cost amortisation and the premium payable on redemption associated with these loans have therefore been recharged The liability for these loans is accounted for in the financial statements of the ultimate parent company

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year analysed by category, was as follows

	Number of employees 2011	2010
Direct	**10**	10
Administrative	**11**	11
	21	21

The aggregate payroll costs of these persons were as follows

	2011 £000	2010 £000
Administrative		
Wages and salaries	**761**	675
Social security costs	**113**	100
Other pension costs	**148**	125
	1,022	900
Direct Costs		
Wages and salaries	**387**	327
Social security costs	**48**	31
Other pension costs	**13**	10
	448	368

Notes *(continued)*

6 Remuneration of directors

Remuneration in respect of directors was as follows

	2011 £000	2010 £000
Directors emoluments	492	400
Benefits in kind	47	37
Pension contributions to defined contribution scheme	127	103
Severance pay	-	9
Amounts paid to third parties in respect of directors services	-	50
	666	599

The amounts set out above include remuneration in respect of the highest paid director as follows

	2011 £000	2010 £000
Directors emoluments	169	142
Pension contributions to defined contribution scheme	42	40
	211	182

During the year, none of the directors participated in defined benefit schemes *(2010 none)*

Notes *(continued)*

7 Tax on (loss) on ordinary activities

Analysis of charge in period

	2011 £000	2010 £000
UK corporation tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	1	-
Total current tax	1	-
Deferred tax (see note 13)		
Deferred tax movement in the current year	2	(3)
Deferred tax movement in respect of prior periods		-
Tax on (loss)/profit on ordinary activities	3	(3)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher *(2010 higher)* than the standard rate of corporation tax in the UK 27 84% *(2010 28%)* The differences are explained below

	2011 £000	2010 £000
Current tax reconciliation		
(Loss) on ordinary activities before tax	(2,900)	(2,747)
Current tax at 27 84% *(2010 28%)*	(807)	(769)
Effects of		
Expenses not deductible for tax purposes	5	14
Capital allowances for period in excess of depreciation	2	3
Standard timing differences	1	
Impact of rate difference between deferred and current tax	20	
Losses carried forwards	657	738
Group relief surrendered for no consideration	122	14
Adjustments in respect of prior periods	(1)	-
Total current tax credit (see above)	(1)	-

The current tax rate changed with effect from 1 April 2011 to 28% from 26% The standard rate used in the prior year is a blended rate taking this into account Following announcements in the Emergency Budget of 22 June 2010, it was proposed that the full rate of corporation tax be reduced each year for the next 4 years from April 2011 ultimately bringing the corporation tax rate down to 23% The reduction to 26% has now been substantially enacted and reflected in these financial statements

There are unrecognised tax losses carried forward of £17,138,000 *(2010 £14,737,000)* These have not been recognised due to the uncertainty of future utilisation

Notes *(continued)*

8 Tangible fixed assets

	Freehold Land and Buildings £000	Fixtures and fittings £000	Computer software £000	Computer equipment £000	Plant and tools £000	Total £000
Cost						
At beginning of year	404	90	71	150	4	719
Additions	-	-	-	4	-	4
At end of year	404	90	71	154	4	723
Depreciation						
At beginning of year	-	81	71	133	4	289
Provided in the year	-	5	-	15	-	20
At end of year	-	86	71	148	4	300
Net book value						
At 30 April 2011	**404**	**4**	**-**	**6**	**-**	**414**
At 1 May 2010	404	9	-	17	-	430

Notes *(continued)*

9 Fixed assets investments

	Shares in group undertakings £000	Total £000
Cost		
At 1 May 2010 and 30 April 2011	**204**	**204**

	Country of incorporation	Class of share capital held	Proportion held	Nature of business
Subsidiaries				
Beechcroft Construction Limited	England and Wales	Ordinary shares	100%	Dormant
Lisa Estates Limited	England and Wales	Ordinary shares	100%	Holding company
Lisa Estates (Hampton Court) Limited*	England and Wales	Ordinary shares	100%	Development company
Lisa Estates (East Horsley) Limited*	England and Wales	Ordinary shares	100%	Development company
Angloid IV Limited	England and Wales	Ordinary shares	100%	Development company
Beechcroft Freeholds No 1 Limited	England and Wales	Ordinary shares	100%	Dormant
Beechcroft Freeholds No 2 Limited	England and Wales	Ordinary shares	100%	Dormant

* These are subsidiaries of Lisa Estates Limited

Beechcroft Construction limited is now dormant and the intention is to dissolve this company in the future Lisa Estates Limited is an intermediate holding company Lisa Estates (Hampton Court) Limited and Lisa Estates (East Horsley) Limited are property development companies used as vehicles to acquire, develop and sell property at Hampton Court and East Horsley respectively Angloid IV Limited is a company that was used as a vehicle to acquire, develop and sell property at Hampton Wick The last of these properties were sold in the year ended 30 April 2009 Beechcroft Freeholds No 1 Limited and Beechcroft Freeholds No 2 Limited are dormant

10 Stocks

	2011 £000	2010 £000
Developments in progress		
Costs to date less transfers to cost of sales in respect of units sold	**13,435**	18,309
	13,435	18,309

Notes *(continued)*

11 Debtors

	2011 £000	2010 £000
Trade debtors	911	2 673
Amounts owed by group undertakings	12,160	30
Other debtors	1,205	1 165
Deferred taxation	9	7
Corporation tax	-	10
Prepayments and accrued income	37	48
	14,322	3 933

12 Creditors amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdraft	214	469
Revolving credit facility	2,069	20 500
Trade creditors	641	648
Amounts owed to group undertakings	20,179	19 021
Social security and other taxes	46	64
Other creditors	231	338
Accruals and deferred income	156	675
	23,536	41,715

13 Creditors· amounts falling due in greater than one year

	2011 £000	2010 £000
Revolving credit facility	22,681	-
	22,681	-

14 Provisions for liabilities and charges

The elements of deferred taxation are as follows

	Provided 2011 £000	Provided 2010 £000
Difference between accumulated depreciation and amortisation and capital allowances	9	7

Notes *(continued)*

15 Called up share capital

	2011 £000	2010 £000
Authorised		
1 642 678 ordinary shares of 10p each	164	164
106,030 preferred ordinary shares of 1p each	1	1
	165	165
Allotted, called up and fully paid		
1 400 000 ordinary shares of 10p each	140	140
100 451 preferred ordinary shares of 1p each	1	1
	141	141

The ordinary shares are entitled to 9 6265% voting rights, distributions of profits and of capital The preferred ordinary shares are entitled to 90 3735% of voting rights, distributions of profits and of capital

16 Share premium account and reserves

	Share premium account £000	Profit and loss account £000
At 1 May 2010	334	(15 420)
Loss for the year	-	(2 897)
At 30 April 2011	**334**	**(18,317)**

17 Reconciliation of movements in shareholders' deficit

	2011 £000
Loss for the year	(2,897)
Shareholders (deficit) at beginning of year	(14,945)
Shareholders' (deficit) at end of year	**(17,842)**

18 Leasing commitments

Operating lease payments relating to land and buildings amounting to £nil *(2010 £nil)* are due within 2 to 5 years

Annual operating lease payments relating to other assets amounting to £2 000 expire within 2-5 years *(2010 £2,000 expiring within 2-5 years)*

19 Capital Commitments

The company had no capital commitments at 30 April 2011 or 30 April 2010

20 Contingent Liabilities

There were no contingent liabilities at 30 April 2011 or 30 April 2010

Notes *(continued)*

21 Pension scheme

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £161,000 *(2010 £135,000)*

22 Employee share schemes

Share based payments

The terms and conditions of grants are as follows, whereby all options are settled by physical delivery of shares

Grant date/ Employees entitled/ nature of scheme	Number of instruments	Vesting conditions	Contractual life of options
Equity-settled award to 1 company consultant granted by Beechcroft Limited on 19 May 2008	31 578	To continue to provide consultancy services to Beechcroft Limited	5 years from grant date

The number and weighted average exercise prices of share options in are as follows

	2011 Weighted average exercise price £	2011 Number of options	2010 Weighted average exercise price £	2010 Number of options
Outstanding at the beginning of the period	0 01	31,578	0 01	31 578
Lapsed during the period	(0.01)	(31,578)	-	-
Outstanding at the end of the period	-	-	0 01	31 578
Exercisable at the end of the period	-	-	-	-

The options outstanding at the yearend have an exercise price of £0 01 and a weighted average contractual life of 5 years

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted The estimate of the fair value of the services received is measured based on a Black Scholes model The assumptions used include the assumption that the fair value of the options at the measurement date is £nil based on a weighted average share price of £nil per share Consequently, no expense has been recognised in the current or previous financial years and there is no carrying liability held at the year end

Share options are granted under a service condition Such conditions are not taken into account in the grant date fair value measurement of the services received There are no market conditions associated with the share option grants

Notes *(continued)*

23 Ultimate parent undertaking

The company is a subsidiary of Beechcroft UK Limited a company incorporated in the UK which is itself a wholly owned subsidiary of Beechcroft Limited The lowest level of consolidation is that of Beechcroft Limited Copies of the consolidated accounts of Beechcroft Limited are available from its registered office at 1 Church Lane, Wallingford, Oxon, OX10 0DX

The company is a subsidiary of Beechcroft Developments Limited, a company incorporated in the UK The lowest level of consolidation is that of Beechcroft Limited Copies of the consolidated accounts of Beechcroft Limited are available from its registered office at 1 Church Lane, Wallingford, Oxon, OX10 0DX

The ultimate parent company was Beechcroft Limited a company registered in England and Wales At the balance sheet date the ultimate controlling party was considered to be C Thompson by virtue of holding the largest amount of issued share capital

24 Subsequent events

On 14th July 2011 Beechcroft Limited was acquired by Beechcroft Group Limited which is 72 5% owned by Alchemy Special Opportunities Fund II L P and 27 5% owned by management of Beechcroft Limited In addition to the cash equity investment Alchemy has injected further cash into the Group to repay the Group's existing revolving facility Post acquisition the Group's revised debt structure is £5 8 million Loan Notes, a £15 0 million revolving facility with ASO Lux 2 S a r l, of which £8 1m was drawn on completion and a £12 million Loan Facility with ASOF II (BC) L P ASO Lux 2 S a r l is a wholly owned subsidiary of the Alchemy Special Opportunities Fund II L P Following the acquisition Alchemy Special Opportunities Fund II L P is considered to be the immediate and ultimate controlling party by virtue of holding the largest amount of issued share capital in Beechcroft Group Limited