

COMPANY REGISTRATION NUMBER 03749323

TOPLAND COUNTY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015



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COMPANIES HOUSE

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E	SPE	*S63DEY2J*	31/03/2017	#96
		COMPANIES HOUSE		
F	A03	*A56FHM9G*	06/05/2016	#71
		COMPANIES HOUSE		
THI	LD5	*L53WECCJ*	31/03/2016	#385
		COMPANIES HOUSE		

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TOPLAND COUNTY LIMITED

Financial statements

Year ended 31 May 2015

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TOPLAND COUNTY LIMITED

Officers and professional advisers

The board of directors	S Zakay E Zakay
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 COUNTY LIMITED

Directors' report

Year ended 31 May 2015

The directors present their report and the financial statements of the company for the year ended 31 May 2015.

Principal activities and developments

During the year the company's principal activity was investment in UK property.

As explained in note 1 to the financial statements, during the prior year the company breached its bank loan covenants. On 11 April 2014, the company's lending bank appointed Law of Property Act Receivers to administer the company's investment property with the objective of securing repayment of the company's bank loan and releasing the liabilities associated with the company cross guaranteeing the borrowings of other group companies. The total bank borrowings secured under the cross guarantee were approximately £310m (of which £6.4m was owed by the company and £2.85m has been repaid in the current year). The records provided by the Receiver indicate that some of the properties charged in respect of the cross guarantee have been sold, the net proceeds of which have been used to repay liabilities arising under the cross guarantee. Some of these properties were sold at a profit however the remaining cross guarantee liability is expected to significantly exceed the value of the remaining assets available to make repayment.

As a result of this the directors are unable to presume that the company will continue to be a going concern. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and therefore these financial statements have not been prepared on a going concern basis.

Directors

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

S Zakay
E Zakay
C E Bush
R W Jones

C E Bush resigned as a director on 30 September 2015.

R W Jones resigned as a director on 9 July 2015.

Statement of 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 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. As explained in note 1 to the financial statements the directors do not believe the going concern basis to be appropriate and therefore these financial statements have not been prepared on a going concern basis.

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.

TOPLAND COUNTY LIMITED

Directors' report *(continued)*

Year ended 31 May 2015

As explained in Note 1 to the financial statements, during the prior year, the company breached its bank loan covenants and as a result of this the lender appointed Law of Property Act Receivers. Since that time, some of the company's accounting records were held by the Receiver. Owing to the fact that the directors have been provided with limited information from the Receiver and the directors did not have access to all of the company's accounting records, they have prepared the financial statements on the basis of information which has been filed at Companies House by the Receiver. This information may not be complete and therefore the company's accounting records would not be accurate. The directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) on the basis of the information available however because the accounting records may not be complete, the financial statements may not 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.

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.

Small company provisions

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

Signed by order of the directors



C F Moharm
Company Secretary

Approved by the directors on 23 March 2016

TOPLAND COUNTY LIMITED

Independent auditor's report to the members of Topland County Limited

Year ended 31 May 2015

We were engaged to audit the financial statements of Topland County Limited for the year ended 31 May 2015 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 2, 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.

Basis for disclaimer of opinion on financial statements

In seeking to form our opinion on the financial statements, we have considered the implications of the significant uncertainties associated with the completeness of accounting transactions and matters disclosed in the financial statements concerning the following matters:

- On 11 April 2014 the company's lending bank appointed Law of Property Act Receivers to administer the company's investment property assets with the objective of securing repayment of the company's bank loan and releasing the liabilities associated with the company cross guaranteeing the borrowings of other group companies. The potential liability of the company arising from it cross guaranteeing the borrowing of other group companies cannot be quantified until all of the assets and liabilities have been realised within each of the group companies which are included in the cross guarantee. The total borrowings secured under the cross guarantee were approximately £310m (of which £6.4m was owed by the company and £2.85m has been repaid in the current year). The records provided by the Receiver indicate that some of the properties charged in respect of the cross guarantee have been sold, the net proceeds of which will have been used to repay liabilities arising under the cross guarantee. The remaining cross guarantee liability is expected to significantly exceed the value of the remaining assets available to make repayment.
- From the date that the Receivers were appointed the directors have not had access to the company's records in relation to the property and have therefore prepared the financial statements on the basis of information which has been filed at Companies House by the Receiver. This information may not be complete and therefore the company's accounting records would not be accurate.

TOPLAND COUNTY LIMITED

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

Year ended 31 May 2015

Basis for disclaimer of opinion on financial statements (continued)

Owing to the fact that the company's accounting records in respect of the property are with the Receiver and that the directors have been provided with limited information from the Receiver, audit evidence available to us was limited and we have not been able to complete our audit procedures in respect of the matters listed above.

Disclaimer of opinion on financial statements

Because of the significance of the matters described in the Basis for Disclaimer of Opinion on the Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Emphasis of matter - financial statements prepared other than on a going concern basis

We have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. As a result of the appointment of Law of Property Act Receivers in the year, the directors are unable to presume that the company will continue to be a going concern and therefore these financial statements have not been prepared on a going concern basis.

Opinion on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of opinion on the financial statements, 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

In respect solely of the limitation on our work relating to the company's accounting records in respect of the investment property being in the hands of the Receiver as described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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:

- 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
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and to the exemption from the requirement to prepare a Strategic Report.

 BDO LLP

Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
23 March 2016

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

TOPLAND COUNTY LIMITED

Profit and loss account

Year ended 31 May 2015

		2015	2014
	Note	£	£
Turnover	2	77,527	116,270
Property expenses		(87,154)	(232,277)
Administrative expenses		(99,220)	(2,750)
Impairment in value of investment properties		—	38,730
Other operating income	3	7,541	—
Operating loss	4	(101,306)	(80,027)
Profit on disposal of fixed assets	6	1,572,513	—
		1,471,207	(80,027)
Interest receivable		314	—
Interest payable and similar charges	8	(733,483)	(354,758)
Profit/(loss) on ordinary activities before taxation		738,038	(434,785)
Tax on profit/(loss) on ordinary activities	9	134,402	8,046
Profit/(loss) for the financial year		872,440	(426,739)

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.

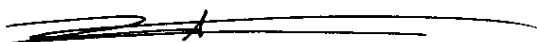
TOPLAND COUNTY LIMITED

Balance sheet

As at 31 May 2015

	Note	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	10		–		1,508,540
Current assets					
Debtors due within one year	11	216,882		104,156	
Creditors: Amounts falling due within one year	12	<u>(5,937,607)</u>		<u>(8,071,459)</u>	
Net current liabilities			<u>(5,720,725)</u>		<u>(7,967,303)</u>
Total assets less current liabilities			<u>(5,720,725)</u>		<u>(6,458,763)</u>
Provisions for liabilities					
Deferred taxation	13		–		<u>(134,402)</u>
Net liabilities			<u>(5,720,725)</u>		<u>(6,593,165)</u>
Capital and reserves					
Called-up equity share capital	17		1,000		1,000
Profit and loss account	18		<u>(5,721,725)</u>		<u>(6,594,165)</u>
Shareholders' deficit	19		<u>(5,720,725)</u>		<u>(6,593,165)</u>

These accounts were approved by the directors and authorised for issue on 23 March 2016, and are signed on their behalf by:



E Zakay

Company Registration Number: 03749323

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

TOPLAND COUNTY LIMITED

Notes forming part of the financial statements

Year ended 31 May 2015

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, subject to the departures referred to below.

On 11 April 2014 the company's lending bank appointed Law of Property Act Receivers to administer the company's investment property with the objective of securing repayment of the company's bank loan and releasing the liabilities associated with the company cross guaranteeing the borrowings of other group companies.

From the date that the Receivers were appointed the directors have not had access to the company's records in relation to its investment property nor have they had control of these assets or received the income from these assets. Because the directors have not had access to the company's records in relation to its investment properties, the directors may therefore not be aware of material transactions after 11 April 2014 which could require adjustment to amounts in the financial statements or require additional disclosures. Furthermore, due to the terms of the cross guarantee any profits earned by the company will be paid to the Receiver under the terms of that agreement.

As the directors have not had access to the company's records they have relied upon information which has been filed at Companies House by the Receiver. This information may not be complete and therefore the company's accounting records would not be accurate.

As a result of the remaining cross guarantee liability being expected to significantly exceed the value of the remaining assets available to make repayment and that the company is in Receivership (with our expectation being that when the process is complete it is likely that the companies will cease trading and be liquidated), the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. This has not resulted in adjustment to the carrying amounts of assets and liabilities included in the financial statements.

Cash flow statement

The company does not have any bank accounts, as these are controlled by the Receiver, thus no cash flow has been presented.

Turnover

Turnover represents net rental and related income receivable less value added tax.

Fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental cost of acquisition.

Investment properties

In accordance with Statement of Standard Accounting Practice 19, investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value in which case it is charged to the profit and loss account.

TOPLAND COUNTY LIMITED

Notes forming part of the financial statements

Year ended 31 May 2015

1. Accounting policies *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement; and
- 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.

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 earlier of the first rent review to the prevailing market rent and 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.

2. Turnover

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

3. Other operating income

	2015 £	2014 £
Other operating income	7,541	—

4. Operating loss

Operating loss is stated after charging:

	2015 £	2014 £
Operating lease costs:		
- Land and buildings	59,311	79,062
Impairment in value of investment properties	—	(38,730)
Auditor's remuneration		
- audit	—	1,500
- tax compliance services	—	1,250

Audit fees are borne by fellow group companies.

5. Particulars of employees

There were no persons employed by the company in the year (2014: nil).

TOPLAND COUNTY LIMITED

Notes forming part of the financial statements

Year ended 31 May 2015

6. Profit on disposal of fixed assets

	2015	2014
	£	£
Profit on disposal of fixed assets	<u>1,572,513</u>	<u>-</u>

7. Directors

No director received any emoluments during the year (2014: £nil).

8. Interest payable and similar charges

	2015	2014
	£	£
Interest payable on bank borrowing	436,178	353,590
Early loan repayment fees	297,305	-
Other similar charges	-	1,168
	<u>733,483</u>	<u>354,758</u>

9. Taxation on ordinary activities Analysis of charge in the year

	2015	2014
	£	£
Deferred tax:		
Origination and reversal of timing differences	<u>(134,402)</u>	<u>(8,046)</u>

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 20.83% (2014 - 22.67%).

	2015	2014
	£	£
Profit/(loss) on ordinary activities before taxation	<u>738,038</u>	<u>(434,785)</u>
Profit/(loss) on ordinary activities by rate of tax	153,755	(107,326)
Capital allowances for period in excess of depreciation	(1,504)	(359)
Group relief	206,666	137,928
Transfer pricing adjustments	(31,317)	(30,243)
Profit on disposal of fixed assets	<u>(327,600)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

10. Tangible fixed assets

Investment properties:
freehold and long
leasehold land and
buildings
£

Valuation

At 1 June 2014

Disposals

At 31 May 2015

1,508,540
(1,508,540)

-

The investment property was sold in the current year.

The historical cost of the property is £nil (2014: £7,000,000).

TOPLAND COUNTY LIMITED

Notes forming part of the financial statements

Year ended 31 May 2015

11. Debtors

	2015	2014
	£	£
Trade debtors	–	21,625
Amounts held by the Receiver	216,527	–
Other debtors	355	26,075
Prepayments and accrued income	–	56,456
	<u>216,882</u>	<u>104,156</u>

All amounts shown under debtors fall due for payment within one year.

Amounts held by the Receiver is the net balance of receipts and payment transactions reported by the Receiver and include any excess of proceeds from sale of the property less bank loan repaid to lender.

12. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Bank loans	3,502,675	6,352,675
Trade creditors	–	7,541
Amounts owed to group undertakings	1,505,364	1,505,364
Accruals and deferred income	929,568	205,879
	<u>5,937,607</u>	<u>8,071,459</u>

Amounts owed to group undertakings bear no interest and have no fixed terms of repayment.

The loan was secured by a first legal mortgage over the investment property and a floating charge over the assets of the company. Additionally the lender had a legal assignment over the rental income of the property.

The loan is in default and payable on demand. Interest was charged at a default rate of 7.567% with an additional 2% on the accrued interest as at 31 May 2014.

13. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2015	2014
	£	£
Provision brought forward	134,402	142,448
Profit and loss account movement arising during the year	(134,402)	(8,046)
Provision carried forward	<u>–</u>	<u>134,402</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Excess of taxation allowances over depreciation on fixed assets	–	215,509
Undiscounted provision for deferred taxation	–	215,509
Discount	–	(81,107)
Discounted provision for deferred taxation	<u>–</u>	<u>134,402</u>

TOPLAND COUNTY LIMITED

Notes forming part of the financial statements

Year ended 31 May 2015

14. Commitments under operating leases

At 31 May 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2015	2014
	£	£
Operating leases which expire:		
After more than 5 years	-	79,063

15. Contingent liabilities

The company has cross guaranteed the borrowing of several other group companies. The potential liability of the company arising from it cross guaranteeing the borrowing of other group companies cannot be quantified until all of the assets and liabilities have been realised within each of the group companies which are included in the cross guarantee. The total borrowings secured under the cross guarantee were approximately £310m (of which £6.4m was owed by the company and £2.85m has been repaid in the current year). The records provided by the Receiver indicate that some of the properties charged in respect of the cross guarantee have been sold, the net proceeds of which have been used to repay liabilities arising under the cross guarantee. The records provided by the Receiver indicate that some of the charged assets have been sold for a profit however we anticipate that the remaining cross guarantee liability is expected to significantly exceed the value of the remaining assets available to make repayment.

16. Related party transactions

As at 31 May 2015 an amount of £1,505,364 (2014: £1,505,364) was due to Berkley Estates London Limited, a fellow subsidiary.

17. Share capital

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

18. Reserves

	Profit and loss account
	£
Balance brought forward	(6,594,165)
Profit for the year	872,440
Balance carried forward	(5,721,725)

19. Reconciliation of movements in shareholders' deficit

	2015	2014
	£	£
Profit/(loss) for the financial year	872,440	(426,739)
Net reduction/(addition) to shareholders' deficit	872,440	(426,739)
Opening shareholders' deficit	(6,593,165)	(6,166,426)
Closing shareholders' deficit	(5,720,725)	(6,593,165)

TOPLAND COUNTY LIMITED

Notes forming part of the financial statements

Year ended 31 May 2015

20. 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.