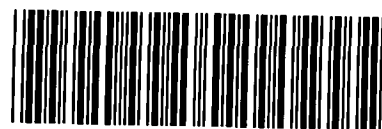


Registered number: 3197767

NEST INVESTMENTS PROPERTY LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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NEST INVESTMENTS PROPERTY LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2016

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NEST INVESTMENTS PROPERTY LIMITED

COMPANY INFORMATION

Directors

Ghazi Abu Nahl
Mehran Eftekhari
Reem Abu Nahl

Company Secretary

Reem Abu Nahl

Company number

3197767

Registered office

Nest Business Park
Martin Road Unit 57
Havant
PO9 6TL

Independent Auditor

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

NEST INVESTMENTS PROPERTY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

INCORPORATION AND PRINCIPAL ACTIVITIES

Nest Investment Property Limited is a private company limited by shares, incorporated in England and Wales under the UK Companies Act, with registration number 3197767. The principal activity of the Company is the renting of property.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Kamel Abu Nahl
Reem Abu Nahl
Mehran Eftekhari

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 17 of the financial statements.

AUDITOR


The auditor, PricewaterhouseCoopers 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 10 July 2017 and signed on its behalf.

Reem Abu Nahl
Director



STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2016

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;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 auditors' report to the members of Nest Investments Property Limited

Report on the financial statements

Our opinion

In our opinion, Nest Investments Property Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.
-

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Marcus Hine (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

10 July 2017

NEST INVESTMENTS PROPERTY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	384,329	427,101
Administrative expenses		(228,385)	(224,306)
Operating profit	5	155,944	202,795
Other Income		89,873	76,213
Interest Payable and similar charges	7	(80,115)	(82,933)
Revaluation gains on investment properties		250,000	250,000
Profit on ordinary activities before taxation		415,702	446,075
Tax expense	8	(347)	(251)
Profit and total comprehensive income for the financial year	16	415,355	445,824

All amounts relate to continuing operations.

The notes on pages 9 to 18 from an integral part of these financial statements.

NEST INVESTMENTS PROPERTY LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

	Share Capital £	Retained Earnings £	Total £
Balance at 1 January 2015	1,000	3,353,572	3,354,572
Total comprehensive income for the year	–	445,824	445,824
Balance at 31 December 2015/ 1 January 2016	1,000	3,799,396	3,800,396
Total comprehensive income for the year	–	415,355	415,355
Balance at 31 December 2016	1,000	4,214,751	4,215,751

The notes on pages 9 to 18 form an integral part of these financial statements.

NEST INVESTMENTS PROPERTY LIMITED


NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

STATEMENT OF FINANCIAL POSITION

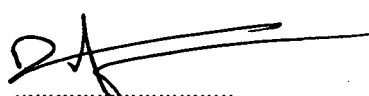
As at 31 December 2016

	Note	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		42		57
Investment Property	10		<u>4,850,000</u>		<u>4,600,000</u>
			<u>4,850,042</u>		<u>4,600,057</u>
CURRENT ASSETS					
Debtors	11	560,619		322,965	
Cash at bank		<u>140</u>		<u>106</u>	
		560,759		323,071	
CREDITORS: amounts falling due within one year	12	<u>(286,741)</u>		<u>(260,195)</u>	
NET CURRENT ASSETS			<u>274,018</u>		<u>62,876</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,124,060</u>		<u>4,662,933</u>
CREDITORS: amounts falling due after than one year	13		<u>(908,309)</u>		<u>(862,537)</u>
NET ASSETS			<u>4,215,751</u>		<u>3,800,396</u>
CAPITAL AND RESERVES					
Share Capital	15		1,000		1,000
Retained Earnings	16		<u>4,214,751</u>		<u>3,799,396</u>
Total Equity			<u>4,215,751</u>		<u>3,800,396</u>

The financial statements on pages 6 to 18 were approved by the Board of Directors on 10 July 2017 and signed on its behalf by:



Reem Abu Nahl
Director



Mehran Eftekhari
Director

The notes on pages 9 to 18 form an integral part of these financial statements.

Notes to the financial statements

1. Incorporation and principal activities

The Company was incorporated on 5 June 1996 as a limited liability private company, limited by shares, in accordance with the provisions of the UK Companies Act of England and Wales, with registration number 3197767. Its registered office is located at Nest Business Park, Martin Road Unit 57, Havant, PO9 6TL. The principal activity of the Company, which remained unchanged since last year, is renting of properties.

The Company is a 100% owned subsidiary of Nest Investments Holdings (Cyprus) Ltd (the "Holding company"). The Holding company was incorporated in Cyprus and its principal activity is the holding of investments. The ultimate holding company of the group is Nest Investments (Holdings) Ltd (the "Ultimate holding company") a company incorporated in Jersey, Channel Islands.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101). The financial statements have been prepared on a going concern basis (Note 2.10) under the historical cost convention, as modified by the revaluation of investment property and in accordance with The Companies Act 2006. These accounting policies have been applied consistently during the year. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- presentation of a cash flow statement and related notes
- disclosures of related party transactions with other owned group companies,
- disclosures in respect of the compensation of key management personnel
- the effects of new IFRSs but not yet effective.

2.2 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.

2.3 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied, exclusive of Value Added Tax, trade discounts and any other taxes. Rental income arising on operating leases is recognised on a straight-line basis over the lease term.

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical 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

2.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.6 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.

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 31 DECEMBER 2016

2. Accounting policies (continued)

2.7 Foreign currencies

The financial statements are presented in Pounds Sterling (£), which is also the Company's functional currency.

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 or valuation where items are re-measured. Exchange gains and losses are recognised in the Statement of Comprehensive Income.

2.8 Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when

- a) the contractual rights to the cash flows from the asset expire or are settled, or
- b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or
- c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

2.9 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Financial liabilities (continued)

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.10 Going concern

The financial statements have been prepared on a going concern basis. The Company is financed through a long-term loan from its immediate parent company (Note 17) and a long-term bank loan. The company has considerable financial resources together with long-term rental contracts with a number of different tenants. In addition, the Company has been profitable since incorporation. As a consequence, the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

3. Turnover

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

4. 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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have the potential risk of causing an adjustment that could be material, within the next financial year are set out below:

(i) *Income taxes*

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

4. Critical accounting estimates and judgements (continued)

(ii) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment, and note 2.4 for the useful economic lives for each class of assets.

(iii) Valuation of investment property

Investment property is stated at fair value based on reports prepared by independent valuers at each reporting date. Depending on the nature of the underlying asset and available market information, the determination of fair value of investment property may require the use of estimates such as future cash-flows from assets and discount rates applicable to those assets. All these estimates are based on local market conditions for each investment, existing at the reporting date. In arriving at their estimates of market values as at and 31 December 2016, the valuers used their market knowledge and professional judgement and did not rely solely on historical comparable transactions. For more details on the assumptions used by the external valuer refer to Note 10.

5. Operating profit

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the Company	16	16
Repairs and maintenance for investment property	18,671	17,061
Security expenses	32,548	30,330
Other property related expenses	59,330	31,127
Audit Fees	<u>7,147</u>	<u>6,516</u>

During the current and previous year, no director received any emoluments for their services to the company.

6. Staff costs

	2016	2015
	£	£
Wages and salaries	<u>9,800</u>	<u>9,800</u>
	<u>9,800</u>	<u>9,800</u>

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

	2016	2015
	No.	No.
Staff	<u>1</u>	<u>1</u>

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

7. Interest payable

	2016	2015
	£	£
On bank loans and overdrafts	4,051	6,869
Interest due to parent company- NIH (Cyprus) Ltd	76,064	76,064
	<u>80,115</u>	<u>82,933</u>

8. Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax at 20% (2015: 20.25%)	-	-
Double taxation relief	-	-
Adjustment in respect of prior periods	-	-
Current tax charge / (credit)	<u>-</u>	<u>-</u>
Deferred Tax		
Origination and reversal of timing differences	206	251
Effect of change in tax rate on opening balances	141	-
Total deferred tax (see note 14)	<u>347</u>	<u>251</u>
Tax on profit on ordinary activities	<u>347</u>	<u>251</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The corporation tax assessed for the year is different from that at the standard rate of corporation tax in the UK of 20% (31 December 2015: 20.25%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	<u>415,702</u>	<u>446,075</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 20% (2015: 20.25%)	83,140	90,330
Effects of:		
Revaluation assessed on a realised basis	(50,000)	(50,625)
Expenses not deductible for tax purposes	1,139	3,479
Rate change adjustments	142	(4)
Group relief claimed not paid for	(34,074)	(42,929)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u>347</u>	<u>251</u>

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

8. Taxation (continued)

A deferred tax asset of £801 (2015: £1,148) in respect of fixed asset timing differences is recognised at the balance sheet date.

On 17 July 2013, legislation was enacted to further reduce the UK corporation tax rate. The new tax rates are 21% for income earned from 1 April 2014 and 20% from 1 April 2015. New legislation was passed on 18 November 2015 to further reduce the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020. Further legislation was introduced in the Finance Bill 2016 to reduce the main rate of corporation tax to 17% from 1 April 2020 (this supersedes the 18% rate). The effect of the reduction to 17% is reflected in the deferred tax asset of £801.

9. Tangible Fixed Assets

	Plant & Machinery £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost or Valuation				
At 1 January 2016	57,079	96,790	1,304	155,173
Write offs	-	(96,717)	(1,304)	(98,021)
Balance at 31 December 2016	57,079	73	-	57,152
Accumulated Depreciation				
Balance 1 January 2016	57,079	96,733	1,304	155,116
Charge for the year	-	16	-	16
Write offs	-	(96,717)	(1,304)	(98,021)
Balance at 31 December 2016	57,079	31	-	57,110
Net book amount				
Balance at 31 December 2016	-	42	-	42
Balance at 31 December 2015	-	57	-	57

10. Investment property

	Freehold Investment Property	
	2016 £	2015 £
At 1 January	4,600,000	4,350,000
Gain on revaluation	250,000	250,000
At 31 December	4,850,000	4,600,000
Comprising		
Cost	3,172,542	3,172,542
Annual revaluation surplus b/fwd	1,427,458	1,177,458
Revaluation gain	250,000	250,000
At 31 December	4,850,000	4,600,000

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

10. Investment property (continued)

The 2016 valuations were made by Hughes Ellard Limited, independent chartered surveyors, on an open market value for existing use basis.

The investment property is situated in Havant, Hampshire and consists of 6 buildings. The valuation of the property was performed under the market comparable approach (level 2) based on the rental value per square meter of actual annual rental value of similar properties. The average rent value used £6.69 per sq.f. and the yield used was 7.5%.

If the property was sold at its revalued amount, no chargeable gain would arise on the transaction, because of the effect of indexation on the initial acquisition cost.

In November 2002 the company agreed that the property at Nest Business Park would be used as collateral for £2.4 million (2015: £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 £72,990 (2015: £61,960) was received for the provision of this security and was recognised as other income in the profit and loss account. An amount of £16,582 in relation to consultancy fees received by Trust International Insurance and Reinsurance Co BSC(c) Trust Re was recognised as other income as well.

11. Debtors

	2016	2015
	£	£
Trade debtors	63,677	82,030
Receivable from ultimate parent company	469,941	220,180
Prepayments and accrued income	26,200	19,607
Deferred tax asset (Note 14)	801	1,148
	<u>560,619</u>	<u>322,965</u>

As of 31 December 2016 trade debtors of £63,677 (2015: £82,030) are fully performing. The receivable from the ultimate parent company is interest free, unsecured and has no specified repayment date.

12. Creditors : Amounts falling due within one year

	2016	2015
	£	£
Bank overdrafts	7,144	29,812
Bank loans	119,959	116,741
VAT	20,413	10,180
Deferred income	109,923	84,962
Accruals	29,302	18,500
	<u>286,741</u>	<u>260,195</u>

Deferred income arises from rentals received in advance.

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

13. Creditors : Amounts falling due after more than one year

	2016	2015
	£	£
Bank loan	–	120,292
Loan due to immediate parent company	<u>908,309</u>	<u>742,245</u>
	<u>908,309</u>	<u>862,537</u>

The loan due to the immediate parent company, Nest Investments Holdings (Cyprus) Limited is subject to a fixed interest rate of 5% (2015: 5%) per annum. The annual interest is calculated on the original principal amount of £1,500,444. The loan was classified as amount falling due after more than one year as the immediate parent company has indicated its intention to request the repayment of the loan payable no earlier than eighteen months after the date of the approval of these financial statements and not upon the repayment date of the loan (1 January 2018).

Included within the above are amounts falling due as follows:

	2016	2015
	£	£
Between one and five years		
Bank loan	<u>–</u>	<u>120,292</u>

14. Deferred Tax Asset

	2016	2015
	£	£
At beginning of the year	1,148	1,399
Profit and loss account charge	<u>(347)</u>	<u>(251)</u>
At end of year	<u>801</u>	<u>1,148</u>

The deferred tax asset consists of:

	2016	2015
	£	£
Fixed asset timing differences	<u>801</u>	<u>1,148</u>

Deferred tax asset are recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable.

15. Share Capital

	2016	2015
	£	£
Authorised, share capital		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Issued and called up share capital		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>

NEST INVESTMENTS PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2016

16. Reserves

	Profit and loss account
	£
At 1 January 2016	3,799,396
Profit for the year	415,355
At 31 December 2016	<u>4,214,751</u>

17. 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 immediate parent company has indicated its intention to request the repayment of the loan payable no earlier than eighteen months after the date of the approval of these financial statements and not upon the repayment date of the loan.

18. Related party transactions

In accordance with the exemption stated in the Financial Reporting Standard 101, paragraph 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.

The Company is a 100% owned subsidiary of Nest Investments Holdings (Cyprus) Ltd (the "Holding company"). The Holding company was incorporated in Cyprus and its principal activity is the holding of investments. The ultimate holding company of the group is Nest Investments (Holdings) Ltd (the "Ultimate holding company") a company incorporated in Jersey, Channel Islands, which is controlled by Mr Ghazi Kamel Abunahl.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Nest Investment (Holdings) Limited. Copies of the consolidated financial statements of Nest Investment (Holdings) Limited are available to the public and may be obtained from 107 Fenchurch Street, London, EC3M 5J.

19. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.