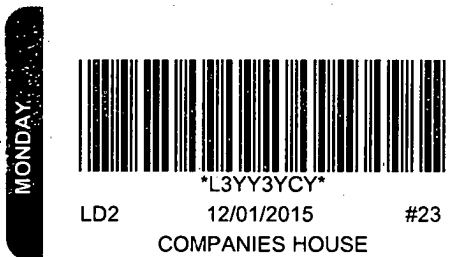


COMPANY REGISTRATION NUMBER 02670273

**BERKLEY ESTATES LONDON LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014**



BERKLEY ESTATES LONDON LIMITED

Financial statements

Year ended 31 May 2014

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BERKLEY ESTATES LONDON LIMITED

Officers and professional advisers

The board of directors

S Zakay
E Zakay
M Kingston
R W Jones
S Pope
C F Moharm
T R Betts

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

BERKLEY ESTATES LONDON LIMITED

Strategic report

Year ended 31 May 2014

The directors present their strategic report together with the audited financial statements for the year ended 31 May 2014.

Principal activities

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

Review of the business

The company's results for the year and financial position are as shown in the annexed financial statements and referred to in the directors' report.

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.

Key performance indicators

The directors monitor performance using a wide range of financial and non-financial indicators including like for like turnover and profitability. On a quarterly basis the directors review the balance sheet and the profit and loss account using actual and forecast data.

The following are some of the KPIs that are considered most relevant of the company due to its size and activities:

Turnover for the year was £7,229,258 (2013: £5,885,327), an increase of £1,343,931 mainly due to increased fees earned in respect of services provided to other group undertakings.

Administrative expenses were £5,426,642 (2013: £3,650,698), an increase of £1,775,944 reflecting higher staff and occupancy costs due to an increased level of activity and a move to larger offices during the year.

Operating profit decreased by £6,764,140 principally due to the transfer of provisions against intra group balances to the company's parent in the previous year resulting in a £6,229,252 credit to operating profit in that year.

The company incurred an overall profit for the year of £1,848,022 (2013: £8,578,940).

Position of the company at the end of the financial year and future developments

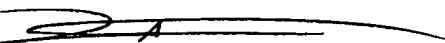
The company has capital and reserves of £35.37 million (2013: £33.52 million) which are considered adequate to continue its activities and trade satisfactorily in the forthcoming year.

The board does not foresee any changes to the business for the next three years and therefore it does not anticipate any significant changes to the structure of the company.

Principal risks and uncertainties

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a quarterly basis and ensures that appropriate facilities and internal resources are available to be drawn upon as necessary.

Signed by order of the directors



E Zakay
Director

Approved by the directors on 28 November 2014

BERKLEY ESTATES LONDON LIMITED

Directors' report

Year ended 31 May 2014

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

Results and dividends

The profit for the year amounted to £1,848,022. The directors have not recommended a dividend.

Directors

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

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

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

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

M Kingston was appointed as a director on 5 June 2014.

S Pope was appointed as a director on 5 June 2014.

Directors' responsibilities

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

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

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

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

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

BERKLEY ESTATES LONDON LIMITED

Directors' report *(continued)*

Year ended 31 May 2014

Auditor

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

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the directors



C F Moharm
Company Secretary

Approved by the directors on 28 November 2014

BERKLEY ESTATES LONDON LIMITED

Independent auditor's report to the members of Berkley Estates London Limited

Year ended 31 May 2014

We have audited the financial statements of Berkley Estates London Limited for the year ended 31 May 2014 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, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and 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 to the members of Berkley Estates London Limited *(continued)*

Year ended 31 May 2014

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
28 November 2014

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 2014

		2014	2013 (restated)
	Note	£	£
Turnover	2	7,229,258	5,885,327
Property expenses		(149,207)	(46,332)
Administrative expenses		(5,426,642)	(3,650,698)
Provision against investment		—	6,229,252
Operating profit	3	1,653,409	8,417,549
Interest receivable	6	34,076,101	28,266,200
Interest payable and similar charges	7	(33,881,488)	(28,104,809)
Profit on ordinary activities before taxation		1,848,022	8,578,940
Tax on profit on ordinary activities	8	—	—
Profit for the financial year		1,848,022	8,578,940

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 9 to 14 form part of these financial statements.

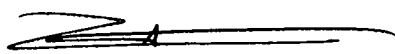
BERKLEY ESTATES LONDON LIMITED

Balance sheet

As at 31 May 2014

	Note	2014		2013 (restated)	
		£	£	£	£
Fixed assets					
Tangible assets	10		770,404		74,352
Current assets					
Debtors due within one year	11	427,787,645		254,815,752	
Debtors due after one year	11	32,381,644		40,381,644	
Cash at bank and in hand		36,907,205		82,797,949	
		497,076,494		377,995,345	
Creditors: Amounts falling due within one year	12	(462,475,252)		(344,546,073)	
Net current assets			34,601,242		33,449,272
Total assets less current liabilities			35,371,646		33,523,624
Capital and reserves					
Called-up equity share capital	15		1,000		1,000
Profit and loss account	16		35,370,646		33,522,624
Shareholders' funds	17		35,371,646		33,523,624

These accounts were approved by the directors and authorised for issue on 28 November 2014, and are signed on their behalf by:


E Zakay


R W Jones

Company Registration Number: 02670273

The notes on pages 9 to 14 form part of these financial statements.

BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements

Year ended 31 May 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, 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.

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.

BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements

Year ended 31 May 2014

1. Accounting policies *(continued)*

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

Operating profit is stated after charging/(crediting):

	2014	2013 <i>(restated)</i>
	£	£
Depreciation of owned fixed assets	183,806	24,936
Operating lease costs:		
- Land and buildings	567,117	333,500
Provision against investment	—	(6,229,252)
Net loss/(profit) on foreign currency translation	58,865	(43,398)
Auditor's remuneration		
- audit	3,500	12,061
- tax compliance services	185,956	64,859

4. Employees

The aggregate payroll costs of the above were:

	2014	2013 <i>(restated)</i>
	£	£
Wages and salaries	2,240,342	1,832,773
Social security costs	599,717	461,720
	<u>2,840,059</u>	<u>2,294,493</u>

The average number of employees during the year was 27 (2013: 23).

5. Directors

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

BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements

Year ended 31 May 2014

6. Interest receivable

	2014	2013 (restated)
	£	£
Bank interest receivable	205,506	162,257
Interest on loans to group undertakings	33,870,595	28,103,943
	<u>34,076,101</u>	<u>28,266,200</u>

7. Interest payable and similar charges

	2014	2013 (restated)
	£	£
Interest on loans from group undertakings	33,870,595	28,103,943
Other similar charges	10,893	866
	<u>33,881,488</u>	<u>28,104,809</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 on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 22.67% (2013 - 23.83%).

	2014	2013 (restated)
	£	£
Profit on ordinary activities before taxation	<u>1,848,022</u>	<u>8,578,940</u>
Profit on ordinary activities by rate of tax	418,868	2,044,608
Expenses not deductible for tax purposes	90,726	(1,445,540)
Capital allowances for period in excess of depreciation	(26,190)	877
Group relief	4,964,131	2,960,325
Transfer pricing adjustments	<u>(5,447,535)</u>	<u>(3,560,270)</u>
Total current tax	<u>-</u>	<u>-</u>

9. Prior year adjustment

In prior years, interest amounting to £39,418,356 was charged in error on loans to group undertakings of £93,681,644. Of the £39,418,356, £9,200,000 related to the year ended 31 May 2013 and the balance of £30,218,356 to earlier years. Similarly, interest amounting to £39,418,356 was charged in error on loans from group undertakings of £93,681,644. Of the £39,418,356, £9,200,000 related to the year ended 31 May 2013 and the balance of £30,218,356 to earlier years. There was no overall impact on net assets in the restated 2013 balance sheet.

BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements

Year ended 31 May 2014

10. Tangible fixed assets

	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost			
At 1 June 2013	574,561	35,532	610,093
Additions	879,858	–	879,858
Disposals	(391,718)	–	(391,718)
At 31 May 2014	1,062,701	35,532	1,098,233
Depreciation			
At 1 June 2013	526,117	9,624	535,741
Charge for the year	174,923	8,883	183,806
On disposals	(391,718)	–	(391,718)
At 31 May 2014	309,322	18,507	327,829
Net book value			
At 31 May 2014	753,379	17,025	770,404
At 31 May 2013	48,444	25,908	74,352

11. Debtors

	2014 £	2013 (restated) £
Trade debtors	438,353	193,363
Amounts due from group undertakings	459,268,861	294,661,810
Other debtors	75,584	18,536
Prepayments and accrued income	386,491	323,687
	460,169,289	295,197,396

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

	2014 £	2013 (restated) £
Amounts owed by group undertakings	32,381,644	40,381,644

Amounts owed by group undertakings of £155,700,000 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, £79,800,000 is repayable in full in May 2018.

BERKLEY ESTATES LONDON LIMITED

Notes forming part of the financial statements

Year ended 31 May 2014

12. Creditors: Amounts falling due within one year

	2014	2013 (restated)
	£	£
Trade creditors	440,002	421,796
Amounts owed to group undertakings	455,067,131	298,813,311
Other taxation and social security	3,256,200	3,995,914
Other creditors	2,588,109	40,315,320
Accruals and deferred income	1,123,810	999,732
	<u>462,475,252</u>	<u>344,546,073</u>

Amounts owed to group undertakings have no fixed terms of repayment, amounts of £15,600,000 bear interest at 10% per annum and the remainder bear no interest.

13. Commitments under operating leases

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

	Land and buildings	
	2014	2013 (restated)
	£	£
Operating leases which expire:		
Within 1 year	333,500	-
After more than 5 years	392,354	392,354
	<u>725,854</u>	<u>392,354</u>

14. Related party transactions

During the year management fees and other costs totalling £5,467,528 (2013: £3,798,062) were charged to fellow group undertakings.

As at 31 May 2014, the amounts owed to/by fellow group undertakings are included within debtors (note 10) and creditors (note 11).

15. Share capital

Allotted, called up and fully paid:

	2014		2013 (restated)	
	No	£	No	£
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 2014

16. Reserves

	Profit and loss account £
Balance brought forward as previously reported	33,522,624
Profit for the year	<u>1,848,022</u>
Balance carried forward	<u>35,370,646</u>

17. Reconciliation of movements in shareholders' funds

	2014 £	2013 (restated) £
Profit for the financial year	1,848,022	8,578,940
Opening shareholders' funds	<u>33,523,624</u>	<u>24,944,684</u>
Closing shareholders' funds	<u>35,371,646</u>	<u>33,523,624</u>

18. 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.