

Registered number: 3197767

NEST INVESTMENTS PROPERTY LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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NEST INVESTMENTS PROPERTY LIMITED

COMPANY INFORMATION

DIRECTORS

G K Abu Nahl
M Eftekhar
R Abu Nahl

COMPANY SECRETARY

R Abu Nahl

COMPANY NUMBER

3197767

REGISTERED OFFICE

Nest Business Park
Martin Road Unit 57
Havant
PO9 6TL

AUDITOR:

Ernst & Young LLP
Registered Auditor
1 More London Place
London SE1 2AF

NEST INVESTMENTS PROPERTY LIMITED

CONTENTS

	Page
Directors' Report	1
Statement of Directors' Responsibilities	2
Independent Auditor's Report	3 – 4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 14
The following pages do not form part of the statutory financial statements	
Detailed Profit and Loss Account and Summaries	15 - 16

NEST INVESTMENTS PROPERTY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended

PRINCIPAL ACTIVITIES

The principal activity of the Company is the renting of property

DIRECTORS

The directors who served during the year were

G K Abu Nahl
R Abu Nahl
M Eftekhar

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 16 of the financial statements

AUDITOR

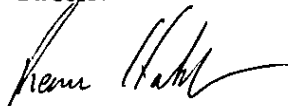
The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

STATUS OF THIS DIRECTORS' REPORT

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 29th May, 2012 and signed on its behalf

R Abu Nahl
Director



NEST INVESTMENTS PROPERTY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2011

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEST INVESTMENTS PROPERTY LIMITED

We have audited the financial statements of Nest Investments Property Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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 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 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 annual report 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 31 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.

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

TJ Leggett

TJ Leggett (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

15 June 2012

NEST INVESTMENTS PROPERTY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTE	2011 £	2010 £
TURNOVER	1,2	495,018	507,724
Administrative expenses		(176,962)	(190,307)
OPERATING PROFIT	3	318,056	317,417
Other Income		60,240	100,460
Interest Payable and similar charges	5	(94,712)	(97,939)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		283,584	319,938
Tax on profit on ordinary activities	6	78	50,841
PROFIT FOR THE FINANCIAL YEAR	14	283,662	370,779

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and Loss Account

The notes on pages 7 to 14 form part of these financial statements

NEST INVESTMENTS PROPERTY LIMITED

Registered number: 3197767

BALANCE SHEET

AS AT 31 DECEMBER 2011

	NOTE	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	7		1,635		2,583
Investment Property	8		4,400,001		4,700,001
			<u>4,401,636</u>		<u>4,702,584</u>
CURRENT ASSETS					
Debtors	9	57,901		56,166	
Cash at bank		257		149	
		<u>58,158</u>		<u>56,315</u>	
CREDITORS: amounts falling due within one year	10	(351,498)		(370,957)	
NET CURRENT LIABILITIES			<u>(293,340)</u>		<u>(314,642)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,108,296</u>		<u>4,387,942</u>
CREDITORS: amounts failing due after more than one year	11		(1,564,504)		(1,827,812)
NET ASSETS			<u>2,543,792</u>		<u>2,560,130</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,000		1,000
Revaluation reserve	14		1,227,459		1,527,459
Profit and loss account	14		1,315,333		1,031,671
SHAREHOLDERS' FUNDS	15		<u>2,543,792</u>		<u>2,560,130</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29th May, 2012

R Abu Nahl

Director



M Eftekhari

Director



The notes on pages 7 to 14 form part of these financial statements.

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with applicable accounting standards

1.2 CASH FLOW

The Company, being a subsidiary undertaking where 100% of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 TURNOVER

Turnover comprises revenue recognised by the Company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	10% straight line
Fixtures & fittings	-	15% straight line
Computer equipment	-	33-50% straight line

1.5 INVESTMENT PROPERTIES

Investment properties are included in the Balance Sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the Company

1.6 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

1.7 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and Loss Account

1.8 GOING CONCERN

The financial statements have been prepared on a going concern basis. The company has net current liabilities as a result of amounts payable within 12 months on loans secured against the tangible fixed assets but sufficient cash is available to meet these obligations as they fall due. The company is financed by a loan from its ultimate holding company and a current account with the immediate parent company. There is no fixed date for repayment of the loan and the directors have confirmed that these amounts will not be called for repayment within 12 months from the date of signing the financial statements.

2. TURNOVER

All turnover arose within the United Kingdom and it relates to rental income earned on the Investment Property.

3. OPERATING PROFIT

The operating profit is stated after charging

	2011	2010
	£	£
Depreciation of tangible fixed assets		
- owned by the company	947	1,464
Auditors' remuneration	6,640	6,050
	<hr/>	<hr/>

During the year, no director received any emoluments (2010 - £NIL)

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

4. STAFF COSTS

Staff costs were as follows

	2011 £	2010 £
Wages and salaries	9,750	9,750
Social security costs	409	517
	<u>10,159</u>	<u>10,267</u>

The average monthly number of employees during the year was as follows:

	2011 No.	2010 No.
Staff	1	1

5. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	19,690	21,875
Interest due to parent company - NIH (Cyprus) Limited	75,022	76,064
	<u>94,712</u>	<u>97,939</u>

6. TAXATION

	2011 £	2010 £
ANALYSIS OF TAX (CREDIT)/CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	-	-
Adjustments in respect of prior periods	-	(51,246)
TOTAL CURRENT TAX	<u>-</u>	<u>(51,246)</u>
DEFERRED TAX		
Capital allowances in excess of depreciation	(236)	315
Effect of change in tax rate on opening balances	158	90
TOTAL DEFERRED TAX (see note 12)	<u>(78)</u>	<u>405</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>(78)</u>	<u>(50,841)</u>

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

6. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2010 – the same as) the standard rate of corporation tax in the UK of 26.5% (2010 – 28%) as set out below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>283,583</u>	<u>319,938</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 – 28%)	75,149	89,583
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	-	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	384	48
Capital allowances for year in excess of depreciation	251	(326)
Overprovision in respect of the previous year as a result of group relief claimed	-	(51,246)
Group relief claimed not paid for	(75,016)	(87,252)
Income not taxable for tax purposes – fixed assets	-	(2,053)
CURRENT TAX (CREDIT) / CHARGE FOR THE YEAR (see note above)	<u>-</u>	<u>(51,246)</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

7. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2011 and 31 December 2011	57,079	102,432	9,192	168,703
DEPRECIATION				
At 1 January 2011	55,832	101,297	8,991	166,120
Charge for the year	312	435	201	947
At 31 December 2011	56,144	101,732	9,192	167,068
NET BOOK VALUE				
At 31 December 2011	935	700	-	1,635
At 31 December 2010	1,247	1,135	201	2,583

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

8. INVESTMENT PROPERTY

	Freehold investment property £
COST	
At 1 January 2011	4,700,001
Less revaluation deficit	(300,000)
At 31 December 2011	<u>4,400,001</u>
COMPRISING	
Cost	3,172,542
Annual revaluation surplus/(deficit)	
Annual revaluation surplus b/fwd	1,227,459
At 31 December 2011	<u>4,400,001</u>

The 2011 valuations were made by Hughes Ellard limited, independent chartered surveyors, on an open market value for existing use basis

As from 1 January 1998 the land and buildings above became investment properties and are included at market value. Accordingly, no depreciation charge is appropriate since that date. The treatment is a departure, for the overriding purpose of giving a true and fair view, from the requirement of the Companies Act 2006 to provide depreciation on any fixed asset which has a limited useful economic life, but is not necessary in order to comply with Statement of Standard Accounting Practice number 19 (SSAP 19). If the departure from the Act had not been made the profit would have been reduced by depreciation amounting to approximately £83,000 (2010 - £83,000). The net book value of the assets would have been £2,259,542 (2010 - £2,342,542). All other tangible fixed assets included at cost less the appropriate depreciation.

If the property was sold at its revalued amount there would be a potential tax liability on the chargeable gain of approximately £nil (2010 - £26,945).

In November 2002 the company agreed that the property at Nest Business Park would be used as collateral for £2 million (2010 - £2 million) to enable its bankers to issue a guarantee to the Corporation of Lloyd's on behalf of another group company, Trust International Insurance and Reinsurance Co BSC(c) Trust Re, on account of Trust Underwriting Limited. A fee of £60,240 (2010 - £100,000) was received for the provision of this security.

9 DEBTORS

	2011 £	2010 £
Trade debtors	50,096	48,889
Prepayments and accrued income	5,587	5,137
Deferred tax asset (see note 12)	2,218	2,140
	<u>57,901</u>	<u>56,166</u>

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

10. CREDITORS:

AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts (see note 11)	170,182	201,530
Amounts owed to group undertakings	16,771	16,771
Corporation Tax	-	-
VAT	21,574	19,095
Other creditors	-	-
Accruals and deferred income	142,971	133,561
	<u>351,498</u>	<u>370,957</u>

The amounts owed to group undertakings, is all due to Market Insurance Brokers Limited, a fellow subsidiary, and relates to taxation paid on behalf of Nest Investments Property Limited

The amount due to the immediate parent company, Nest Investments Holdings (Cyprus) Limited is subject to interest at a rate of 5% (2010 – 5%) fixed on 31 December each year on the principal amount of £1,500,444. There is no fixed date for repayment of the loan and the directors have confirmed that this will not be called for repayment within the next 12 months from the date of signing the financial statements

The bank loan represents a loan from Bank of Scotland repayable at an interest rate of 2.25% (2010 – 2.25%) per annum. The repayment period of the loan is fifteen years (i.e. 180 monthly instalments) from January 2003. The bank loan and overdraft is secured by (a) a first legal charge over Nest Business Park, and (b) an all monies debenture over the whole assets of the Company

11 CREDITORS:

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Bank loans	573,236	663,376
Due to ultimate parent undertaking	163,280	173,471
Due to parent company	827,988	990,965
	<u>1,564,504</u>	<u>1,827,812</u>

Included within the above are amounts falling due as follows

	2011	2010
	£	£
BETWEEN ONE AND FIVE YEARS		
Bank loans	453,378	480,859
OVER FIVE YEARS		
Bank loans	<u>119,858</u>	<u>182,517</u>

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

11. CREDITORS:

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	2011 £	2010 £
Repayable by instalments	119,858	182,517
	<hr/>	<hr/>

The details of the bank loan are in note 10

12. DEFERRED TAX ASSET

	2011 £	2010 £
At beginning of year	2,140	2,545
(Charge for)/released during year	78	(405)
At end of year	<hr/> 2,218	<hr/> 2,140

The deferred tax asset is made up as follows

	2011 £	2010 £
Depreciation in excess of capital allowances	2,218	2,140
	<hr/>	<hr/>

13. SHARE CAPITAL

	2011 £	2010 £
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 Ordinary Shares shares of £1 each	1,000	1,000
	<hr/>	<hr/>

14. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2011	1,527,459	1,031,671
Profit for the year		283,662
Deficit for the year	(300,000)	
At 31 December 2011	<hr/> 1,227,459	<hr/> 1,315,333

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Opening shareholders' funds	2,560,130	2,189,351
Profit for the year	283,662	370,779
Revaluation deficit	(300,000)	
Closing shareholders' funds	2,543,792	2,560,130

16. FINANCIAL RISK MANAGEMENT

The Company does not hold material financial instruments and is therefore not exposed to material financial risk. Regarding liquidity risk, the Company's parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

17. RELATED PARTY TRANSACTIONS

In accordance with the exemption stated in the Financial Reporting Standard No 8, no details are shown of the related party transactions with the Company's parent and fellow subsidiaries in which the parent company holds 100% of the voting rights.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a 100% subsidiary of Nest Investments Holdings (Cyprus) Limited, a Company incorporated in Cyprus. The ultimate holding company is Nest Investments (Holdings) Limited, a company incorporated in Jersey, Channel Islands. The controlling party is Mr. G. K. Abu Nahl.

The accounts of Nest Investments Property Limited are consolidated within the group accounts of Nest Investments (Holdings) Limited. These accounts are available to the public and may be obtained from 107 Fenchurch Street, London, EC3M 5JF.

NEST INVESTMENTS PROPERTY LIMITED

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Page	2011 £	2010 £
Turnover	16	495,018	507,724
Less: Overheads			
Administration expenses	16	(176,962)	(190,307)
Operating profit		318,056	317,417
Other income and interest receivable	16	60,240	100,460
Interest payable	16	(94,712)	(97,939)
Profit before tax		283,584	319,938
Tax		78	50,841
Profit for the year		283,622	370,779

NEST INVESTMENTS PROPERTY LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £	2010 £
Turnover		
Service charge and insurance	72,954	74,221
Rent receivable	422,064	433,503
	<u>495,018</u>	<u>507,724</u>
	2011 £	2010 £
Administration expenses		
Staff salaries	9,750	9,750
Staff national insurance	409	517
Entertainment	-	866
Hotels, travel and subsistence	639	5,405
Printing, stationery and postage	1,328	1,718
Telephone and fax	1,363	1,410
General office expenses	364	533
Legal and professional	12,322	15,585
Auditor's remuneration	6,640	6,050
Auditor's remuneration - non - audit	-	4,043
Rates	-	254
Light and heat	1,840	2,250
Cleaning	1,050	1,906
Insurances	11,143	11,035
Repairs and maintenance	6,137	7,232
Sundry	173	841
Depreciation charge	947	1,464
Accountancy & Data Processing Fees	95,000	91,650
Security	27,478	27,356
IT Expenses	379	442
	<u>176,962</u>	<u>190,307</u>
	2011 £	2010 £
Other income and interest receivable		
Other income	60,240	100,460
	<u>60,240</u>	<u>100,460</u>
	2011 £	2010 £
Interest payable		
Bank loan interest payable	19,690	21,875
Other loan interest payable	75,022	76,064
	<u>94,712</u>	<u>97,939</u>