

**TOPLAND (SADDLERS WALSALL) LIMITED**

**Financial statements**

**31 May 2017**

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COMPANIES HOUSE

# TOPLAND (SADDLERS WALSALL) LIMITED

## Financial statements

Year ended 31 May 2017

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# **TOPLAND (SADDLERS WALSALL) LIMITED**

## **Officers and professional advisers**

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### **The board of directors**

E Zakay  
M S Kingston  
C F Moharm

### **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

# TOPLAND (SADDLERS WALSALL) LIMITED

## Directors' report

Year ended 31 May 2017

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The directors present their report and the financial statements of the company for the year ended 31 May 2017.

### 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 S Kingston  
C F Moharm

### Post balance sheet event

The company disposed of all of its investment property on 8 September 2017 for £12,500,000.

### 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). 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 judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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)*

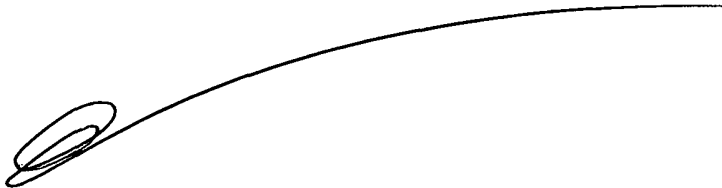
Year ended 31 May 2017

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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 1 December 2017 and signed on behalf of the board by:

A handwritten signature in black ink, consisting of a stylized 'C' followed by a long, sweeping horizontal line that curves upwards at the end.

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 2017**

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We have audited the financial statements of Topland (Saddlers Walsall) Limited for the year ended 31 May 2017 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 2017 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, based on the work undertaken in the course of the audit:

- 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.

# TOPLAND (SADDLERS WALSALL) LIMITED

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

Year ended 31 May 2017

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## Matters on which we are required to report by exception

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

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 prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption 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

1 December 2017

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 2017

		2017	2016 (restated)
	Note	£	£
<b>Turnover</b>	<b>4</b>	<b>2,004,626</b>	2,155,129
Property expenses		<b>(1,584,501)</b>	(2,235,020)
<b>Gross profit/(loss)</b>		<b>420,125</b>	(79,891)
Administrative expenses		<b>(4,121)</b>	(3,534)
Provision for group doubtful debts		<b>(350,192)</b>	–
Investment property fair value adjustment		<b>(3,946,950)</b>	(631,800)
<b>Operating loss</b>		<b>(3,881,138)</b>	(715,225)
Interest receivable and similar income		<b>55</b>	107
Interest payable and similar charges	<b>8</b>	<b>–</b>	(2,033,221)
<b>Loss on ordinary activities before taxation</b>		<b>(3,881,083)</b>	(2,748,339)
Taxation on ordinary activities	<b>9</b>	<b>294,333</b>	196,789
<b>Loss for the financial year and total comprehensive income</b>		<b>(3,586,750)</b>	(2,551,550)

All the activities of the company are from continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

# TOPLAND (SADDLERS WALSALL) LIMITED

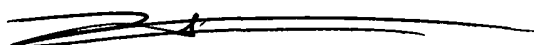
## Statement of financial position

31 May 2017

		2017		2016
	Note	£	£	(restated) £
<b>Fixed assets</b>				
Investment property	10		11,421,250	15,368,200
<b>Current assets</b>				
Debtors	11	1,619,004		6,400,511
<b>Creditors: amounts falling due within one year</b>	12	(16,644,050)		(21,491,424)
<b>Net current liabilities</b>			(15,025,046)	(15,090,913)
<b>Total assets less current liabilities</b>			(3,603,796)	277,287
<b>Provisions</b>				
Taxation including deferred tax	14		–	(294,333)
<b>Net liabilities</b>			(3,603,796)	(17,046)
<b>Capital and reserves</b>				
Called up share capital	17		1,000	1,000
Profit and loss account	18		(3,604,796)	(18,046)
<b>Shareholders deficit</b>			(3,603,796)	(17,046)

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 1 December 2017, and are signed on behalf of the board by:



E Zakay  
Director

Company registration number: 08042040

The notes on pages 9 to 16 form part of these financial statements.

# TOPLAND (SADDLERS WALSALL) LIMITED

## Statement of changes in equity

Year ended 31 May 2017

	Note	Called up share capital £	Profit and loss account £	Total £
<b>At 1 June 2015 (as previously reported)</b>		1,000	2,442,366	2,443,366
Prior period adjustments	<b>16</b>	–	91,138	91,138
<b>At 1 June 2015 (restated)</b>		<u>1,000</u>	<u>2,533,504</u>	<u>2,534,504</u>
Loss for the year		–	(2,551,550)	(2,551,550)
<b>Total comprehensive income for the year</b>		–	(2,551,550)	(2,551,550)
<b>At 31 May 2016</b>		<u>1,000</u>	<u>(18,046)</u>	<u>(17,046)</u>
Loss for the year		–	(3,586,750)	(3,586,750)
<b>Total comprehensive income for the year</b>		–	(3,586,750)	(3,586,750)
<b>At 31 May 2017</b>		<u>1,000</u>	<u>(3,604,796)</u>	<u>(3,603,796)</u>

The notes on pages 9 to 16 form part of these financial statements.

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements

Year ended 31 May 2017

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### 1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102 Section 1A, Small Entities.

### 2. Accounting policies

#### Basis of preparation

The following principal accounting policies have been applied:

#### Basis of measurement

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

- 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.

#### 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 by Topland Group Holdings Limited, has confirmed that it is not its current intention to call for repayment of the balance owed to it for at least 12 months from the date of approval of these financial statements, unless the company has sufficient funds to be able to make repayments. For this reason, the directors continue to adopt the going concern basis in preparing these financial statements.

#### Disclosure exemptions

These financial statements have been prepared in accordance with FRS 102, Section 1A, Small Entities. As such, advantage has been taken of the following disclosure exemptions available under FRS 102, Section 1A.

No statement of cash flow has 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 2017

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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 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 (SADDLERS WALSALL) LIMITED

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

Year ended 31 May 2017

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### 2. 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 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 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.

#### Investment properties

Investment properties are stated at fair value, using the principles set out in notes 3 and 10.

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.

#### Dividends

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

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

The preparation of financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP), 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 Property' note.

#### Recoverability of debtors

The recoverability of debtors is assessed annually 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.

# TOPLAND (SADDLERS WALSALL) LIMITED

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

Year ended 31 May 2017

### 5. Auditor's remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>2,754</u>	<u>2,164</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 (2016: nil).

### 7. Directors

No director received any emoluments during the year (2016: £nil).

### 8. Interest payable and similar charges

	2017 £	2016 £
Interest to fellow subsidiaries	<u>–</u>	<u>2,033,221</u>

### 9. Taxation on ordinary activities

#### Major components of tax income

	2017 £	2016 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(294,333)</u>	<u>(196,789)</u>
<b>Taxation on ordinary activities</b>	<u>(294,333)</u>	<u>(196,789)</u>

The Company has deferred tax assets of £451,811 (2016: £Nil) 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.

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements (continued)

Year ended 31 May 2017

### 9. Taxation on ordinary activities (continued)

#### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.83% (2016: 20%).

	2017	2016 (restated)
	£	£
Loss on ordinary activities before taxation	<b>(3,881,083)</b>	(2,748,339)
Loss on ordinary activities by rate of tax	<b>(769,730)</b>	(549,668)
Effect of expenses not deductible for tax purposes	<b>112,154</b>	12,254
Adjust opening and closing deferred tax to average rate of 19.83% / 20%	<b>29,971</b>	(32,704)
Deferred tax on unrecognised losses carried forward	<b>247,474</b>	–
Group relief	–	181,432
Transfer pricing adjustments	<b>(367,890)</b>	–
Revaluation of investment property	<b>307,811</b>	–
Movement in indexation relief	<b>150,679</b>	(37,725)
Movement in deferred tax not recognised	<b>(4,802)</b>	229,622
Tax on loss on ordinary activities	<b>(294,333)</b>	(196,789)

### 10. Investment property

	Freehold land and buildings £
<b>Valuation</b>	
At 1 June 2016 (as restated)	<b>15,368,200</b>
Revaluations	<b>(3,946,950)</b>
<b>At 31 May 2017</b>	<b>11,421,250</b>
<b>Carrying amount</b>	
<b>At 31 May 2017</b>	<b>11,421,250</b>
At 31 May 2016	15,368,200

The directors carried out an internal valuation of the property as at 31 May 2017 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.

The operating lease incentive balance of £1,078,750 has been deducted from the fair value of the property and presented as a separate asset in prepayment and accrued income within debtors.

The historical cost of the property is £12,973,273 (2016: £12,973,273).

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements (continued)

Year ended 31 May 2017

### 11. Debtors

	2017	2016 (restated)
	£	£
Trade debtors	28,931	142,460
Amounts due from fellow subsidiaries	–	4,813,861
Prepayments and accrued income	1,172,175	1,158,136
Amounts due from parent company	1,000	1,000
Other debtors	416,898	285,054
	<u>1,619,004</u>	<u>6,400,511</u>

All amounts shown under debtors fall due for payment within one year. Amounts due from parent company and fellow subsidiaries bear no interest. At 31 May 2017, there is a balance of £350,192 due from fellow subsidiaries which has been fully provided against during the year.

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

	2017	2016 (restated)
	£	£
Trade creditors	304,669	129,630
Amounts due to fellow subsidiaries	16,063,073	21,035,921
Accruals and deferred income	60,485	83,586
Social security and other taxes	152,880	14,904
Other creditors	62,943	227,383
	<u>16,644,050</u>	<u>21,491,424</u>

Amounts due to fellow subsidiaries bear no interest (2016: 13%) and are repayable on demand

### 13. Deferred tax

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

	2017	2016
	£	£
Included in provisions (note 14)	–	294,333

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

	2017	2016
	£	£
Revaluation of investment property	–	294,333

### 14. Provisions

	Total £
At 1 June 2016 (as restated)	294,333
Movement in deferred tax	(294,333)
At 31 May 2017	–

# TOPLAND (SADDLERS WALSALL) LIMITED

## Notes to the financial statements (continued)

Year ended 31 May 2017

### 15. Financial instruments

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

	2017	2016 (restated)
	£	£
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>1,525,579</u>	<u>5,242,375</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>16,430,685</u>	<u>21,392,934</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income, amounts due from fellow subsidiaries and the parent company.

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

### 16. Prior period adjustment

The prior year adjustment has arisen due to a correction of the treatment of certain lease incentives. This has resulted in a change in the following balances:

- Turnover has increased by £10,511 to £2,155,129
- Property expenses decreased by £316,668 to £2,235,020
- Prepayments and accrued income increased by £484,983 to £1,158,136
- Other creditors increased by £66,666 to £227,383
- Profit and loss account at 1 June 2015 increased by £91,138
- The net liabilities of the company at 31 May 2016 have decreased by £418,317

### 17. Called up share capital

#### Issued, called up and fully paid

	2017		2016	
	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.

# TOPLAND (SADDLERS WALSALL) LIMITED

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

Year ended 31 May 2017

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### 19. Commitments under operating leases

#### As lessor

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

	2017 £	2016 £
Not later than 1 year	1,579,616	1,519,796
Later than 1 year and not later than 5 years	4,532,649	4,389,999
Later than 5 years	3,452,251	4,027,121
	<u>9,564,516</u>	<u>9,936,916</u>

Following the sale of all of its investment property on 8 September 2017, the Company was released from future minimum lease payments receivable under non-cancellable operating leases.

### 20. Related party transactions

During the year interest of £– (2016: £2,383,221) was payable to fellow subsidiaries.

At the year end, an amount of £350,192 (2016: £4,813,861), which was fully provided against as at 31 May 2017 (2016: £Nil provision) was due from, and an amount of £16,063,073 (2016: £21,035,921) was due to fellow subsidiaries. An amount of £1,000 (2016: £1,000) was due from the parent company.

### 21. 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, PO 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.

### 22. Post balance sheet event

The company disposed of all of its investment property on 8 September 2017 for £12,500,000.