

**NEST EGG LIMITED**

**REPORT AND ACCOUNTS**

**TWELVE MONTHS TO 31st DECEMBER 2011**

MONDAY



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## **NEST EGG LIMITED**

<b>Directors</b>	J G Dean (Chairman) T J G Dean Mrs V J Harris Mrs S B Reeves R N Symons
<b>Secretary</b>	R N Symons
<b>Head office</b>	18 De Vere Mews Canning Place London W8 5AL
<b>Registered office</b>	82 St John Street London EC1M 4JN
<b>Auditors</b>	Beavis Morgan Audit Limited 82 St John Street London EC1M 4JN
<b>Registered number</b>	02882341

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## **NEST EGG LIMITED**

### **DIRECTORS' REPORT**

The directors present their Report and the audited Accounts for the year ended 31st December 2011

#### **Activity**

The principal activity of the Company is that of an investment company

#### **Business review**

A summary of the results of the year's activities is given on page 5 of the Accounts. The Chairman's review of the year, which forms part of this report, appears on page 3

#### **Directors**

The directors in office during the year were as follows

J G Dean  
T J G Dean  
Mrs V J Harris  
Mrs S B Reeves  
R N Symons

#### **Proposed dividends**

The directors do not propose a dividend for the year

#### **Directors' responsibilities in respect of the preparation of financial statements**

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 a 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

#### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

## **NEST EGG LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **Financial Instruments**

The Company's financial instruments principally comprise bank balances and loans, other loans, debtors and creditors. The main risks arising from the Company's instruments are interest rate risk and liquidity risk.

- a) Interest rate risk  
The Company finances its operations through a mixture of shareholder funds, bank borrowings and other loans. The Company borrows at fixed and floating rates as required.
- b) Liquidity risk  
The Company's policy is to maintain a balanced financing structure.

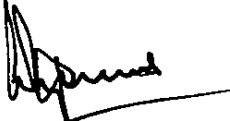
#### **Auditors**

Beavis Morgan Audit Limited were appointed as auditors to the Company and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

#### **Annual General Meeting**

Under the Companies Act 2006, the Group is not required to hold an Annual General Meeting. The directors have therefore decided not to hold one.

#### **On behalf of the Board**



R.N. Symons  
Director

15<sup>th</sup> May 2012



## NEST EGG LIMITED

### CHAIRMAN'S STATEMENT

Nest Egg Limited is an investment company. It invests in real estate, for the long term, with an emphasis on quality and stability.

In 2003 Nest Egg purchased Merivale Moore plc and, for the next eight years, set about the replacement of Merivale Moore's assets and the reorganisation of its business, debt and banking arrangements. In these eight years all Merivale Moore's assets have been sold, its Debenture and all its debts repaid. The objective, now achieved, was to create a clean, low maintenance property company operating in two sectors. The one being industrial property (mainly distribution warehouses) and the other being prime residential property in Kensington & Chelsea. The former to generate yield and the latter to generate capital growth. Both sectors involve minimal day to day management. The skill is in stock selection.

The Company's industrial investments are conducted through projects promoted and managed by Clipstone Land Limited. Approximately half the Company's net assets are industrials, all competently managed by Clipstone. The other half of the net assets are invested in prime residential.

The year 2011 was dominated by the £7.75m sale of a top end residential investment in London W8. That property had been held for approximately five years and had generated a growth of 50%. Such a growth rate is unlikely to occur in this sector in the next five years but we still anticipate strong growth. To that end we shall shortly make a substantial investment in Chelsea, London SW3.

At the beginning of the current year, 2012, we sold the last of the Company's peripheral investments, a shop in Ruislip. This was sold at a loss, lending support to the Company's current investment policy.

Looking ahead, the Accounts for 2012 will reflect the planned format at Nest Egg, namely 50/50 industrials and prime residential properties. Net assets will stand at £12m with debt just short of £4m. Income will continue to exceed overheads and interest charges. It is a relief to have dumped our Stock Exchange investments with a 100% commitment to bricks and mortar. We are the happier for that.

J. G. Dean

15th May, 2012



Date

**NEST EGG LIMITED****UNAUDITED NON-STATUTORY PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2011****FOR INFORMATION ONLY**

	<b>2011</b>	<b>Restated</b>
	<b>£</b>	<b>2010</b>
		<b>£</b>
<b>Sale of properties</b>	7,750,000	-
Cost of sales	5,225,999	-
<b>Gross profit</b>	2,524,001	-
Rental income	179,728	196,234
Other income	621,496	330,176
<b>Total income</b>	3,325,225	526,410
<b>Deduct:</b>		
Interest charges	204,769	201,628
Administrative expenses	310,957	304,903
Property management expenses	53,255	62,504
	568,981	569,035
<b>Operating profit /(loss) before tax</b>	2,756,244	(42,625)
<b>Tax</b>	273,866	-
<b>Profit/(loss) after tax</b>	<u>£2,482,378</u>	<u>£(42,625)</u>

This statement has been produced to provide, in the Directors' opinion, an informative picture of the operational performance. The figures shown above include the actual cost of fixed assets sold as opposed to previous year end valuations as required by FRS 3 and shown in the statutory profit and loss account on page 5.

This statement is provided for information purposes only and does not form a part of the audited accounts.

**NEST EGG LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2011**

	Notes	2011 £	Restated 2010 £
<b>Return on investments</b>	<b>2</b>	701,288	430,582
Administrative expenses		(364,212)	(367,407)
<b>Operating profit</b>	<b>3</b>	337,076	63,175
Profit on sale of investment properties	<b>5</b>	1,463,329	-
		1,800,405	63,175
Net interest payable	<b>6</b>	(104,833)	(105,800)
<b>Profit/(loss) on ordinary activities before tax</b>		1,695,572	(42,625)
Tax	<b>7</b>	(273,866)	-
<b>Retained profit/(loss) for the year</b>	<b>17</b>	<u>£1,421,706</u>	<u>£(42,625)</u>

All of the above results derive wholly from continuing activities



**NEST EGG LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 31ST DECEMBER 2011**

	<b>Notes</b>	<b>2011 £</b>	<b>Restated 2010 £</b>
<b>Profit/(loss) for the year</b>		1,421,706	(42,625)
Unrealised surplus/(deficit) on revaluation of properties	<b>16</b>	475,000	(17,890)
<b>Total recognised gains and losses relating to the year</b>		<u>£1,896,706</u>	<u>£(60,515)</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

**FOR THE YEAR ENDED 31ST DECEMBER 2011**

	<b>Notes</b>	<b>2011 £</b>	<b>Restated 2010 £</b>
<b>Reported profit on ordinary activities before tax</b>		1,695,572	(42,625)
Realisation of property revaluation gains of previous years	<b>16</b>	1,060,672	-
<b>Historical cost profit on ordinary activities before tax</b>		<u>£2,756,244</u>	<u>£(42,625)</u>
<b>Historical cost profit for the year retained after tax</b>		<u>£2,482,378</u>	<u>£(42,625)</u>

**NEST EGG LIMITED**

**BALANCE SHEET AT 31ST DECEMBER 2011**

		<b>31st December 2011</b>		<b>Restated 31st December 2010</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Investment properties	<b>8</b>		3,780,000		9,305,000
Motor vehicle			5,295		7,060
Investments	<b>9</b>		5,315,000		4,000,000
			<u>9,100,295</u>		<u>13,312,060</u>
<b>Current assets</b>					
Current asset investments	<b>10</b>	1,325,782		570,263	
Debtors	<b>11</b>	3,643,546		1,193,245	
Bank balances and cash		311,037		424,193	
		<u>5,280,365</u>		<u>2,187,701</u>	
<b>Creditors due within one year</b>	<b>12</b>	<u>(1,188,409)</u>		<u>(1,199,428)</u>	
<b>Net current assets</b>			<u>4,091,956</u>		<u>988,273</u>
<b>Total assets less current liabilities</b>			13,192,251		14,300,333
<b>Creditors due after more than one year</b>	<b>13</b>		(1,477,642)		(4,482,430)
<b>Net assets</b>			<u>£11,714,609</u>		<u>£9,817,903</u>
<b>Capital and reserves</b>					
Called up share capital	<b>15</b>		8,000		8,000
Investment revaluation reserve	<b>16</b>		169,068		754,740
Profit and loss account	<b>17</b>		11,537,541		9,055,163
<b>Shareholders' funds</b>	<b>18</b>		<u>£11,714,609</u>		<u>£9,817,903</u>

These Accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board on *15th May*, 2012

J G Dean  
Director

*J.G. Dean*

Company Registration No. 02882341

## **NEST EGG LIMITED**

### **NOTES ON THE ACCOUNTS**

#### **1. Accounting policies**

##### **(a) Basis of accounting**

The accounts have been prepared in accordance with all applicable accounting standards, and on the historical cost basis, as modified by the revaluation of certain assets

The Company had surplus cash resources of £311,037 at the year end. The directors believe that the Company will be able to maintain positive cash flows for the foreseeable future. As a result the going concern basis of accounting has been adopted.

##### **(b) Cash flow statement**

The Company has taken advantage of the exemption in Financial Reporting Statement No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

##### **(c) Return on investments**

Return on investments represents income generated from the principal activities net of provisions for losses.

##### **(d) Interest charges**

Interest is charged to the profit and loss account as incurred.

##### **(e) Operating leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### **(f) Deferred tax**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of the timing difference may be deducted.

No deferred tax liabilities are recognised on the revaluation of investment properties unless a binding contract for sale existed at the balance sheet date.

##### **(g) Investment properties**

The investment properties are accounted for in accordance with Statement of Standard Accounting Practice ("SSAP") 19, "Accounting for Investment Properties" and are revalued annually to open market value. Changes in market value are reflected in the revaluation reserve except when an impairment is deemed to be permanent, when the loss is charged directly against the current year's profit.

##### **(h) Investments in property ventures**

Investments in property ventures, where the Company does not hold a controlling interest, are stated at cost. Income from investments in property ventures is included on the basis of distributions receivable in the year. Previously income from Clipstone Industrials LLP was included on the basis of the Company's percentage share of the property venture. This has resulted in a prior year adjustment of £94,318, which represents a reduction of the same amount in prior year's net profit. The amount does not include any revaluation gains or losses.



# NEST EGG LIMITED

## NOTES ON THE ACCOUNTS

### 1. Accounting policies (Continued)

#### (i) Depreciation

No depreciation is provided in respect of the investment properties. This treatment is a departure from the requirements of the Companies Act 2006 which requires all fixed assets to be depreciated. However, the Directors consider that these properties are not held for consumption but for investment and that to depreciate them would not give a true and fair view. The amount of depreciation which might otherwise have been charged on the buildings element cannot be separately identified or quantified as it is not practical to assess the estimated useful life for the investment properties.

Depreciation is provided on the reducing balance method to write off the cost of the motor vehicle at 25% per annum.

#### (j) Current asset investments

Current asset investments are stated at the lower of cost and market value.

	2011	Restated 2010
	£	£
<b>2. Return on investments</b>		
Rental income	179,728	196,234
Distributions from share in fixed asset investments	454,833	264,867
Income from listed securities	8,787	20,652
Profit/(loss) on sale of listed securities	6,202	(27,156)
Diminution in value of current asset investments (note 10)	(2,381)	(45,500)
Write-back of previous provision for diminution in value of current asset investments (note 10)	54,119	21,485
	<u>£701,288</u>	<u>£430,582</u>

	2011	Restated 2010
	£	£
<b>3. Operating profit</b>		
Operating profit is stated after charging		
Depreciation	1,765	1,630
Operating lease rental – land and buildings	25,000	25,000
Auditors' remuneration – audit	7,500	7,500
– tax and company secretarial services	13,232	17,470
Directors' emoluments (note 4)	<u>228,605</u>	<u>221,887</u>

	2011	2010
	£	£
<b>4. Directors' emoluments</b>		
Emoluments	<u>£228,605</u>	<u>£221,887</u>

	2011	Restated 2010
	£	£
<b>5. Profit on sale of investment properties</b>		
Sale proceeds	7,750,000	-
Cost of sales	<u>6,286,671</u>	<u>-</u>
	<u>£1,463,329</u>	<u>£-</u>

# **NEST EGG LIMITED**

## **NOTES ON THE ACCOUNTS**

	<b>2011</b>	<b>Restated 2010</b>
	<b>£</b>	<b>£</b>
<b>6. Net interest payable</b>		
Bank interest receivable	1,414	626
Other interest receivable	98,522	95,202
Bank interest payable	(123,580)	(121,179)
Other interest payable	(81,189)	(80,449)
	<u>£(104,833)</u>	<u>£(105,800)</u>

	<b>2011</b>	<b>Restated 2010</b>
	<b>£</b>	<b>£</b>
<b>7. Tax</b>		
Corporation tax on the adjusted results for the year	273,866	-
<b>Factors affecting tax charge for the year</b>		
Profit/(loss) on ordinary activities before taxation	1,695,572	(42,625)
Profit/(loss) on ordinary activities before taxation multiplied by Standard rate of UK corporation tax of 26.5% (2010 - 28%)	449,327	(11,935)
Effect of		
Income not chargeable for tax purposes	(16,039)	3,875
Depreciation added back	468	456
Capital allowance	(404)	-
Chargeable disposals	62,437	7,604
Tax losses utilised	(222,292)	-
Other tax adjustments	369	-
<b>Current tax charge for the year</b>	<u>273,866</u>	<u>£-</u>

The Company has estimated losses of £nil (2010 - £313,320) available for carry forward against future trading profits and £nil (2010 - £136,938) available for carry forward against capital profits

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>The total potential unprovided deferred tax assets and (liabilities) are as follows:</b>		
On revaluation of properties	(38,045)	(79,638)
On trading losses carried forward	-	87,730
On capital losses carried forward	-	38,343
	<u>£(38,045)</u>	<u>£46,435</u>

# NEST EGG LIMITED

## NOTES ON THE ACCOUNTS

### 8. Investment properties

	Freehold	Long Leasehold	Total
	£	£	£
Valuation			
At 1 <sup>st</sup> January 2011, as originally reported	3,317,973	8,650,000	11,967,973
Prior year's adjustment	(2,662,973)	-	(2,662,973)
At 1st January 2011 (as restated)	655,000	8,650,000	9,305,000
Additions or improvements	-	90,000	90,000
Disposals	-	(6,090,000)	(6,090,000)
On revaluation	(25,000)	500,000	475,000
At 31st December 2011	<u>£630,000</u>	<u>£3,150,000</u>	<u>£3,780,000</u>

The properties have been valued by the directors on the basis of open market value at 31 December 2011

### 9. Fixed asset investments

	Investments in property ventures
Cost	
At 1st January 2011, as originally reported	3,100,000
Prior year's adjustment	900,000
At 1st January 2011 (as restated)	4,000,000
Additions	1,315,000
At 31st December 2011	<u>£5,315,000</u>

#### Holdings of more than 20%

The Company holds 20% or more of the interests of the following entities whose principal activities are investment in industrial property

Entity	Country of Incorporation	Members' interest
Clipstone Industrials LLP	England & Wales	37.50%
Clipstone Industrials 2 LLP	England & Wales	26.984%
Clipstone Industrials 3 LLP	England & Wales	23.585%
Clipstone Industrials 5 LLP	England & Wales	20.408%

The aggregate amount of members' interests and the audited results of these undertakings for the year ended 5th April 2011 (Clipstone Industrials 2 LLP, Clipstone Industrials 3 LLP, Clipstone Industrials 5 LLP) and 31st December 2011 (Clipstone Industrials LLP) were as follows

	Clipstone Industrials LLP	Clipstone Industrials 2 LLP	Clipstone Industrials 3 LLP	Clipstone Industrials 5 LLP
Total members' interests	<u>£3,650,007</u>	<u>£3,882,983</u>	<u>£5,622,840</u>	<u>£5,041,793</u>
Profit for the financial period before members' remuneration and profit share	<u>£409,107</u>	<u>£478,444</u>	<u>£697,895</u>	<u>£499,935</u>

During the year, the Company invested £315,000 (representing 8.17%) in Clipstone Interlink Unit Trust established on 19th April 2011 and commenced trading on 9th May 2011. The Company also invested £1,000,000 (representing 18.38%) in Clipstone Industrial Unit Trust (established on 8th April 2011 and commenced trading on 15th July 2011).

# **NEST EGG LIMITED**

## **NOTES ON THE ACCOUNTS**

### **10. Current asset investments**

	Quoted investments	Unquoted investments	Fine wines	Total
	£	£	£	£
At 1st January 2011	445,263	25,000	100,000	570,263
Additions	3,414,378	-	-	3,414,378
Disposals	(2,710,597)	-	-	(2,710,597)
Diminution in value	(2,381)	-	-	(2,381)
Write back of previous diminution in value	54,119	-	-	54,119
At 31st December 2011	<u>£1,200,782</u>	<u>£25,000</u>	<u>£100,000</u>	<u>£1,325,782</u>

### **11. Debtors**

	2011 £	Restated 2010 £
Trade debtors	5,675	29,682
Other debtors	168,014	131,253
Prepayments	9,857	11,910
Other loans	260,000	260,000
Loans to related parties (note 19)	3,200,000	750,000
Amounts due from associated company	-	10,400
	<u>£3,643,546</u>	<u>£1,193,245</u>

### **12. Creditors due within one year**

	2011 £	Restated 2010 £
Trade creditors	52,539	66,400
Social security and other taxes	11,010	9,641
Accruals	18,672	20,975
Bank overdrafts and loans	67,288	312,778
Loans from related parties (note 19)		
- 6% unsecured loan stock	765,034	765,034
- Other loans	-	24,600
Corporation tax	273,866	-
	<u>£1,188,409</u>	<u>£1,199,428</u>

### **13. Creditors due after more than one year**

	2011 £	Restated 2010 £
Bank loans	1,287,500	4,225,000
Other loans	190,142	257,430
	<u>£1,477,642</u>	<u>£4,482,430</u>
Wholly repayable within five years	1,544,930	4,545,208
Included in current liabilities	(67,288)	(62,778)
	<u>£1,477,642</u>	<u>£4,482,430</u>



# **NEST EGG LIMITED**

## **NOTES ON THE ACCOUNTS**

### **13. Creditors due after more than one year (Continued)**

<b>Loan maturity analysis</b>	<b>£</b>	<b>£</b>
In more than one year but not more than two years	72,124	67,288
In more than two year but not more than five years	1,405,518	4,415,142
	<u>£1,477,642</u>	<u>£4,482,430</u>

Bank borrowings are secured by a fixed charge over various of the Company's property investments

The other loan is secured by a fixed charge over 66 High Street, Ruislip The loan is for a term of 5 years from 20th May 2010 on a reducing balance method

### **14. Financial commitments**

At 31st December 2011 the Company was committed to making the following payments under non-cancellable operating leases in the year to 31st December 2012

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating lease on land and buildings which expire		
In two to five years	-	25,000
In over five years	25,000	-
	<u>£25,000</u>	<u>£25,000</u>

### **15. Called up share capital**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Authorised		
100,000 Ordinary shares of £1 each	<u>£100,000</u>	<u>£100,000</u>
Allotted, issued and fully paid		
8,000 Ordinary shares of £1 each	<u>£8,000</u>	<u>£8,000</u>

### **16. Investment revaluation reserve**

	<b>£</b>
At 1 <sup>st</sup> January 2011 (as originally reported)	1,129,171
Prior year's adjustment	<u>(374,431)</u>
At 1st January 2011 (as restated)	754,740
Revaluation in year	475,000
Realised revaluation surplus transferred to the profit and loss account	<u>(1,060,672)</u>
At 31st December 2011	<u>£169,068</u>

The balance represents unrealised revaluation surpluses and is not available for distribution

# **NEST EGG LIMITED**

## **NOTES ON THE ACCOUNTS**

	<b>Profit and loss account £</b>
<b>17. Statement of movement on reserves</b>	
At 1st January 2011, (as originally reported)	9,149,481
Prior year's adjustment	(94,318)
	<hr/>
At 1st January 2011 (as restated)	9,055,163
Retained profit for the year	1,421,706
Realised revaluation surplus transferred from investment revaluation reserve	1,060,672
	<hr/>
At 31st December 2011	<u><u>£11,537,541</u></u>

	<b>2011 £</b>	<b>2011 £</b>	<b>Restated 2010 £</b>	<b>2010 £</b>
<b>18. Reconciliation of movements in shareholders' funds</b>				
Profit for the year		1,421,706		(42,625)
Other recognised gains (note 16)		475,000		(17,890)
		<hr/>		<hr/>
Net increase in shareholders' funds		1,896,706		(60,515)
Opening shareholders' funds, as originally reported	10,286,652		9,878,418	
Prior year's adjustment	(468,749)			
	<hr/>		<hr/>	
Opening shareholders' funds (as restated)		9,817,903		9,878,418
		<hr/>		<hr/>
Closing shareholders' funds		<u><u>£11,714,609</u></u>		<u><u>£9,817,903</u></u>

## NEST EGG LIMITED

### NOTES ON THE ACCOUNTS

#### 19. Related party transactions

	2011 £	Restated 2010 £
The following were included in		
Debtors (note 11)		
Wonham Properties Limited		
- 6% redeemable unsecured loan stock	250,000	500,000
- Additional loan	2,700,000	-
Clipstone Land Limited		
- 6% redeemable unsecured loan stock	250,000	250,000
	<u>£3,200,000</u>	<u>£750,000</u>
 Creditors due within one year (note 12)		
Miss P F Dean (Shareholder)		
- 6% redeemable unsecured loan stock	765,034	765,034
Loans from directors (shareholders)	-	24,600
	<u>£765,034</u>	<u>£789,634</u>

Three of the Company's shareholders also control Wonham Properties Limited, a company where the Company's directors are also directors. During the year, the Company received £44,735 (2010 - £52,605) in interest from Wonham Properties Limited. The 6% unsecured loan stock issued by Wonham Properties Limited is redeemable by the Company upon demand.

T J G Dean, one of the Company's directors and shareholders, is also a director and majority shareholder of Clipstone Land Limited and a designated member of Clipstone Industrials LLP, Clipstone Industrials 2 LLP, Clipstone Industrials 3 LLP and Clipstone Industrials 5 LLP. During the year, the Company received £15,000 (2010 - £15,000) in interest from Clipstone Land Limited. The 6% unsecured loan stock issued by Clipstone Land Limited is redeemable by the Company upon 3 months notice. The Company also invested £315,000 in Clipstone Interlink Unit Trust and £1,000,000 in Clipstone Industrial Unit Trust. The Company received distributions of £454,833 (2010 - £264,867) in total from the various Clipstone Industrials Investments.

Miss P F Dean received interest on the 6% unsecured loan stock issued by the Company of £45,900 (2010 - £45,899). The unsecured loan stock is repayable upon 3 months notice.

27 Academy Gardens, London W8, an investment property, was rented to J G Dean at a market rent of £100,000 per annum until its sale on 14 September, 2011. From 1st November 2011, 31 Palace Gate, London W8 5LZ, an investment property, was rented to J G Dean at a market rent of £40,000 per annum.

#### 20. Control

In the opinion of the directors there is no single controlling party.

## **NEST EGG LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF NEST EGG LIMITED**

We have audited the financial statements of Nest Egg Limited for the year ended 31st December, 2011 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Chairman's Statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 31st December 2011 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**NEST EGG LIMITED**

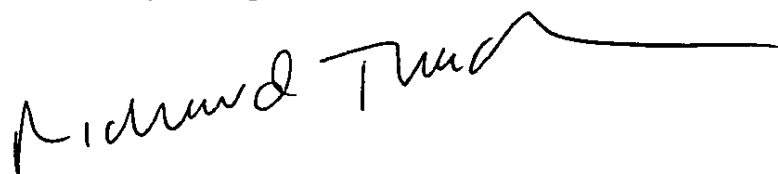
**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF NEST EGG LIMITED (Continued)**

**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 financial statements in accordance with the small companies regime



**Richard Thacker (Senior Statutory Auditor)**  
**for and on behalf of Beavis Morgan Audit Limited**

16/5, 2012

**Chartered Accountants**  
**Statutory Auditor**

82 St John Street  
London  
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