

COMPANY REGISTRATION NUMBER 03787473

**TOP MARKETS (MIDLANDS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014**

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TOP MARKETS (MIDLANDS) LIMITED

Financial statements

Year ended 31 May 2014

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TOP MARKETS (MIDLANDS) LIMITED

Officers and professional advisers

The board of directors

S Zakay
M Kingston
R W Jones

Company secretary

C F Moharm

Registered office

55 Baker Street,
London,
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

TOP MARKETS (MIDLANDS) LIMITED

Directors' report

Year ended 31 May 2014

The directors present their report and the financial statements of the company for the year ended 31 May 2014.

Principal activities and business review

The company's principal activity is that of property investment.

Both the level of investment and year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Directors

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

S Zakay
E Zakay
C E Bush
M Kingston
R W Jones

S Zakay was appointed as a director on 1 October 2013.

M Kingston was appointed as a director on 14 May 2014.

C E Bush resigned as a director on 14 May 2014.

E Zakay resigned as a director on 3 November 2014.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has 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 company's auditor is aware of that information.

TOP MARKETS (MIDLANDS) LIMITED

Directors' report *(continued)*

Year ended 31 May 2014

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by order of the directors

A handwritten signature in black ink, consisting of a stylized, elongated loop followed by a horizontal line.

C F Moharm
Company Secretary

Approved by the directors on 25/11/14

TOP MARKETS (MIDLANDS) LIMITED

Independent auditor's report to the members of Top Markets (Midlands) Limited

Year ended 31 May 2014

We have audited the financial statements of Top Markets (Midlands) Limited for the year ended 31 May 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

TOP MARKETS (MIDLANDS) LIMITED

Independent auditor's report to the members of Top Markets (Midlands) Limited *(continued)*

Year ended 31 May 2014

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

..... *25/11/14*

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

TOP MARKETS (MIDLANDS) LIMITED

Profit and loss account

Year ended 31 May 2014

	Note	2014 £	2013 £
Turnover	2	759,716	631,590
Property expenses		(210,552)	(205,504)
Administrative expenses		(2,950)	(1,585)
Profit on ordinary activities before taxation		546,214	424,501
Tax on profit on ordinary activities	6	—	—
Profit for the financial year		546,214	424,501

All of the activities of the company are classed as continuing.

The notes on pages 9 to 12 form part of these financial statements.

TOP MARKETS (MIDLANDS) LIMITED

Statement of total recognised gains and losses

Year ended 31 May 2014

	2014	2013
	£	£
Profit for the financial year	546,214	424,501
Unrealised profit/(loss) on revaluation of investment properties	<u>348,000</u>	<u>(1,343,408)</u>
Total gains and losses recognised since the last financial statements	<u>894,214</u>	<u>(918,907)</u>

The notes on pages 9 to 12 form part of these financial statements.


TOP MARKETS (MIDLANDS) LIMITED

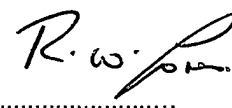
Balance sheet

As at 31 May 2014

	Note	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	7		3,000,000		2,652,000
Current assets					
Debtors due within one year	8	208,531		72,817	
Creditors: Amounts falling due within one year	9	<u>(2,696,132)</u>		<u>(3,106,632)</u>	
Net current liabilities			<u>(2,487,601)</u>		<u>(3,033,815)</u>
Total assets less current liabilities			<u>512,399</u>		<u>(381,815)</u>
Capital and reserves					
Called-up equity share capital	12		1,000		1,000
Revaluation reserve	13		(995,408)		(1,343,408)
Profit and loss account	13		<u>1,506,807</u>		<u>960,593</u>
Shareholders' funds/(deficit)	14		<u>512,399</u>		<u>(381,815)</u>

These accounts were approved by the directors and authorised for issue on 25/11/14, and are signed on their behalf by:


.....
S Zakay


.....
R W Jones

Company Registration Number: 03787473

The notes on pages 9 to 12 form part of these financial statements.

TOP MARKETS (MIDLANDS) LIMITED

Notes forming part of the financial statements

Year ended 31 May 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, subject to the departures referred to below.

In order to show a true and fair view the company's accounting policy in respect of investment properties departs from the requirements of the Companies Act 2006. Details of this departure are given below.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Topland Group Plc and the company is included in consolidated financial statements.

Turnover

Turnover represents net rental and related income receivable less value added tax.

Fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental cost of acquisition.

Investment properties

In accordance with Statement of Standard Accounting Practice 19, investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value in which case it is charged to the profit and loss account.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

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

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement; and
- 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. Deferred tax balances are discounted.

TOP MARKETS (MIDLANDS) LIMITED

Notes forming part of the financial statements

Year ended 31 May 2014

1. Accounting policies *(continued)*

Lessor incentives

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

Lessor incentives to new tenants to occupy the company's investment properties are treated as revenue expenditure and initially recorded as prepayments. The payments are then charged to the profit and loss account evenly over the period to the earlier of the first rent review to the prevailing market rent and 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.

Related party disclosure

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Topland Group Plc on the grounds that 100% of the voting rights in the company are controlled within the group and the company is included in consolidated financial statements.

Going concern

In preparing the financial statements, the directors are required to make an assessment of the company's ability to continue as a going concern. The parent entity of Top Markets (Midlands) Limited has confirmed its continued support of the company, such that it will be able to continue in its current operations and meet its financial obligations as they arise. For this reason, the directors continue to adopt the going concern basis in preparing these financial statements.

2. Turnover

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

3. Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Operating lease costs:		
- Land and buildings	1,500	1,330
Auditor's remuneration		
- audit	1,700	787
- tax compliance services	1,250	798

4. Particulars of employees

There were no persons employed by the company in the year (2013: nil).

5. Directors

No director received any emoluments during the year (2013: £nil)

6. Taxation on ordinary activities

No taxation charge arises on the profit for the year.

TOP MARKETS (MIDLANDS) LIMITED

Notes forming part of the financial statements

Year ended 31 May 2014

6. Taxation on ordinary activities *(continued)*

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 22.67% (2013 - 23.83%).

	2014 £	2013 £
Profit on ordinary activities before taxation	546,214	424,501
Profit on ordinary activities by rate of tax	123,803	101,171
Group relief	(64,368)	(25,708)
Transfer pricing adjustments	(59,435)	(75,463)
Total current tax	-	-

7. Tangible fixed assets

Investment properties: long leasehold land and buildings £

Cost or valuation

At 1 June 2013	2,652,000
Revaluation	348,000
At 31 May 2014	3,000,000

The investment property was valued as at 31 May 2014 by the directors on an open market basis. Selling costs have not been deducted because there is no intention to sell the property.

The historical cost of the property is £3,995,408 (2013: £3,995,408).

8. Debtors

	2014 £	2013 £
Trade debtors	10,693	1,357
Amounts due from group undertakings	169,952	-
Other debtors	26,673	69,233
Prepayments and accrued income	1,213	2,227
	208,531	72,817

All amounts shown under debtors fall due for payment within one year.

9. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	53,000	75,879
Amounts owed to group undertakings	2,475,903	2,938,579
Other creditors	65,203	53,375
Accruals and deferred income	102,026	38,799
	2,696,132	3,106,632

Amounts owed to group undertakings bear no interest and have no fixed terms of repayment.

TOP MARKETS (MIDLANDS) LIMITED

Notes forming part of the financial statements

Year ended 31 May 2014

10. Provisions for liabilities and charges

In connection with external bank borrowings by another group undertaking, there is a first legal charge over the company's investment property and a floating charge over the assets and undertakings of the company. Additionally, there is a legal assignment over the rental income of the property.

11. Commitments under operating leases

At 31 May 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
After more than 5 years	<u>1,000</u>	<u>1,000</u>

12. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

13. Reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	(1,343,408)	960,593
Profit for the year	—	546,214
Other gains and losses		
Revaluation of investment properties	<u>348,000</u>	<u>—</u>
Balance carried forward	<u>(995,408)</u>	<u>1,506,807</u>

14. Reconciliation of movements in shareholders' funds/ deficit

	2014	2013
	£	£
Profit for the financial year	546,214	424,501
Unrealised profit/(loss) on revaluation of investment property	<u>348,000</u>	<u>(1,343,408)</u>
Net addition/(reduction) to shareholders' (deficit)/funds	894,214	(918,907)
Opening shareholders' (deficit)/funds	<u>(381,815)</u>	<u>537,092</u>
Closing shareholders' funds/(deficit)	<u>512,399</u>	<u>(381,815)</u>

15. Ultimate parent company

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 smallest group in which they are consolidated is that headed by Topland Group Plc, a company incorporated in England and Wales.

The immediate parent company is Topland Group Plc. The ultimate parent company and controlling party is Topland Group Holdings International Limited, a company incorporated in the