

COMPANY REGISTRATION NUMBER: 02615001

TOPLAND GROUP PLC
Financial statements
31 May 2020

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TOPLAND GROUP PLC

Financial statements

Year ended 31 May 2020

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TOPLAND GROUP PLC

Officers and professional advisers

The board of directors

M S Kingston
S Zakay
E Zakay
T R Betts
M J Anahory
T D O'Beirne

Company secretary

C F Moham

Registered office

55 Baker Street
London
United Kingdom
W1U 7EU

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

Barclays Bank Plc
Pall Mall Corporate Group
50 Pall Mall
London
SW1A 1QA

TOPLAND GROUP PLC

Strategic report

Year ended 31 May 2020

The directors present their strategic report together with the audited financial statements for the year ended 31 May 2020.

Principal activity

The group's principal activity is that of property investment in the UK and management and treasury services for the wider group headed by Topland Group Holdings *Limited* and the company acts as a holding company.

Review of the business

The group's results for the year and financial position are as shown in the annexed financial statements and referred to in the directors' report. It is expected that the group will continue its activities and trade satisfactorily in the forthcoming year.

During the year the group did not directly acquire or dispose of any properties however, it provided finance for the acquisition of properties for fellow subsidiaries of Topland Group Holdings Limited. The group will continue to consider opportunistic sales, and acquisitions where the board believes value can be generated either through asset management or scope for development.

Against continued uncertainty surrounding the current COVID-19 Pandemic and Brexit, the board continues to manage the group prudently through active asset management with low levels of gearing and significant cash resources.

Going concern

In preparing the financial statements, the directors are required to make an assessment of the ability of the group and the company to continue as a going concern. The directors have prepared a cash flow forecast for the group and the company which covers the 12 month period from the date of signing these financial statements. Against the backdrop of the COVID-19 Pandemic a "reverse stress" test has been applied to the forecasts, seeking to establish the level of liquidity headroom the group is expected to have during this 12 month going concern period.

On the basis of these forecasts and the fact that the group and company have substantial net current assets and net assets, the directors are confident that the group and company have adequate resources to continue in operational existence and to meet their liabilities as they fall due for the foreseeable future. In addition, the immediate parent undertaking has confirmed its current intention to continue to provide financial support to the company for the foreseeable future. As a result of the above, the directors have concluded that it remains appropriate to adopt a going concern basis of preparation in these financial statements.

TOPLAND GROUP PLC

Strategic report (continued)

Year ended 31 May 2020

Key performance indicators

The directors monitor performance using a wide range of financial and non-financial indicators including like for like turnover, overheads, investment property valuations and net asset value. On a quarterly basis the directors review the balance sheet and the profit and loss account using actual and forecast data.

The following are the KPIs that are considered most relevant of the group due to its size and activities:

Turnover for the year was £9.4 million which was in line with last year.

In the year, provisions of £8.2 million were charged (2019: £12.2 million) against amounts owed by fellow subsidiaries. The group benefited from £0.6 million of gains (2019: £0.8 million) due to foreign currency movements.

Overall, the group operating loss was £20.2 million (2019: £21.4 million) which is largely attributable to a £10.2 million loss on investment property fair values and the aforementioned £8.2 million provision against amounts owed by fellow subsidiaries.

The loss for the for the financial year amounted to £69.4 million compared to a £46.0 million loss in the previous year.

Position of the group at the end of the financial year and future developments

Investment properties were revalued as at 31 May 2020 by the directors. These valuations resulted in a £10.2 million deficit (2019: £7.5 million deficit) on prior year valuation.

The group has net assets of £42.9 million as at 31 May 2020 (2019: £3.2 million net liabilities).

The board does not foresee any changes to the strategy of the business for the next three years and therefore it does not anticipate any significant changes to the structure of the company.

Principal risks, uncertainties and financial instruments

The group's income derives from a wide United Kingdom geographical area and tenant base which diversifies the principal risks which arise in the group's business.

With increased uncertainty brought about by the COVID-19 pandemic, and continuing uncertainty surrounding Brexit, the board continues to manage the group prudently through active asset management with low levels of gearing and significant cash resources.

The majority of the group's borrowings are hedged at fixed interest rates. Cash balances and deposits are held with a number of financial institutions to effectively manage counter-party risk.

The group monitors cash flow as part of its day to day control procedures and also monitors credit risks. The Board considers cash flow projections on a quarterly basis and ensures that appropriate facilities and internal resources are available to be drawn upon as necessary.

The majority of the group's cash is held in, or is readily convertible to, Sterling, and the group primarily transacts in the same currency.

This report is approved by the board and signed on its behalf by



S Zakay
Director
18 November 2020

TOPLAND GROUP PLC

Directors' report

Year ended 31 May 2020

The directors present their report and the financial statements of the group for the year ended 31 May 2020.

Principal activity

The entity is a public company, limited by shares and incorporated in England and Wales. The principal activity of the group is property investment and the company is a holding company. The result for the year is shown on page 9.

Directors

The directors who served the company during the year were as follows:

M S Kingston	
S Zakay	
E Zakay	
T R Betts	
M J Anahory	(Appointed 11 September 2019)
T D O'Beirne	(Appointed 13 May 2020)
S L G Wilson	(Resigned 13 May 2020)

Dividends

The directors do not recommend the payment of a dividend.

Qualifying indemnity provision

The company has made qualifying third party indemnity provisions for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of this report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company 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 group and the company and of the profit or loss of the group 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.

TOPLAND GROUP PLC

Directors' report *(continued)*

Year ended 31 May 2020

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The company has dispensed with the obligation to appoint auditors annually. BDO LLP have expressed their willingness to continue in office.

This report was approved by the board of directors on 18 November 2020 and signed on behalf of the board by:



C F Moharm
Company secretary

TOPLAND GROUP PLC

Independent auditor's report to the members of Topland Group Plc

Year ended 31 May 2020

Opinion

We have audited the financial statements of Topland Group Plc ("the parent company") and its subsidiaries ("the group") for the year ended 31 May 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2020 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

We draw attention to note 4, which explains that as a result of the impact of the COVID-19 pandemic on the property market, the directors' valuation of the group's investment properties is subject to a higher degree of uncertainty than would normally be the case. It is made on the basis of assumptions which may not prove to be accurate. Our opinion is not modified in respect of this matter.

TOPLAND GROUP PLC

Independent auditor's report to the members of Topland Group Plc *(continued)*

Year ended 31 May 2020

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

TOPLAND GROUP PLC

Independent auditor's report to the members of Topland Group Plc (*continued*)

Year ended 31 May 2020

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

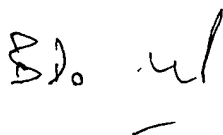
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Levy (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
W1U 7EU

18 November 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

TOPLAND GROUP PLC

Consolidated statement of comprehensive income

Year ended 31 May 2020

	Note	2020 £	2019 £
Turnover	5	9,375,818	9,498,293
Property expenses		(453,487)	(712,722)
Gross profit		8,922,331	8,785,571
Administrative expenses		(11,692,623)	(11,538,510)
Provision against fellow subsidiary debts		(8,158,356)	(12,154,825)
Investment property fair value movement	15	(10,219,393)	(7,453,184)
Gain on disposal of investment property		261,748	–
Other operating income	6	54,516	110,000
Foreign currency gains/losses		637,661	817,523
Operating loss	7	(20,194,116)	(21,433,425)
Income from joint ventures		–	(820,040)
Interest receivable and similar income	11	25,558,105	23,379,684
Interest payable and similar charges	12	(74,107,492)	(46,385,486)
Loss before taxation		(68,743,503)	(45,259,267)
Taxation on ordinary activities	13	(678,518)	(779,110)
Loss for the financial year		(69,422,021)	(46,038,377)
Capital contribution on loan from parent company		117,501,384	8,455,297
Total comprehensive income for the year		48,079,363	(37,583,080)
Loss for the financial year attributable to:			
The owners of the parent company		(66,692,821)	(44,970,810)
Non-controlling interests		(2,729,200)	(1,067,567)
		(69,422,021)	(46,038,377)
Total comprehensive income for the year attributable to:			
The owners of the parent company		50,808,563	(36,515,513)
Non-controlling interests		(2,729,200)	(1,067,567)
		48,079,363	(37,583,080)

All the activities of the group are from continuing operations.

The notes on pages 15 to 31 form part of these financial statements.

TOPLAND GROUP PLC

Consolidated statement of financial position

31 May 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	193,710	161,024
Investment property	15	72,445,862	84,800,843
		<u>72,639,572</u>	<u>84,961,867</u>
Current assets			
Debtors: due within one year	17	652,152,363	448,826,084
Cash at bank and in hand		201,799,064	334,200,247
		<u>853,951,427</u>	<u>783,026,331</u>
Creditors: amounts falling due within one year	18	(278,814,659)	(533,283,693)
Net current assets		<u>575,136,768</u>	<u>249,742,638</u>
Total assets less current liabilities		<u>647,776,340</u>	<u>334,704,505</u>
Creditors: amounts falling due after more than one year	19	(602,467,391)	(335,357,652)
Provisions			
Deferred taxation	20	(2,381,524)	(2,498,791)
Net assets/(liabilities)		<u>42,927,425</u>	<u>(3,151,938)</u>
Capital and reserves			
Called up share capital	23	50,000	50,000
Capital contribution	24	203,966,146	115,900,826
Profit and loss account	24	(204,001,920)	(166,745,163)
Equity attributable to the owners of the parent company		<u>14,226</u>	<u>(50,794,337)</u>
Non-controlling interests		<u>42,913,199</u>	<u>47,642,399</u>
		<u>42,927,425</u>	<u>(3,151,938)</u>

These financial statements were approved by the board of directors and authorised for issue on 18 November 2020, and are signed on behalf of the board by:



S Zakay
Director

Company registration number: 02615001

The consolidated statement of financial position
continues on the following page.
The notes on pages 15 to 31 form part of these financial statements.

TOPLAND GROUP PLC

Company statement of financial position

31 May 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	16	60,770,598	60,770,598
Current assets			
Debtors: due within one year	17	728,696,452	657,873,004
Cash at bank and in hand		5,910,385	20,074,728
		<u>734,606,837</u>	<u>677,947,732</u>
Creditors: amounts falling due within one year	18	(218,802,471)	(475,693,342)
Net current assets		<u>515,804,366</u>	<u>202,254,390</u>
Total assets less current liabilities		<u>576,574,964</u>	<u>263,024,988</u>
Creditors: amounts falling due after more than one year	19	(567,903,193)	(295,929,139)
Net assets/(liabilities)		<u>8,671,771</u>	<u>(32,904,151)</u>
Capital and reserves			
Called up share capital	23	50,000	50,000
Capital contribution	24	203,966,146	115,900,826
Profit and loss account	24	(195,344,375)	(148,854,977)
Members funds/(deficit)		<u>8,671,771</u>	<u>(32,904,151)</u>

The loss for the financial year of the parent company was £75,925,462 (2019: £41,930,909).

These financial statements were approved by the board of directors and authorised for issue on 18 November 2020, and are signed on behalf of the board by:


S Zakay
Director

Company registration number: 02615001

The notes on pages 15 to 31 form part of these financial statements.

TOPLAND GROUP PLC

Consolidated statement of changes in equity

Year ended 31 May 2020

	Called up share capital £	Capital contribution £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non- controlling interests £	Total £
At 1 June 2018	50,000	110,000,000	(124,328,824)	(14,278,824)	51,209,966	36,931,142
Loss for the year			(44,970,810)	(44,970,810)	(1,067,567)	(46,038,377)
Other comprehensive income for the year:						
Capital contribution on loan from parent company	-	8,455,297	-	8,455,297	-	8,455,297
Transfer of effective interest to loans from parent company	-	(2,554,471)	2,554,471	-	-	-
Total comprehensive income for the year	-	5,900,826	(42,416,339)	(36,515,513)	(1,067,567)	(37,583,080)
Dividends paid and payable	-	-	-	-	(2,500,000)	(2,500,000)
Total investments by and distributions to owners	-	-	-	-	(2,500,000)	(2,500,000)
At 31 May 2019	50,000	115,900,826	(166,745,163)	(50,794,337)	47,642,399	(3,151,838)
Loss for the year			(66,692,821)	(66,692,821)	(2,729,200)	(69,422,021)
Other comprehensive income for the year:						
Capital contribution on loan from parent company	-	117,501,384	-	117,501,384	-	117,501,384
Transfer of effective interest to loans from parent company	-	(29,438,084)	29,438,084	-	-	-
Total comprehensive income for the year	-	88,063,320	(37,256,757)	50,808,663	(2,729,200)	48,078,363
Dividends paid and payable	-	-	-	-	(2,000,000)	(2,000,000)
Total investments by and distributions to owners	-	-	-	-	(2,000,000)	(2,000,000)
At 31 May 2020	50,000	203,966,146	(204,001,920)	14,226	42,913,199	42,927,426

The consolidated statement of changes in equity
continues on the following page.
The notes on pages 15 to 31 form part of these financial statements.

TOPLAND GROUP PLC

Company statement of changes in equity

Year ended 31 May 2020

	Called up share capital £	Capital contribution £	Profit and loss account £	Total £
At 1 June 2018	50,000	110,000,000	(109,478,539)	571,461
Loss for the year			(41,930,909)	(41,930,909)
Other comprehensive income for the year:				
Capital contribution on loan from parent company	–	8,455,297	–	8,455,297
Transfer of effective interest to loans from parent company	–	(2,554,471)	2,554,471	–
Total comprehensive income for the year	–	5,900,826	(39,376,438)	(33,475,612)
At 31 May 2019	50,000	115,900,826	(148,854,977)	(32,904,151)
Loss for the year			(75,925,462)	(75,925,462)
Other comprehensive income for the year:				
Capital contribution on loan from parent company	–	117,501,384	–	117,501,384
Transfer of effective interest to loans from parent company	–	(29,438,064)	29,438,064	–
Total comprehensive income for the year	–	88,065,320	(46,489,398)	41,575,922
At 31 May 2020	50,000	203,966,146	(195,344,375)	8,671,771

The company statement of changes in equity
continues on the following page.
The notes on pages 15 to 31 form part of these financial statements.

TOPLAND GROUP PLC

Consolidated statement of cash flows

Year ended 31 May 2020

		2020 £	2019 £
Cash flows from operating activities	Note		
Loss for the financial year		(69,422,021)	(46,038,377)
<i>Adjustments for:</i>			
Depreciation of tangible assets		55,585	45,051
Provision against fellow subsidiary debts		8,158,356	12,154,825
Fair value adjustment of investment property	15	10,219,393	7,453,184
Share of loss/(profit) from joint ventures		—	820,040
Interest receivable and similar income	11	(25,558,105)	(23,379,684)
Interest payable and similar charges	12	74,107,492	46,385,486
Gains on disposal of tangible assets		(261,748)	—
Taxation on ordinary activities	13	678,518	779,110
Foreign exchange		(637,661)	(817,523)
<i>Changes in:</i>			
Trade and other debtors		(186,679,649)	117,525,447
Trade and other creditors		11,053,168	87,061,811
Cash generated from operations		(178,286,672)	201,989,370
Interest paid		(57,813,666)	(40,899,524)
Interest received		1,494,774	922,354
Tax paid		(1,083,408)	(500,194)
Net cash (used in)/from operating activities		(235,688,972)	161,512,006
Cash flows from investing activities			
Purchase of investment property		—	6,230
Proceeds from sale of investment property		2,442,803	—
Purchase of tangible assets		(88,272)	(4,336)
Net cash from investing activities		2,354,531	1,894
Cash flows from financing activities			
Proceeds from borrowings		459,077,812	109,805,443
Repayments of borrowings		(356,782,215)	(120,044,503)
Dividends paid		(2,000,000)	(2,500,000)
Net cash from/(used in) financing activities		100,295,597	(12,739,060)
Net (decrease)/increase in cash and cash equivalents		(133,038,844)	148,774,840
Cash and cash equivalents at beginning of year		334,200,247	184,607,884
Exchange gains on cash and cash equivalents		637,661	817,523
Cash and cash equivalents at end of year		201,799,064	334,200,247

The notes on pages 15 to 31 form part of these financial statements.

TOPLAND GROUP PLC

Notes to the financial statements

Year ended 31 May 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 55 Baker Street, London, W1U 7EU, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Company information

The entity is a limited company, incorporated in England and Wales, which acts as a holding company. The principal activity of the group is that of property investment.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items:

- Investment property
- Financial instruments

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies.

The financial statements are presented in sterling, which is the functional currency of the group and company.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits, and other short term highly liquid investments with original maturities of three months or less.

Debtors

Short term debtors are measured at transaction price, less any impairment.

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.

TOPLAND GROUP PLC

Notes to the financial statements *(continued)*

Year ended 31 May 2020

3. Accounting policies *(continued)*

Going concern

In preparing the financial statements, the directors are required to make an assessment of the ability of the group and the company to continue as a going concern. The directors have prepared a cash flow forecast for the group and the company which covers the 12 month period from the date of signing these financial statements. Against the backdrop of the COVID-19 Pandemic a "reverse stress" test has been applied to the forecasts, seeking to establish the level of liquidity headroom the group is expected to have during this 12 month going concern period.

On the basis of these forecasts and the fact that the group and company have substantial net current assets and net assets, the directors are confident that the group and company have adequate resources to continue in operational existence and to meet their liabilities as they fall due for the foreseeable future. In addition the immediate parent undertaking has confirmed its current intention to continue to provide financial support to the company for the foreseeable future. As a result of the above, the directors have concluded that it remains appropriate to adopt a going concern basis of preparation in these financial statements.

Lessor incentives

Lessor incentives include rent free periods and other incentives given to lessees on entering into lease agreements.

Lessor incentives to tenants to occupy the group's investment properties are treated as revenue expenditure and initially recorded as prepayments. The payments are then charged to the statement of comprehensive income evenly over the period to the lease end date. Where lessor incentives relate to investment properties the properties are carried at open market value less the amount of the unamortised incentive.

Pension costs

Pension costs are charged to the statement of comprehensive income in the year in which they are incurred.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

TOPLAND GROUP PLC

Notes to the financial statements *(continued)*

Year ended 31 May 2020

3. Accounting policies *(continued)*

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of comprehensive income.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight line basis over the term of the lease.

Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at a board meeting.

Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

Loss of control of subsidiaries

When the group loses control of a subsidiary, a gain or loss is recognised, being the net liabilities or net assets immediately prior to loss of control.

Non controlling interests

Non controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Non controlling interests consist of the amount of those interests at the date of the original business combination and the non controlling share of changes in equity since the date of the combination.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for rental income, management fees and commissions receivable and are stated net of value added tax.

TOPLAND GROUP PLC

Notes to the financial statements *(continued)*

Year ended 31 May 2020

3. Accounting policies *(continued)*

Income tax

The tax expense is made up of current and deferred tax. Tax expense is recognised in profit and loss, except tax attributable to an income or expense recognised as other comprehensive income or recognised directly in equity, which is recognised as other comprehensive income or directly to equity as appropriate.

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 the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Current and deferred tax is calculated using the tax rates and laws enacted or substantively enacted by reporting date.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

The cost of tangible fixed assets is their historic cost less accumulated depreciation.

Investment property

Investment properties are stated at fair value, using the principles set out in notes 4 and 14.

The directors revalue the investment property annually to fair value with the aggregate surplus or deficit being recognised in the statement of comprehensive income. Acquisitions and disposals are recognised on the unconditional exchange of contracts for sale/purchase.

It is anticipated that external valuations will be carried out periodically.

Depreciation

Depreciation is provided to write off the cost or valuation less estimated residual values of all tangible fixed assets evenly over their useful lives except for investment properties.

Fixtures and fittings	- 25% straight line
Motor vehicles	- 25% straight line

TOPLAND GROUP PLC

Notes to the financial statements *(continued)*

Year ended 31 May 2020

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of investments

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial liabilities that are not classified as financial instruments are recorded at transaction cost. All changes to transaction cost are recognised in the statement of comprehensive income.

Financial assets

Financial assets are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the statement of comprehensive income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

4. Judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, requires the use of certain critical accounting estimates and judgements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on Directors' best knowledge of the amount, event or actions, actual results may differ from those estimates. The following is intended to provide an understanding of the policies that the Directors consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements.

Investment property valuation

Investment property is revalued annually to fair value using an income capitalisation technique. The valuation is prepared by the directors, based upon assumptions including future rental value, anticipated property costs, future development costs and the appropriate discount rate. Reference is also made to market evidence of transaction prices for similar properties. More information is provided in note 14.

The ultimate impact of the current COVID-19 pandemic on the global economy is highly uncertain and the full extent of the economic impacts on the financial performance of the group are as yet unknown. One of the potential material impacts of COVID-19 on the group is the impact on the property valuation. The valuation of the group's property interests is inherently subjective due to the assumptions factored into the calculation and changes in assumptions may result in material adjustment to the carrying amounts of the property assets. Additionally, as at the valuation date, property market activity is being impacted in many sectors and so less weight can be attached to previous market evidence for comparison purposes. As a result, the year-end valuation of the group's property portfolio is subject to a higher degree of uncertainty than would normally be the case and is made on the basis of assumptions which may not prove to be accurate. The directors continue to review any developments in the COVID-19 pandemic in the context of the risks presented to the group's business.

Recoverability of debtors

The recoverability of debtors is assessed annually based on factors specific to each individual debtor.

Interest rate swaps

Derivative financial instruments comprising interest rate swaps are revalued by the Board annually, based on external valuations supplied by the interest rate swap providers. The Board's valuation relies upon the information supplied by the providers.

5. Turnover

Turnover is wholly attributable to the principal activity of the group and arises solely within the United Kingdom.

6. Other operating income

	2020	2019
	£	£
Other operating income	<u>54,516</u>	<u>110,000</u>

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

7. Operating loss

Operating loss is stated after charging/crediting:

	2020 £	2019 £
Depreciation of tangible assets	55,585	45,051
Foreign exchange differences	(637,661)	(817,523)
Operating lease expense	<u>604,725</u>	<u>588,188</u>

8. Auditor's remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>108,832</u>	<u>118,963</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	<u>242,630</u>	<u>225,118</u>

£10,382 (2019: £11,000) of the audit fee relates to the company.

9. Particulars of employees

The average number of persons employed by the group during the year, including the directors, amounted to:

	2020 No.	2019 No.
Number of other staff - management and administration	<u>39</u>	<u>41</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020 £	2019 £
Wages and salaries	7,560,002	7,322,882
Social security costs	1,002,355	1,015,601
Other pension costs	133,558	131,091
	<u>8,695,915</u>	<u>8,469,574</u>

The average number of employees, including directors, of the company was 6 (2019: 6).

10. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020 £	2019 £
Remuneration	<u>3,060,950</u>	<u>2,923,304</u>

Remuneration of the highest paid director in respect of qualifying services:

	2020 £	2019 £
Aggregate remuneration	<u>709,348</u>	<u>688,896</u>

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

11. Interest receivable and similar income

	2020 £	2019 £
Interest from group undertakings	24,013,331	22,334,358
Gain on fair value of financial instruments	50,000	122,972
Other interest receivable and similar income	1,494,774	922,354
	<u>25,558,105</u>	<u>23,379,684</u>

12. Interest payable and similar charges

	2020 £	2019 £
Interest on banks loans and overdrafts	1,402,315	1,945,306
Loan facility fees	161,997	337,654
Effective interest on loan from parent company	29,436,064	2,554,470
Loss on fair value of financial instruments	510,371	356,683
Other interest payable and similar charges	42,596,745	41,191,373
	<u>74,107,492</u>	<u>46,385,486</u>

13. Taxation on ordinary activities

Major components of tax income

	2020 £	2019 £
Current tax:		
UK current tax income	817,827	774,130
Adjustments in respect of prior periods	(22,042)	(55,194)
Total current tax	<u>795,785</u>	<u>718,936</u>
Deferred tax:		
Origination and reversal of timing differences	(117,267)	60,174
Taxation on ordinary activities	<u>678,518</u>	<u>779,110</u>

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

13. Taxation on ordinary activities (continued)

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Loss on ordinary activities before taxation	(68,743,503)	(45,259,267)
Loss on ordinary activities by rate of tax	(13,061,265)	(8,599,261)
Adjustments in respect of prior periods	(22,042)	(55,194)
Effect of expenses not deductible for tax purposes	12,859,837	2,975,293
Effect of revenue exempt from tax	(10,358)	155,807
Adjust opening and closing deferred tax to average rate	453,313	(6,619)
Items subject to different tax rates	2,000	–
Profit on disposal of fixed assets	(37,810)	–
Utilisation of unrecognised brought forward losses	(712,665)	(208,713)
Group relief	(2,336,770)	117,550
Transfer pricing adjustments	4,226,126	4,135,144
Non taxable movement on revaluation of investment property	1,270,587	1,466,057
Other timing differences not recognised	(2,144,888)	795,130
Adjustments to deferred tax charge in respect of previous periods	192,453	3,916
Tax on loss	<u>678,518</u>	<u>779,110</u>

The Group has deferred tax assets of £23,549,836 (2019: £22,319,945) arising from tax losses that have not been provided for in these financial statements, due to the uncertainty as to whether such assets will be recovered.

14. Tangible assets

Group	Fixtures and fittings £	Motor vehicles £	Total £
Valuation			
At 1 June 2019	1,245,264	49,980	1,295,244
Additions	88,272	–	88,272
At 31 May 2020	<u>1,333,536</u>	<u>49,980</u>	<u>1,383,516</u>
Depreciation			
At 1 June 2019	1,110,272	23,949	1,134,221
Charge for the year	43,090	12,495	55,585
At 31 May 2020	<u>1,153,362</u>	<u>36,444</u>	<u>1,189,806</u>
Carrying amount			
At 31 May 2020	<u>180,174</u>	<u>13,536</u>	<u>193,710</u>
At 31 May 2019	<u>134,992</u>	<u>26,031</u>	<u>161,023</u>

The company has no tangible assets.

TOPLAND GROUP PLC

Notes to the financial statements *(continued)*

Year ended 31 May 2020

15. Investment property

Group	Freehold property £	Long leasehold property £	Total £
Valuation			
At 1 June 2019	84,680,611	120,232	84,800,843
Disposals	(2,135,589)	—	(2,135,589)
Revaluations	(10,219,366)	(26)	(10,219,392)
At 31 May 2020	<u>72,325,656</u>	<u>120,206</u>	<u>72,445,862</u>

The directors carried out an internal valuation of the properties as at 31 May 2020 using an income capitalisation technique, whereby contracted and market rental values are capitalised with a market capitalisation rate. The resulting valuations are cross-checked against the equivalent yields and the fair market values derived from comparable recent market transactions on arm's length terms.

The directors anticipate having the investment property periodically valued by an external independent valuer.

As set out in note 4, due to the current COVID-19 pandemic, the year-end valuation of the group's property portfolio is subject to a higher degree of uncertainty than would normally be the case and is made on the basis of assumptions which may not prove to be accurate. Changes in such assumptions may result in material adjustment to the carrying amounts of the group's property assets.

The historical cost of the properties is £59,054,623 (2019: £61,422,036)

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

16. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 June 2019 and 31 May 2020	<u>60,770,598</u>
Impairment	
At 1 June 2019 and 31 May 2020	<u>-</u>
Carrying amount	
At 1 June 2019 and 31 May 2020	<u>60,770,598</u>
At 31 May 2019	<u>60,770,598</u>

Investments in associates and joint ventures

The following were the subsidiary undertakings of the company at the end of the year and have all been included in the consolidated financial statements:

	Country of incorporation	Proportion of share capital	Nature of business
Rockland Holdings Limited	England & Wales	100%	Holding company
Silverdome Holdings Limited	England & Wales	100%	Dormant
Silverdome Properties Limited	England & Wales	100%	Dormant
Topland (No. 8) Limited	England & Wales	100%	Dormant
Topland (No. 9) Limited	England & Wales	100%	Dormant
Topland (No. 10) Limited	England & Wales	100%	Dormant
Berkley Estates London Limited	England & Wales	100%	Property management
Topland Assets Limited*	England & Wales	100%	Property investment
Topland Finance Limited	England & Wales	100%	Finance company
Topland London Limited	England & Wales	100%	Property investment
Topland (Sunderland Waterside) Limited	England & Wales	100%	Property investment
Topland South Limited	England & Wales	100%	Property investment
Topland West Limited	England & Wales	100%	Property investment
Topland Assets Holdings Limited	England & Wales	100%	Holding company
Topland Finance (No. 2) Limited	England & Wales	100%	Finance company
Riverland Holdings Limited	England & Wales	50%	Holding company
Riverland No. 1 Limited*	England & Wales	50%	Holding company
Riverland (Newark) Limited*	England & Wales	50%	Property investment
Riverland (P.W.) Limited*	England & Wales	50%	Property investment
Riverland No. 2 Limited*	England & Wales	50%	Property investment
Riverland (In Retail) Limited*	England & Wales	50%	Property investment
Riverland (Nottingham) Limited*	England & Wales	50%	Dormant
GP Property Investments Limited *	England & Wales	26%	Holding company
Goldmile Holdings Limited*	England & Wales	26%	Holding company
Gold Markets (Norfolk) Limited*	England & Wales	26%	Property investment
Goldmile City Limited*	England & Wales	26%	Property investment
Goldmile Enterprises Limited*	England & Wales	26%	Property investment
Goldmile Investments Limited*	England & Wales	26%	Property investment
Goldmile (No. 1) Limited*	England & Wales	26%	Property investment
Platignum Holdings Limited*	England & Wales	26%	Holding company
Platignum Properties Limited	England & Wales	26%	Property investment

* Undertakings held indirectly by the company

The registered address of all of the subsidiary undertakings of the company is 55 Baker Street, London, W1U 7EU.

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

17. Debtors

Debtors falling due within one year are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	159,338	188,306	–	–
Amounts owed by group undertakings	–	–	726,354,695	655,534,250
Prepayments and accrued income	2,191,679	2,554,313	–	–
Corporation tax repayable	36,175	–	–	–
Derivative financial assets	–	55,921	–	–
Amounts owed by fellow subsidiaries	648,749,351	445,947,233	–	–
Loan to subsidiary company	–	–	2,338,754	2,338,754
Amounts due from parent company	856,869	–	3,003	–
Taxation and social security	12,765	12,764	–	–
Other debtors	146,186	67,547	–	–
	<u>652,152,363</u>	<u>448,826,084</u>	<u>728,696,452</u>	<u>657,873,004</u>

During the year interest at 10% (2019: 8% to 12.5%) was charged on some amounts due from fellow subsidiaries. At year end, these balances totalled £318,891,437 (2019: £211,150,023). The remaining amounts due to fellow subsidiaries bear no interest. All amounts due from fellow subsidiaries are recoverable on demand.

Amounts due from parent company and group undertakings bear no interest and are recoverable on demand.

18. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	264,643	9,847,589	–	–
Trade creditors	595,131	734,218	–	4,200
Amounts due to fellow subsidiaries	48,681,199	37,797,518	2,000	2,000
Accruals and deferred income	1,708,288	1,473,909	–	5,439
Corporation tax	–	251,447	–	–
Social security and other taxes	2,637,631	966,640	–	–
Derivative financial liability	454,450	50,000	–	–
Unsecured loans	126,852,014	163,171,706	126,852,014	163,171,706
Loans from non-controlling interests	2,338,754	2,338,754	–	–
Loan from parent company	91,948,457	311,683,311	91,948,457	312,509,997
Other creditors	3,334,092	4,968,601	–	–
	<u>278,814,659</u>	<u>533,283,693</u>	<u>218,802,471</u>	<u>475,693,342</u>

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

18. Creditors: amounts falling due within one year (continued)

Amounts due to fellow subsidiaries and the loans from non-controlling interests bear no interest and are due on demand.

The loans from the parent company are interest free. The loans are held at fair value on inception and subsequently at amortised costs. The effective interest rate is 10%.

FRS 102 requires that substantial repayment and advances of intercompany loans that are not interest bearing be measured at present value. The company and the group have accounted for this adjustment as a capital contribution in the Statement of Changes in Equity. A capital contribution on inception of these loans at a fair value of £9,304,228 (2019: £Nil) was recognised and during the year effective interest of £1,252,685 (2019: £Nil) was charged.

19. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	34,564,198	39,428,513	–	–
Unsecured loans	233,817,796	267,829,965	233,817,796	267,829,965
Loans from parent company	334,085,397	28,099,174	334,085,397	28,099,174
	<u>602,467,391</u>	<u>335,357,652</u>	<u>567,903,193</u>	<u>295,929,139</u>

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Maturity of debt				
In one year or less, or on demand	221,403,868	487,052,836	126,852,014	475,683,722
Between one and two years	166,751,168	114,739,415	166,468,186	114,474,772
Between two and five years	402,682,734	217,103,511	369,357,991	153,355,193
After more than five years	33,331,682	3,953,242	32,077,016	–
	<u>602,765,584</u>	<u>335,796,168</u>	<u>567,903,193</u>	<u>267,829,965</u>
Unamortised loan costs	<u>(298,192)</u>	<u>(447,974)</u>	<u>–</u>	<u>–</u>
	<u>823,871,260</u>	<u>822,401,030</u>	<u>694,755,207</u>	<u>743,513,687</u>

Bank loans and overdrafts (group)

The bank loans of £35,127,033 (2019: £49,276,102) are secured by first legal charges over certain of the group's investment properties, by floating charges over the assets and undertakings of group companies, and by intra-group guarantees. Additionally, the lenders have legal assignment over the rental income of certain group properties.

The bank loans are repayable in instalments and include amounts totalling £33,659,964 (2019: £47,963,768) which are repayable as lump sum payments between 2022 and 2026. Interest is payable between 3.0% and 6.9% per annum.

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

19. Creditors: amounts falling due after more than one year (continued)

Unsecured loans (group and parent company)

The unsecured loans of £360,669,810 (2019: £431,001,671) are repayable in single lump payments at the end of the term of each loan and are repayable between 2021 and 2025 with £126,852,014 (2019: £163,171,706) due for repayment within one year. The total lump sum payments repayable between 2021 and 2025 is £471,268,800 (2019: £531,000,000).

Loans from parent company (group and parent company)

The loans from the parent company are interest free and repayable in single lump payments at the end of the term of each loan between 2021 and 2024. The loans are held at fair value on inception and subsequently at amortised costs. The effective interest rate is 10%.

FRS 102 requires that substantial repayment and advances of intercompany loans that are not interest bearing be measured at present value. The company and the group have accounted for this adjustment as a capital contribution in the Statement of Changes in Equity. A capital contribution on inception of this loan at a fair value of £108,197,156 (2019: £8,455,297) was recognised and during the year effective interest of £28,183,379 (2019: £2,554,470) was charged.

Swap accounting (group)

At 31 May 2020, the group has one bank loan totalling £30,000,000 (2019: £44,349,554) which was hedged by way of an interest rate swap.

To hedge potential future volatility in interest cash flows arising from movements in LIBOR, the group has entered into a floating to fixed rate swap agreements for the same term as the loan and with identical re-pricing dates. The total fixed interest cost of the loans and swaps for the loan is 3.0%, respectively, per annum.

Derivatives are accounted for in accordance with FRS102 and the liability had a fair value of £454,450 (2019: £55,921 asset) at 31 May 2020. The cash flows arising from the interest rate swaps will continue until maturity in July 2022, in line with the repayment of loan. The movement in fair value of the derivative during the year of £460,371 net loss (2019: £233,711 net loss) was recognised in the statement of comprehensive income.

20. Provisions

Group	Deferred tax (note 21) £
At 1 June 2019	2,498,791
Movement in deferred tax	(117,267)
At 31 May 2020	<u>2,381,524</u>

The company does not have any provisions.

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Included in provisions (note 20)	<u>2,381,524</u>	<u>2,498,791</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Fair value adjustment of investment property	3,011,868	3,113,194	—	—
Fixed asset timing differences	(543,999)	(605,904)	—	—
Revaluation of swap derivatives	(86,345)	(8,499)	—	—
	<u>2,381,524</u>	<u>2,498,791</u>	<u>—</u>	<u>—</u>

22. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Financial assets				
Financial assets measured at fair value through profit or loss	—	55,921	—	—
Financial assets that are debt instruments measured at amortised cost	<u>853,598,815</u>	<u>782,544,756</u>	<u>734,606,837</u>	<u>677,947,732</u>
	<u>853,598,815</u>	<u>782,600,677</u>	<u>734,606,837</u>	<u>677,947,732</u>
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	454,450	50,000	—	—
Financial liabilities measured at amortised cost	<u>877,266,628</u>	<u>866,716,452</u>	<u>786,705,664</u>	<u>771,622,481</u>
	<u>877,721,078</u>	<u>866,766,452</u>	<u>786,705,664</u>	<u>771,622,481</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors, accrued income and loans and amounts due from fellow subsidiaries and group undertakings

Financial assets measured at fair value through profit or loss comprise interest rate swaps.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, unsecured loans, trade creditors, other creditors, accrued expenses and amounts and loans due to fellow subsidiaries, non-controlling interests and parent company.

Financial liabilities measured at fair value through profit or loss comprise interest rate swaps.

TOPLAND GROUP PLC

Notes to the financial statements (continued)

Year ended 31 May 2020

23. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
"A" ordinary shares of £0.10 each	325,000	32,500	325,000	32,500
"B" ordinary shares of £0.10 each	175,000	17,500	175,000	17,500
	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>

The "A" and "B" ordinary shares rank pari passu in all respects. Dividends may be paid on either the "A" or "B" ordinary shares.

24. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Capital contribution - This reserve records capital contributions by the parent company to its subsidiaries and capital contributions/deemed distribution arising on fair valuing long term group loans that are interest free or carry interest at a rate that is significantly different to market rates.

25. Commitments under operating leases

As lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	602,225	602,225	—	—
Later than 1 year and not later than 5 years	1,250,648	1,806,675	—	—
Later than 5 years	—	46,198	—	—
	<u>1,852,873</u>	<u>2,455,098</u>	<u>—</u>	<u>—</u>

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	6,062,142	6,520,076	—	—
Later than 1 year and not later than 5 years	19,832,035	22,792,896	—	—
Later than 5 years	16,234,691	19,434,881	—	—
	<u>42,128,868</u>	<u>48,747,853</u>	<u>—</u>	<u>—</u>

26. Related party transactions

The amounts owed by and to fellow group undertakings are included within debtors (note 17) and creditors (notes 18 and 19).

TOPLAND GROUP PLC

Notes to the financial statements *(continued)*

Year ended 31 May 2020

27. Controlling party

The largest group in which the results of the company are consolidated is that headed by Topland Group Holdings Limited, a company incorporated in the British Virgin Islands. The registered address of Topland Group Holdings Limited is 7A King's Yard Lane, P0 Box 1502, Gibraltar, GX11 1AA.

The immediate parent company is Topland Group Holdings Limited.

The ultimate parent company and controlling party is Topland Group Holdings International Limited, a company incorporated in the British Virgin Islands.