

COMPANY REGISTRATION NUMBER 02670273

**BERKLEY ESTATES LONDON LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2012**

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# **BERKLEY ESTATES LONDON LIMITED**

## **Financial statements**

**Year ended 31 May 2012**

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<b>Contents</b>	<b>Page</b>
Officers and professional advisers	1
The directors' report	2
Independent auditor's report	4
Profit and loss account	6
Balance sheet	7
Notes forming part of the financial statements	8

# **BERKLEY ESTATES LONDON LIMITED**

## **Officers and professional advisers**

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<b>The board of directors</b>	E Zakay C E Bush R W Jones C F Moharm T R Betts
<b>Company secretary</b>	C F Moharm
<b>Registered office</b>	55 Baker Street, London, W1U 7EU
<b>Auditor</b>	BDO LLP Chartered Accountants & Statutory Auditor 55 Baker Street London W1U 7EU
<b>Bankers</b>	Barclays Bank Plc Pall Mall Corporate Group 50 Pall Mall London SW1A 1QA

# **BERKLEY ESTATES LONDON LIMITED**

## **The directors' report**

**Year ended 31 May 2012**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 May 2012

### **Principal activities and business review**

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 who served the company during the year were as follows

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

### **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 period. In preparing those 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,
- 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

### **Auditor**

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

# **BERKLEY ESTATES LONDON LIMITED**

**The directors' report** *(continued)*

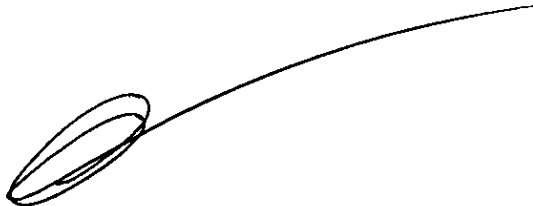
**Year ended 31 May 2012**

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**Small company provisions**

In preparing this director's report advantage has been taken of the small companies' exemption

Signed by order of the directors

A handwritten signature in black ink, consisting of a large, stylized loop followed by a long, sweeping horizontal stroke that curves upwards at the end.

C F Moharm  
Company Secretary

Approved by the directors on 10 October 2012

# **BERKLEY ESTATES LONDON LIMITED**

## **Independent auditor's report**

**Year ended 31 May 2012**

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We have audited the financial statements of Berkley Estates London Limited for the year ended 31 May 2012 which comprise the profit and loss account, 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, 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 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](http://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 2012 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.

# BERKLEY ESTATES LONDON LIMITED

Independent auditor's report *(continued)*

Year ended 31 May 2012

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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, 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  
10 October 2012

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

# BERKLEY ESTATES LONDON LIMITED

## Profit and loss account

Year ended 31 May 2012

	Note	2012 £	2011 £
<b>Turnover</b>	<b>2</b>	<b>4,771,801</b>	<b>5,164,175</b>
Property expenses		7,284	–
Administrative expenses		(3,239,165)	(2,616,955)
Provision against investment		<u>1,150,442</u>	<u>(3,012,321)</u>
<b>Operating profit/(loss)</b>	<b>3</b>	<b>2,690,362</b>	<b>(465,101)</b>
Profit on disposal of fixed assets	<b>5</b>	<u>137,340</u>	<u>–</u>
		<b>2,827,702</b>	<b>(465,101)</b>
Interest receivable and similar income		<b>11,461,642</b>	25,909,189
Interest payable and similar charges	<b>7</b>	<u>(11,200,001)</u>	<u>(25,615,617)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>3,089,343</b>	<b>(171,529)</b>
Tax on profit/(loss) on ordinary activities	<b>8</b>	–	–
<b>Profit/(loss) for the financial year</b>		<u><b>3,089,343</b></u>	<u><b>(171,529)</b></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 13 form part of these financial statements



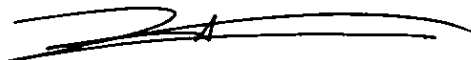
# BERKLEY ESTATES LONDON LIMITED

## Balance sheet

As at 31 May 2012

	Note	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	9		50,324		23,007
<b>Current assets</b>					
Debtors due within one year	10	231,753,706		133,313,837	
Debtors due after one year	10	52,500,000		52,500,000	
Cash at bank and in hand		<u>72,839,320</u>		<u>36,745,540</u>	
		357,093,026		222,559,377	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(332,198,666)</u>		<u>(200,727,043)</u>	
<b>Net current assets</b>			<u>24,894,360</u>		<u>21,832,334</u>
<b>Total assets less current liabilities</b>			<u>24,944,684</u>		<u>21,855,341</u>
<b>Capital and reserves</b>					
Called-up equity share capital	14		1,000		1,000
Profit and loss account	15		<u>24,943,684</u>		<u>21,854,341</u>
<b>Shareholders' funds</b>	16		<u>24,944,684</u>		<u>21,855,341</u>

These financial statements were approved by the directors and authorised for issue on 10 October 2012, and are signed on their behalf by

  
E Zakay

  
R W Jones

Company Registration Number 02670273

The notes on pages 8 to 13 form part of these financial statements.

# **BERKLEY ESTATES LONDON LIMITED**

## **Notes forming part of the financial statements**

**Year ended 31 May 2012**

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### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, subject to the departures referred to 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, which excludes value added tax, represents management fees and commissions receivable

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings	- 25% per annum
Motor Vehicles	- 25% per annum

#### **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.

#### **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 making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are discounted

# BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements

Year ended 31 May 2012

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## 1 Accounting policies (continued)

### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### 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.

### 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.

### 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/(loss)

Operating profit/(loss) is stated after charging

	2012	2011
	£	£
Depreciation of owned fixed assets	16,870	63,386
Operating lease costs		
- Land and buildings	333,500	333,500
Provision against investment	(1,150,442)	3,012,321
Net loss on foreign currency translation	99,066	334,663
Auditor's remuneration		
- audit	12,326	11,411
- tax compliance services	32,772	36,588

# BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements

Year ended 31 May 2012

## 4. Employees

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	1,373,856	1,018,463
Social security costs	347,510	239,030
	<u>1,721,366</u>	<u>1,257,493</u>

The average number of employees during the year was 19 (2011 16)

## 5. Profit on disposal of fixed assets

	2012 £	2011 £
Profit on disposal of fixed assets	<u>137,340</u>	<u>-</u>

## 6. Directors

No director received any emoluments during the year (2011 £nil)

## 7 Interest payable and similar charges

	2012 £	2011 £
Interest on loans from group undertakings	11,200,000	25,615,617
Other similar charges	1	-
	<u>11,200,001</u>	<u>25,615,617</u>

## 8 Taxation on ordinary activities

No taxation charge arises on the profit for the year

### Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 25.67% (2011 - 27.67%)

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation	<u>3,089,343</u>	<u>(171,529)</u>
Profit/(loss) on ordinary activities by rate of tax	792,931	(47,455)
Expenses not deductible for tax purposes	(271,288)	853,787
Capital allowances for period in excess of depreciation	(19,732)	(6,705)
Unrelieved tax losses	745,126	-
Group relief	-	(384,346)
Transfer pricing adjustments	(1,211,786)	(415,281)
Profit on disposal of fixed assets	<u>(35,251)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

# BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements

Year ended 31 May 2012

## 9. Tangible fixed assets

	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>			
At 1 June 2011	516,941	270,358	787,299
Additions	8,656	35,532	44,188
Disposals	—	(270,358)	(270,358)
<b>At 31 May 2012</b>	<b>525,597</b>	<b>35,532</b>	<b>561,129</b>
<b>Depreciation</b>			
At 1 June 2011	500,145	264,147	764,292
Charge for the year	9,919	6,951	16,870
On disposals	—	(270,357)	(270,357)
<b>At 31 May 2012</b>	<b>510,064</b>	<b>741</b>	<b>510,805</b>
<b>Net book value</b>			
<b>At 31 May 2012</b>	<b>15,533</b>	<b>34,791</b>	<b>50,324</b>
At 31 May 2011	16,796	6,211	23,007

## 10. Debtors

	2012 £	2011 £
Trade debtors	74,030	76,180
Amounts due from group undertakings	283,885,262	185,574,110
Other debtors	4,643	5,373
Prepayments and accrued income	289,771	158,174
	<b>284,253,706</b>	<b>185,813,837</b>

The debtors above include the following amounts falling due after more than one year

	2012 £	2011 £
Amounts owed by group undertakings	<b>52,500,000</b>	<b>52,500,000</b>

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.

# BERKLEY ESTATES LONDON LIMITED

## Notes forming part of the financial statements

Year ended 31 May 2012

### 11 Creditors: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	296,426	308,402
Amounts owed to group undertakings	327,082,409	196,609,556
Other taxation and social security	2,903,910	2,445,819
Other creditors	718,314	369,267
Accruals and deferred income	1,197,607	993,999
	<u>332,198,666</u>	<u>200,727,043</u>

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

### 12 Commitments under operating leases

At 31 May 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>333,500</u>	<u>333,500</u>

### 13 Related party transactions

During the year management fees and other costs totalling £3,861,213 (2011 £3,861,213) were charged to fellow group undertakings and interest of £100,000 (2011 £100,822) was charged on loans owed by group undertakings

As at 31 May 2012, the amounts owed to/by fellow group undertakings are included within debtors (note 10) and creditors (note 11)

### 14 Share capital

#### Authorised share capital

	2012	2011
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

#### Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

# BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements

Year ended 31 May 2012

## 15. Reserves

	Profit and loss account £
Balance brought forward	21,854,341
Profit for the year	3,089,343
Balance carried forward	<u>24,943,684</u>

## 16. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit/(Loss) for the financial year	3,089,343	(171,529)
Opening shareholders' funds	<u>21,855,341</u>	<u>22,026,870</u>
Closing shareholders' funds	<u>24,944,684</u>	<u>21,855,341</u>

## 17 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 British Virgin Islands.