

BERKLEY ESTATES LONDON LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011

Company number 2670273

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BERKLEY ESTATES LONDON LIMITED

Annual report and financial statements For the year ended 31 May 2011

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Directors

E Zakay
C E Bush
C F Moharm
T R Betts
R W Jones

Secretary and registered office

C F Moharm, 55 Baker Street, London, W1U 7EU

Company number

2670273

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

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

BERKLEY ESTATES LONDON LIMITED

Report of the directors For the year ended 31 May 2011

The directors present their report together with the audited financial statements for the year ended 31 May 2011

Results and dividends

The profit and loss account is set out on page 3 and shows the loss for the year. The directors do not recommend the payment of a final dividend for the year (2010 £nil)

Principal activities, review of the business and future developments

The company's principal activity is that of property management. 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 of the company during the year were

E Zakay
C E Bush
C F Moharm
T R Betts
R W Jones

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The directors are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 show and explain the company's transactions, 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

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

This report of the directors has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By order of the Board



C F Moharm
Secretary

4 October 2011

BERKLEY ESTATES LONDON LIMITED

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKLEY ESTATES LONDON LIMITED

We have audited the financial statements of Berkley Estates London Limited for the year ended 31 May 2011 which comprise the profit and loss account, the 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 auditors

As explained more fully in the statement of directors' responsibilities 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2011 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 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.

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 explanation we require for our audit, or
- the directors were not entitled to prepare the directors' report in accordance with the small companies' regime.

 BDO LLP

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

4 October 2011

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

BERKLEY ESTATES LONDON LIMITED**Profit and loss account****For the year ended 31 May 2011**

	Note	2011 £	2011 £	2010 £	2010 £
Turnover	2		5,164,175		4,377,916
Administrative expenses					
- excluding provisions against investments released and foreign currency translation		(2,282,292)		(2,838,780)	
- provisions against investments released and foreign currency translation		(3,346,984)		6,316,738	
Total administrative (expense)/credit			(5,629,276)		3,477,958
Operating (loss)/profit	3		(465,101)		7,855,874
Interest receivable and similar income			25,909,189		272,116
Interest payable and similar charges	6		(25,615,617)		(91,870)
(Loss)/profit on ordinary activities before taxation	7		(171,529)		8,036,120
Taxation	7		-		-
(Loss)/profit on ordinary activities after taxation	12		(171,529)		8,036,120

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year

The notes on pages 5 to 9 form part of these financial statements

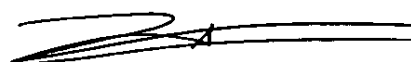
BERKLEY ESTATES LONDON LIMITED

**Balance sheet
As at 31 May 2011**

	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	8		23,007		80,593
Current assets					
Debtors amounts falling due within one year	9	133,313,837		84,083,513	
Debtors amounts falling due after one year	9	52,500,000		52,500,000	
Cash at bank and in hand		36,745,540		57,692,900	
		222,559,377		194,276,413	
Creditors: amounts falling due within one year	10	(200,727,043)		(172,330,136)	
Net current assets			21,832,334		21,946,277
Net assets			21,855,341		22,026,870
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account	12		21,854,341		22,025,870
Shareholders' funds			21,855,341		22,026,870

These financial statements were approved by the board of directors and authorised for issue on 4 October 2011

E Zakay
Director

 R W Jones
Director



Company number 2670273

The notes on pages 5 to 9 form part of these financial statements

BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements For the year ended 31 May 2011

1

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover, which excludes value added tax, represents management fees and commissions receivable.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	- 25% per annum
Fixtures and fittings	- 25% per annum

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 the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

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 its consolidated financial statements.

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 that group and the company is included in its consolidated financial statements.

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 during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives to enter into operating lease agreements are initially recorded as deferred income and released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Employee Benefit Trust

Payments to the Employee Benefit Trust are charged to the profit and loss account in the year for which the benefits accrue to the individual directors and employees.

BERKLEY ESTATES LONDON LIMITED**Notes forming part of the financial statements (continued)
For the year ended 31 May 2011****1 Accounting policies (continued)***Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

2 Turnover

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

3 Operating profit	2011 £	2010 £
This has been arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	63,386	85,959
Hire of other assets - operating leases	333,500	322,395
Auditors' remuneration		
- audit	11,411	11,795
- tax compliance and advisory services	36,588	84,364
Exchange differences	334,663	(661,178)
Provisions against investments/(provisions against investments released)	3,012,321	(5,655,560)

4 Employees	2011 £	2010 £
Staff costs comprised		
Wages and salaries	1,018,463	1,334,466
Social security costs	239,030	337,166
	1,257,493	1,671,632

The average number of employees during the year was 16 (2010: 17).

5 Directors

No director received any emoluments during the year (2010: £nil).

6 Interest payable and similar charges	2011 £	2010 £
Loans from group companies	25,615,617	-
Other interest payable	-	91,870
	25,615,617	91,870

7 Taxation on (loss)/profit on ordinary activities	2011 £	2010 £
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UK corporation tax

Adjustment in respect of previous periods

-	-
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No taxation charge arises on the (loss)/profit for the year before taxation.

BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements (continued)
For the year ended 31 May 2011

7 Taxation on (loss)/profit on ordinary activities (continued)

	2011 £	2010 £
<i>Tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(171,529)	8,036,120
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 27.67% (2010: 28%)	(47,455)	2,250,114
Effect of		
Expenditure/(income) not taxable	853,787	(1,556,384)
Capital allowances	(6,705)	(8,115)
Group relief	(384,346)	-
Transfer pricing	(415,281)	(1,644,011)
Tax losses	-	958,396
Current tax charge for period	-	-

8 Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>			
At 1 June 2010	270,358	511,141	781,499
Additions	-	5,800	5,800
At 31 May 2011	270,358	516,941	787,299
<i>Depreciation</i>			
At 1 June 2010	216,327	484,579	700,906
Provided for the year	47,820	15,566	63,386
At 31 May 2011	264,147	500,145	764,292
<i>Net book value</i>			
At 31 May 2011	6,211	16,796	23,007
At 31 May 2010	54,031	26,562	80,593

BERKLEY ESTATES LONDON LIMITED

**Notes forming part of the financial statements (continued):
For the year ended 31 May 2011**

9 Debtors	2011	2010
	£	£
Amounts falling due within one year		
Trade debtors	76,180	78,850
Amounts owed by group undertakings	133,074,110	83,813,515
Other debtors	5,373	45,042
Prepayments and accrued income	158,174	146,106
	133,313,837	84,083,513
Amounts falling due after one year		
Amounts owed by group undertakings	52,500,000	52,500,000

Amounts owed by group undertakings of £112,000,000 bear interest at 10% per annum and the remainder bear no interest. Amounts owed by group undertakings falling due within one year have no fixed terms of repayment. Of the amounts falling due after one year, £50,000,000 is repayable in full in February 2014 and the balance in full in May 2015.

10 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	308,402	288,015
Amounts owed to group undertakings	196,609,556	168,724,194
Taxation and social security	2,445,819	2,163,777
Other creditors	369,267	137,998
Accruals and deferred income	993,999	1,016,152
	200,727,043	172,330,136

Amounts owed to group undertakings have no fixed terms of repayment, amounts of £112,000,000 bear interest at 10% per annum and the remainder bear no interest.

11	Share capital	Authorised		Allotted, called up and fully paid	
		2011 £	2010 £	2011 £	2010 £
	<i>Equity share capital</i>				
	1,000 ordinary shares of £1 each	1,000	1,000	1,000	1,000

12 Profit and loss account	£
At 1 June 2010	22,025,870
Loss for the year	(171,529)
At 31 May 2011	21,854,341

BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements (continued)
For the year ended 31 May 2011

13 Commitments under operating leases

The company has annual commitments under non-cancellable operating leases as set out below

	2011 Land and buildings £	2010 Land and buildings £
Operating leases which expire		
In two to five years	333,500	333,500

14 Related party disclosures

During the year management fees and other costs totalling £3,861,213 (2010 - £2,930,589) were charged to fellow group undertakings and interest of £100,822 (2010 - £nil) was charged on loans owed by group undertakings

As at 31 May 2011, the amounts owed to/by fellow group undertakings are included within debtors (note 9) and creditors (note 10)

15 Ultimate parent company

The largest group in which the results of the company are consolidated is that headed by Topland Group Holdings Limited, incorporated in the British Virgin Islands. The smallest group in which they are consolidated is that headed by Topland Group Plc.

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 British Virgin Islands.