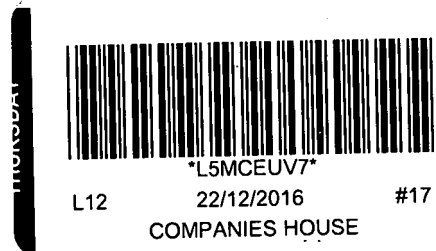


**TOPLAND (SADDLERS WALSALL) LIMITED**

**Financial statements**

**31 May 2016**



# TOPLAND (SADDLERS WALSALL) LIMITED

## Financial statements

Year ended 31 May 2016

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# **TOPLAND (SADDLERS WALSALL) LIMITED**

## **Officers and professional advisers**

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<b>The board of directors</b>	E Zakay M Kingston C F Moharm
<b>Company secretary</b>	C F Moharm
<b>Registered office</b>	55 Baker Street London W1U 7EU
<b>Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Bankers</b>	Barclays Bank Plc Pall Mall Corporate Group 50 Pall Mall London SW1A 1QA

# TOPLAND (SADDLERS WALSALL) LIMITED

## Directors report

Year ended 31 May 2016

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The directors present their report and the financial statements of the company for the year ended 31 May 2016.

### Principal activities

The entity is a private company, limited by shares and incorporated in England and Wales. The principal activity is that of property investment. The result for the year is shown on page 6.

### Directors

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

E Zakay	
M Kingston	
C F Moharm	(Appointed 9 July 2015)
R W Jones	(Resigned 9 July 2015)

### Change in financial reporting framework

This is the first set of financial statements prepared by Topland (Saddlers Walsall) Limited in accordance with accounting standards issued by the Financial Reporting Council including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS102 Section 1A, Smaller Entities'). The company transitioned from previously extant UK GAAP to FRS102 Section 1A, Smaller Entities as at 1 June 2014. Refer to the 'Transition to FRS102' note for further details.

### Directors responsibilities statement

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) including Financial Reporting Standard 102 section 1A, Smaller Entities, "The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". 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 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 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

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 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 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.

# TOPLAND (SADDLERS WALSALL) LIMITED

**Directors report** *(continued)*

**Year ended 31 May 2016**

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## **Small company provisions**

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

This report was approved by the board of directors on 12 December 2016 and signed on behalf of the board by:



C F Moharm  
Company secretary

# **TOPLAND (SADDLERS WALSALL) LIMITED**

## **Independent auditor's report to the members of Topland (Saddlers Walsall) Limited**

**Year ended 31 May 2016**

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We have audited the financial statements of Topland (Saddlers Walsall) Limited for the year ended 31 May 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity 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 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. 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](http://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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the directors report.

# TOPLAND (SADDLERS WALSALL) LIMITED

Independent auditor's report to the members of Topland (Saddlers Walsall) Limited *(continued)*

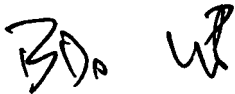
Year ended 31 May 2016

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## 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; and
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.



Richard Levy (Senior Statutory Auditor)

For and on behalf of  
BDO LLP  
55 Baker Street  
London  
W1U 7EU

13 December 2016

BDO LLP is a Limited Liability Partnership registered in England and Wales (with registered no. OC305127).

# TOPLAND (SADDLERS WALSALL) LIMITED

## Statement of comprehensive income

Year ended 31 May 2016

		2016 £	2015 £
<b>Turnover</b>	<b>Note 4</b>	<b>2,144,618</b>	2,549,932
Property expenses		<u>(2,551,688)</u>	<u>(1,313,131)</u>
<b>Gross (loss)/profit</b>		<b>(407,070)</b>	1,236,801
Administrative expenses		<u>(3,534)</u>	<u>(3,061)</u>
Investment property fair value adjustment		<u>(631,800)</u>	<u>—</u>
<b>Operating (loss)/profit</b>		<b>(1,042,404)</b>	1,233,740
Interest receivable and similar income		107	40
Interest payable and similar charges	<b>8</b>	<u>(2,033,221)</u>	<u>(1,196,741)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(3,075,518)</b>	37,039
Taxation on ordinary activities	<b>9</b>	<u>196,789</u>	<u>53,164</u>
<b>(Loss)/profit for the financial year and total comprehensive income</b>		<b><u>(2,878,729)</u></b>	<b><u>90,203</u></b>

All the activities of the company are from continuing operations.

The notes on pages 9 to 15 form part of these financial statements.



# TOPLAND (SADDLERS WALSALL) LIMITED

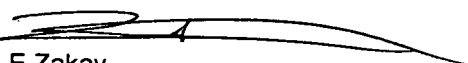
## Statement of financial position

31 May 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investment property	11	15,368,200	16,000,000
<b>Current assets</b>			
Debtors	12	5,915,528	2,681,410
<b>Creditors: amounts falling due within one year</b>	13	(21,424,758)	(15,746,922)
<b>Net current liabilities</b>		<b>(15,509,230)</b>	<b>(13,065,512)</b>
<b>Total assets less current liabilities</b>		<b>(141,030)</b>	<b>2,934,488</b>
<b>Provisions</b>			
Taxation including deferred tax	15	(294,333)	(491,122)
<b>Net (liabilities)/assets</b>		<b>(435,363)</b>	<b>2,443,366</b>
<b>Capital and reserves</b>			
Called up share capital	17	1,000	1,000
Profit and loss account	18	(436,363)	2,442,366
<b>Members (deficit)/funds</b>		<b>(435,363)</b>	<b>2,443,366</b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 12 December 2016, and are signed on behalf of the board by:



E Zakay  
Director

Company registration number: 08042040

The notes on pages 9 to 15 form part of these financial statements.

# TOPLAND (SADDLERS WALSALL) LIMITED

## Statement of changes in equity

Year ended 31 May 2016

		Called up share capital £	Profit and loss account £	Total £
<b>At 1 June 2014</b>		1,000	3,302,163	<b>3,303,163</b>
Profit for the year		–	90,203	<b>90,203</b>
<b>Total comprehensive income for the year</b>		–	90,203	<b>90,203</b>
Dividends paid and payable	<b>10</b>	–	(950,000)	<b>(950,000)</b>
<b>Total investments by and distributions to owners</b>		–	(950,000)	<b>(950,000)</b>
<b>At 31 May 2015</b>		1,000	2,442,366	<b>2,443,366</b>
Loss for the year		–	(2,878,729)	<b>(2,878,729)</b>
<b>Total comprehensive income for the year</b>		–	(2,878,729)	<b>(2,878,729)</b>
<b>At 31 May 2016</b>		1,000	(436,363)	<b>(435,363)</b>

The notes on pages 9 to 15 form part of these financial statements.

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements *(continued)*

Year ended 31 May 2016

---

### 1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102 Section 1A, Smaller Entities, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

This is the first set of financial statements prepared by Topland (Saddlers Walsall) Limited in accordance with the accounting standards issued by the Financial Reporting Council, including FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' ("FRS102").

### 2. Accounting policies

#### Basis of preparation

The following principal accounting policies have been applied:

#### 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. A fellow subsidiary of the group headed Topland Group Holdings Limited has confirmed that they will not call the intragroup creditors to which they are counterparties, until such time as the company has sufficient funds to be able to make repayments, for at least 12 months from the date of approval of these financial statements. This will enable the company to continue in its current operations and meet its financial obligations as they arise for at least 12 months from the date of approval of these financial statements. For this reason, the directors continue to adopt the going concern basis in preparing these financial statements.

#### Basis of measurement

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

- Financial instruments
- Investment property

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 section 1A, Smaller Entities as at 1 June 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 21.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102 section 1A. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: A Statement of Cash Flow has not been presented.

#### Revenue recognition

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

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements *(continued)*

Year ended 31 May 2016

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### 2. Accounting policies *(continued)*

#### **Current and deferred 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 the 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 profit and loss account.

#### **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 profit and loss account 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 profit or loss 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.

#### **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 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.

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements (continued)

Year ended 31 May 2016

### 2. Accounting policies (continued)

#### Investment properties

Investment properties are stated at fair value, using the principles set out in notes 3 and 11.

The directors revalue the investment property annually to fair value with the aggregate surplus or deficit being recognised in profit or loss. 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.

#### Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

### 3. Judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102 Section 1A, Smaller Entities, 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 the 'Investment Properties' note.

#### Recoverability of debtors

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

### 4. Turnover

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

### 5. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>2,164</u>	<u>1,700</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	<u>1,250</u>	<u>1,250</u>

### 6. Particulars of employees

There were no persons employed by the company in the year (2015: nil).

### 7. Directors

No director received any emoluments during the year (2015: £nil).

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements (continued)

Year ended 31 May 2016

### 8. Interest payable and similar charges

	2016 £	2015 £
Interest due to fellow subsidiaries	<u>2,033,221</u>	<u>1,196,741</u>

### 9. Taxation on ordinary activities

#### Major components of tax income

	2016 £	2015 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(196,789)</u>	<u>(53,164)</u>
<b>Taxation on ordinary activities</b>	<u><b>(196,789)</b></u>	<u><b>(53,164)</b></u>

No taxation charge arises on the profit for the year.

#### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.83%).

	2016 £	2015 £
(Loss)/profit on ordinary activities before taxation	<u>(3,075,518)</u>	<u>37,039</u>
(Loss)/profit on ordinary activities by rate of tax	<u>(615,104)</u>	<u>7,716</u>
Effect of expenses not deductible for tax purposes	<u>12,254</u>	<u>51,825</u>
Other timing differences not recognised	<u>–</u>	<u>(3,118)</u>
Effect of different UK tax rates on some earnings	<u>(32,704)</u>	<u>(24,784)</u>
Group relief	<u>246,868</u>	<u>(56,423)</u>
Movement in indexation relief	<u>(37,725)</u>	<u>(28,380)</u>
Non-taxable movement on revaluation of investment properties	<u>229,622</u>	<u>–</u>
Tax on (loss)/profit on ordinary activities	<u><b>(196,789)</b></u>	<u><b>(53,164)</b></u>

### 10. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Dividends on equity shares	<u>–</u>	<u>950,000</u>

### 11. Investment property

	Freehold land and buildings £
<b>Valuation</b>	
At 1 June 2015	16,000,000
Revaluations	<u>(631,800)</u>
<b>At 31 May 2016</b>	<u><b>15,368,200</b></u>
<b>Carrying amount</b>	
<b>At 31 May 2016</b>	<u><b>15,368,200</b></u>
At 31 May 2015	<u>16,000,000</u>

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements (continued)

Year ended 31 May 2016

### 11. Investment property (continued)

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.

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

The historical cost of the property is £12,973,273 (2015: £12,973,273).

### 12. Debtors

	2016 £	2015 £
Trade debtors	142,460	80,407
Amounts owed by fellow subsidiaries	4,814,861	2,342,742
Prepayments and accrued income	673,153	41,760
Other debtors	285,054	216,501
	<u>5,915,528</u>	<u>2,681,410</u>

All amounts shown under debtors fall due for payment within one year. Amounts due to fellow subsidiaries bear no interest.

### 13. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	129,630	75,550
Amounts owed to fellow subsidiaries	21,035,921	15,478,152
Accruals and deferred income	83,586	93,428
Social security and other taxes	14,904	–
Other creditors	160,717	99,792
	<u>21,424,758</u>	<u>15,746,922</u>

Amounts owed to fellow subsidiaries bear interest at 13% per annum and are repayable on demand.

### 14. Deferred tax

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

	2016 £	2015 £
Included in provisions (note 15)	<u>294,333</u>	<u>491,122</u>

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

	2016 £	2015 £
Revaluation of investment property	<u>294,333</u>	<u>491,122</u>

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements (continued)

Year ended 31 May 2016

### 15. Provisions

	Deferred tax (note 14) £
At 1 June 2015	491,122
Charge against provision	(196,789)
At 31 May 2016	<u>294,333</u>

### 16. Financial instruments

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

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>5,242,375</u>	<u>2,639,650</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>21,326,268</u>	<u>15,653,494</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by fellow subsidiaries.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and amounts owed to fellow subsidiaries.

### 17. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

### 18. Reserves

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

### 19. Related party transactions

During the year interest of £2,033,221 (2015: £1,196,741) was payable to fellow subsidiary companies.

At the year end, an amount of £4,814,861 (2015: £2,342,742) was due from, and an amount of £21,035,921 (2015: £15,478,152) was due to fellow subsidiary companies.

### 20. 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 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.



# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements (continued)

Year ended 31 May 2016

### 21. Commitments under operating leases

#### As lessor

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

	2016 £	2015 £
Not later than 1 year	1,519,796	1,213,575
Later than 1 year and not later than 5 years	4,389,999	5,029,466
Later than 5 years	4,027,121	4,907,450
	<u>9,936,916</u>	<u>11,150,491</u>

### 22. Transition to FRS 102

These are the first financial statements that comply with FRS 102 section 1A, Smaller Entities. The company transitioned to FRS 102 section 1A, Smaller Entities on 1 June 2014.

Until the 31 May 2015 the Company reported under previous UK GAAP. The changes to previously reported profit and equity are noted in the table and explanatory notes.

Company	Equity as at Note 1 June 2014 £	Profit for the year ended 31 May 2015 £	Revaluation year ended 31 May 2015 £	Equity as at 31 May 2015 £
<b>As stated under former UK GAAP</b>	3,847,449	(912,961)	–	2,934,488
<b>Transitional adjustments</b>				
Deferred tax recognised on revaluation of investment property	a (544,286)	53,164	–	(491,122)
<b>As stated in accordance with FRS 102</b>	<u>3,303,163</u>	<u>(859,797)</u>	<u>–</u>	<u>2,443,366</u>

Explanation of changes to previously reported profit and equity:

(a) FRS 102 Section 1A, Smaller entities requires that deferred tax be recognised on revaluations of investment property. This was not required under previous UK GAAP unless there was a binding agreement to sell the revalued asset and the gains or losses expected to arise on sale had been recognised. This change has been retrospectively applied, leading to the recognition of additional deferred tax liabilities at the date of transition and to change the deferred tax charge in the comparative period.