

TOPLAND (NO. 14) LIMITED

Financial statements

31 May 2017

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TOPLAND (NO. 14) LIMITED

Financial statements

Year ended 31 May 2017

Contents	Page
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the members	4
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9

TOPLAND (NO. 14) LIMITED

Officers and professional advisers

The board of directors	E Zakay M S Kingston S L G Wilson 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

TOPLAND (NO. 14) LIMITED

Directors' report

Year ended 31 May 2017

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 investment in a joint venture whose principal activity is property development. 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
T R Betts
S L G Wilson (Appointed 27 March 2017)

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 (NO. 14) LIMITED

Directors' report *(continued)*

Year ended 31 May 2017

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:



C F Moharm
Company Secretary

TOPLAND (NO. 14) LIMITED

Independent auditor's report to the members of Topland (No. 14) Limited

Year ended 31 May 2017

We have audited the financial statements of Topland (No. 14) 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.

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 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 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 (NO. 14) LIMITED

Independent auditor's report to the members of Topland (No. 14) Limited *(continued)*

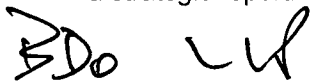
Year ended 31 May 2017

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 (NO. 14) LIMITED

Statement of comprehensive income

Year ended 31 May 2017

	Note	2017 £	2016 £
Administrative expenses		(3,777)	(3,270)
Operating loss		(3,777)	(3,270)
Interest receivable and similar income	7	1,951,224	1,481,354
Interest payable and similar charges	8	(1,727,629)	(1,575,477)
Profit/(loss) on ordinary activities before taxation		219,818	(97,393)
Taxation on ordinary activities	9	—	—
Profit/(loss) for the financial year and total comprehensive income		219,818	(97,393)

All the activities of the company are from continuing operations.

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

TOPLAND (NO. 14) LIMITED

Statement of financial position

31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	10	18,967,043	16,492,239
Current assets			
Debtors	11	1,000	1,000
Creditors: amounts falling due within one year	12	(18,457,105)	(16,202,119)
Net current liabilities		(18,456,105)	(16,201,119)
Total assets less current liabilities		<u>510,938</u>	<u>291,120</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account	15	<u>509,938</u>	<u>290,120</u>
Shareholders funds		<u>510,938</u>	<u>291,120</u>

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: 08042021

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

TOPLAND (NO. 14) LIMITED

Statement of changes in equity

Year ended 31 May 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 June 2015	1,000	387,513	388,513
Loss for the year	—	(97,393)	(97,393)
Total comprehensive income for the year	—	(97,393)	(97,393)
At 31 May 2016	1,000	290,120	291,120
Profit for the year	—	219,818	219,818
Total comprehensive income for the year	—	219,818	219,818
At 31 May 2017	1,000	509,938	510,938

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

TOPLAND (NO. 14) LIMITED

Notes to the financial statements

Year ended 31 May 2017

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.

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.

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.

TOPLAND (NO. 14) LIMITED

Notes to the financial statements *(continued)*

Year ended 31 May 2017

2. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

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 (NO. 14) LIMITED

Notes to the financial statements *(continued)*

Year ended 31 May 2017

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.

Recoverability of investments and debtors

The recoverability of investments and debtors is assessed based on factors specific to each individual investment and debtor.

4. Auditor's remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>2,527</u>	<u>2,020</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>

5. Particulars of employees

There were no persons employed by the company in the year (2016: nil).

6. Directors

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

7. Interest receivable and similar income

	2017 £	2016 £
Joint venture interest	<u>1,951,224</u>	<u>1,481,354</u>

8. Interest payable and similar charges

	2017 £	2016 £
Interest to fellow subsidiaries	<u>1,727,629</u>	<u>1,575,477</u>

TOPLAND (NO. 14) LIMITED

Notes to the financial statements (continued)

Year ended 31 May 2017

9. Taxation on ordinary activities

Reconciliation of tax income

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

	2017 £	2016 £
Profit/(loss) on ordinary activities before taxation	219,818	(97,393)
Profit/(loss) on ordinary activities by rate of tax	43,596	(19,479)
Group relief	(43,596)	279,416
Transfer pricing adjustments	—	(259,937)
Tax on profit/(loss) on ordinary activities	—	—

10. Investments

	Loans to joint venture £	Shares in joint venture £	Total £
Cost			
At 1 June 2016	16,492,139	100	16,492,239
Additions	2,474,804	—	2,474,804
At 31 May 2017	18,966,943	100	18,967,043
Carrying amount			
At 31 May 2017	18,966,943	100	18,967,043
At 31 May 2016	16,492,139	100	16,492,239

At year end, the loan balance due from City and Country Bramshill Limited was £18,966,943 (2016 - £16,492,139). This includes a capital amount of £15,144,854 (2016 - £14,621,274) and interest accrued of £3,822,089 (2016 - £1,870,865). Interest accrues on the loan at 12% per annum, and the maximum commitment of the loan, excluding interest, is £14,800,000 (2016: £14,800,000). The loan is to assist financing the principal activities of the joint venture undertaking, and is repayable as per the terms of the shareholder's loan agreement.

Subsidiaries, associates and other investments

All undertakings in which the company had an interest at the year end are as follows:

	Country of incorporation	Proportion of share capital	Nature of business
City & Country Bramshill Limited	UK	50%	Property development

The registered address of City & Country Bramshill Limited is 55 Baker Street, London, W1U 7EU.

11. Debtors

	2017 £	2016 £
Amounts due from parent company	1,000	1,000

Amounts due from parent company bear no interest and are recoverable on demand.

TOPLAND (NO. 14) LIMITED

Notes to the financial statements (continued)

Year ended 31 May 2017

12. Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts due to fellow subsidiaries	<u>18,457,105</u>	<u>16,202,119</u>

Amounts due to fellow subsidiaries bear interest at 10% (2016: 10%) and are repayable on demand.

13. Financial instruments

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

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	18,967,943	16,493,139
Financial assets that are equity instruments measured at cost less impairment	<u>100</u>	<u>100</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>18,457,105</u>	<u>16,202,119</u>

Financial assets that are equity instruments comprise shares in joint ventures.

Financial assets measured at amortised cost comprise amounts due from the parent company and loans to joint ventures.

Financial liabilities measured at amortised cost comprise amounts due to fellow subsidiaries.

14. 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>

15. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

16. Related party transactions

At the year end, and an amount of £18,457,105 (2016: £16,202,119) was due to fellow subsidiaries and an amount of £1,000 (2016: £1,000) was due from the parent company.

At year end, the loan balance due from the joint venture undertaking, City and Country Bramshill Limited, was £18,966,943 (2016 - £16,492,139). This includes a capital amount of £15,144,854 (2016 - £14,621,274) and interest accrued of £3,822,089 (2016 - £1,870,865). Interest accrues on the loan at 12% per annum, and the maximum commitment of the loan, excluding interest, is £14,800,000 (2016: £14,800,000).

TOPLAND (NO. 14) LIMITED

Notes to the financial statements *(continued)*

Year ended 31 May 2017

17. Controlling party

The largest and smallest group in which the result 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.