

**Registered number: 3197767**

**NEST INVESTMENTS PROPERTY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**



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# NEST INVESTMENTS PROPERTY LIMITED

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## REPORT AND FINANCIAL STATEMENTS

31 December 2019

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# **NEST INVESTMENTS PROPERTY LIMITED**

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## **COMPANY INFORMATION**

<b>Directors</b>	Reem Abunahl Mehran Eftekhari Sotiris Nicolaides (appointed 15/04/2020) Ghazi Abunahl (resigned 15/04/2020)
<b>Company Secretary</b>	Sotiris Nicolaides
<b>Company number</b>	3197767
<b>Registered office</b>	Nest Business Park Nest Business Park Martin Road Unit 50 Havant , England PO9 5TL
<b>Auditor</b>	PKF Littlejohn LLP Chartered Accountants 15 Westferry Circus Canary Wharf London E14 4HD

# **NEST INVESTMENTS PROPERTY LIMITED**

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## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the audited financial statements for the year ended 31 December 2019.

### **INCORPORATION AND PRINCIPAL ACTIVITIES**

Nest Investments 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:

Reem Abunahl  
Mehran Eftekhari  
Sotiris Nicolaides (appointed 15/04/2020)  
Ghazi Abunahl (resigned 15/04/2020)

### **DIVIDEND**

No dividend has been paid or declared during the year (2018: £NIL)

### **PROVISION OF INFORMATION TO AUDITORS**

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 auditors 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 auditors in connection with preparing its report and to establish that the Company's auditors 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 18 of the financial statements.

The directors also monitor the risks for the Company arising from the continued uncertainty associated with the future economic impact of the UK's exit from the EU.

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of considerable global disruption in business activities and everyday life. The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2019. Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's medium term profitability position.

### **INDEPENDENT AUDITORS**

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

# NEST INVESTMENTS PROPERTY LIMITED

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## **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2019**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

### **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.

The financial statements on pages 7 to 19 were approved by the Board of Directors on 29 June 2020 and signed on its behalf by



Reem Abunahl  
Director

# NEST INVESTMENTS PROPERTY LIMITED

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

### Opinion

We have audited the financial statements of Nest Investments Property Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – impact of COVID-19

We draw attention to the Going Concern paragraph on page 12, which describes the company's consideration of the COVID-19 virus outbreak on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **NEST INVESTMENTS PROPERTY LIMITED**

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### **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF NEST INVESTMENTS PROPERTY LIMITED (CONTINUED)**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **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.

#### **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 in 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 in relation to which 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



# **NEST INVESTMENTS PROPERTY LIMITED**

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## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF NEST INVESTMENTS PROPERTY LIMITED (CONTINUED)**

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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.



**Thomas Seaman (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

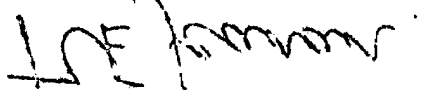
15 Westferry Circus  
Canary Wharf  
London E14 4HD

30 June 2020

30 June 2020

Statutory Auditor  
for and on behalf of PKE (UK) LLP  
Thomas Seaman (Senior Statutory Auditor)

London E14 4HD  
Canary Wharf  
12 Westferry Circus



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

#### Use of our report

forms part of our auditor's report.

Financial Reporting Council's website at: <https://www.frc.org.uk/auditors>. This description  
A further description of our responsibilities for the audit of the financial statements is located on the

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Our objectives are to obtain reasonable assurance about whether the financial statements as a

#### Auditor's responsibilities for the audit of the financial statements

company or to cease operations, or have no realistic alternative but to do so.

using the going concern basis of accounting unless the directors either intend to liquidate the  
ability to continue as a going concern, disclosing, as applicable, matters related to going concern and  
in preparing the financial statements, the directors are responsible for assessing the company's

financial statements that are free from material misstatement, whether due to fraud or error.

and for such internal control as the directors determine is necessary to enable the preparation of  
the preparation of the financial statements and for being satisfied that they give a true and fair view,  
As explained more fully in the directors' responsibilities statement, the directors are responsible for

#### Responsibilities of directors

PROPERLY LIMITED (CONTINUED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST INVESTMENTS

WEST INVESTMENTS PROPERLY LIMITED

## NEST INVESTMENTS PROPERTY LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	5	421,296	401,341
Administrative expenses		(253,709)	(249,706)
Operating profit	6	167,587	151,635
Other Income		36,496	90,537
Interest Payable and similar expenses	8	(76,064)	(76,064)
Revaluation (losses)/gains on investment properties		193,473	206,195
Profit before taxation		321,492	372,303
Income tax expense	9	1,130	(32,284)
Profit for the financial year and total comprehensive income	17	322,622	340,019

All amounts relate to continuing operations.

The notes on pages 10 to 19 form an integral part of these financial statements.

# NEST INVESTMENTS PROPERTY LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Share Capital £	Retained Earnings £	Total £
Balance at 1 January 2018	1,000	4,295,451	4,296,451
Profit for the financial year and total comprehensive	–	340,019	340,019
Balance at 31 December 2018/ 1 January 2019	1,000	4,635,470	4,636,470
Profit for the financial year and total comprehensive	–	322,622	322,622
Balance at 31 December 2019	1,000	4,958,092	4,959,092

The notes on pages 10 to 19 form an integral part of these financial statements.

# NEST INVESTMENTS PROPERTY LIMITED


## STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	10	-	10
Investment Property	11	<u>5,250,000</u>	<u>5,000,000</u>
		<b>5,250,000</b>	<b>5,000,010</b>
<b>CURRENT ASSETS</b>			
Debtors	12	<b>808,972</b>	840,428
Cash at bank and in hand		<u>90,576</u>	<u>129</u>
		<b>899,548</b>	<b>840,557</b>
CREDITORS: amounts falling due within one year	13	<u>(183,955)</u>	<u>(193,660)</u>
<b>NET CURRENT LIABILITIES</b>		<b>715,593</b>	<b>646,897</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,965,593</b>	<b>5,646,907</b>
CREDITORS: amounts falling due after than one year	14	<u>(1,006,501)</u>	<u>(1,010,437)</u>
<b>NET ASSETS</b>		<b>4,959,092</b>	<b>4,636,470</b>
<b>CAPITAL AND RESERVES</b>			
Called up share Capital	16	<b>1,000</b>	1,000
Retained Earnings	17	<u>4,958,092</u>	<u>4,635,470</u>
<b>Total Equity</b>		<b>4,959,092</b>	<b>4,636,470</b>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 29 June 2020 and signed on its behalf by:

  
 Reem Abunahl  
 Director

  
 Mehran Eftekhari  
 Director

**Registered number: 3197767**

The notes on pages 10 to 19 form an integral part of these financial statements.

# NEST INVESTMENTS PROPERTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019

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### 1. Incorporation and principal activities

The Company was incorporated on 13 May 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 Nest Business Park, Martin Road Unit 50, Havant, England, PO9 5TL. 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 have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101, "Reduced Disclosure Framework – Disclosure exemptions from EU-adopted IFRS for qualifying entities" ("FRS 101") and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, except for investment property, which is carried at fair value through profit and loss, and in accordance with applicable accounting standards in the United Kingdom.

IFRS 16 is the new accounting standards adopted by the Company in the year however the changes introduced by these standards did not have a quantitative impact on the financial statements. The accounting policies used are otherwise consistent with the prior year financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101.

The requirements of IAS 7 *Statement of Cash Flows*

The requirements of Paragraph 17 of IAS 24 *Related Party Transactions*

The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The requirements of Paragraphs 134 to 136 of IAS 1 *Presentation of Financial Statements*

The requirements of Paragraphs 10(d), 10(f), 16 and 111 of IAS 1 *Presentation of Financial Statements*

The requirements of Paragraphs 30 and 31 of IAS 8 *"Accounting policies, changes in accounting estimates and errors"* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but not yet effective)

#### 2.2 Turnover

Turnover comprises rental income and service charge income recognised by the Company, exclusive of Value Added Tax, and any lease incentives. Rental income arising on leases is recognised on a straight-line basis over the lease term.

passed over the 1996 term.

Value Added Tax, and any 1996 incentives. Rental income arising on 1996 is recognised on a straight-line turnover comprises rental income and service charge income recognised by the Company, exclusive of

## 5.5 Turnover

has been issued but not yet effective)

and errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that

the requirements of paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates

the requirements of paragraphs 10(d), 10(f), 1e and 11 of IAS 1 Presentation of Financial Statements

the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements

is wholly owned by such a member.

between two or more members of a group, provided that any subsidiary which is a party to the transaction

the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into

the requirements of paragraph 11 of IAS 24 Related Party Transactions

the requirements of IAS 1 Statement of Cash Flows

financial statements, in accordance with IFRS101.

The following exemptions from the requirements of IFRS have been applied in the preparation of these

accounting policies used are otherwise consistent with the prior year financial statements.

introduced by these standards did not have a quantitative impact on the financial statements. The

IFRS 1e is the new accounting standards adopted by the Company in the year however the changes

accounting standards in the United Kingdom.

property, which is carried at fair value through profit and loss, and in accordance with applicable

the financial statements have been prepared under the historical cost convention, except for investment

EU-adopted IFRS for dual-listing entities" ("IFRS 101") and the Companies Act 2006.

including financial reporting standard 101, "Reduced Disclosure Framework – Disclosure exemptions from

these financial statements have been prepared in compliance with United Kingdom Accounting Standards.

## 5.1 Basis of preparation of financial statements

### 5. Accounting policies

holding company") a company incorporated in Jersey, Channel Islands.

investments. The ultimate holding company of the group is West Investments (Holdings) Ltd (the "ultimate

company"). The holding company was incorporated in Cyprus and its principal activity is the holding of

the company is a 100% owned subsidiary of West Investments Holdings (Cyprus) Ltd (the "holding

is renting of properties.

Havant, England, PO9 2TL. The principal activity of the company, which remained unchanged since last year,

3733327. Its registered office is located at West Business Park West Business Park, Martin Road Unit 20,

accordance with the provisions of the UK Companies Act of England and Wales, with registration number

the company was incorporated on 13 May 1996 as a limited liability private company, limited by shares, in

### 1. Incorporation and principal activities

## **NEST INVESTMENTS PROPERTY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019**

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#### **2.3 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

#### **2.4 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 Council.

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 Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

#### **2.5 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 probable 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 enacted, or substantively enacted, by the end of the reporting period and are expected to be effective at the time the timing differences are expected to reverse.

#### **2.6 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. Exchange gains and losses are recognised in the Profit and Loss Account.



### Loss Account

the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and Exchange Account at the balance sheet date. Transactions in foreign currencies are translated into sterling at Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of currency.

The financial statements are presented in pounds sterling (£), which is also the Company's functional

### 5.1 Foreign currencies

expected to reverse.

end of the reporting period and are expected to be effective at the time the timing differences are Deferred tax assets and liabilities are calculated at the tax rates enacted, or substantively enacted, by the

taxable profits from which the future reversal of the underlying timing differences can be deducted.

A net deferred tax asset is recognised only if it can be regarded as probable that there will be sufficient

recognition of gains and losses in the financial statements and recognition in the tax computation.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the

### 5.2 Deferred taxation

adjustment up to the date of change in use.

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

income statement in the period of derecognition.

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

applying a valuation model recommended by the International Valuation Standards Council.

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

### 5.4 Investment properties

Computer equipment	-	33-20% straight line
Fixtures & fittings	-	12% straight line
Plant & machinery	-	10% straight line

expected useful lives on the following bases:

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

### 5.3 Tangible fixed assets and depreciation

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019

## WEST INVESTMENTS PROPERTY LIMITED

## **NEST INVESTMENTS PROPERTY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019**

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#### **2.7 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.

#### **2.8 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.

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.

#### **2.9 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. 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. Management has also considered the unique circumstances and the risk exposures of the Company to the COVID-19 pandemic and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for any action in case the period of distribution becomes prolonged. Overall, the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

# NEST INVESTMENTS PROPERTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019

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### 3. Turnover

All turnover arose within the United Kingdom and it relates to rental income and service charge 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.

#### (ii) *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 2019, 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 11.

### 5. Turnover

	2019	2018
	£	£
Rental Income	<u>421,296</u>	<u>401,341</u>
	<u>421,296</u>	<u>401,341</u>

Rental income from investment property is booked on a straight line basis over the lease term.

All rental income arises from investment properties at Nest Business Park in the United Kingdom.

All rental income arises from investment properties at West Business Park in the United Kingdom.

Rental income from investment property is booked on a straight line basis over the lease term.

	2019	2018
Rental income	£ 507	£ 507

## 2. Turnover

assumptions used by the external valuer refer to Note 11.

Judgement and did not rely solely on historical comparable transactions. For more details on the market values as at and 31 December 2019, the valuers used their market knowledge and professional market conditions for each investment, existing at the reporting date. In arriving at their estimates of flows from assets and discount rates applicable to those assets. All these estimates are based on local determination of fair value of investment property may require the use of estimates such as future cash-reports date. Depending on the nature of the underlying asset and available market information, the investment property is stated at fair value based on reports prepared by independent valuers at each

### (iii) Valuation of investment property

which such determination is made.

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

### (i) Income taxes

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

factors, including expectations of future events that are believed to be reasonable under the estimates and judgements are continually evaluated and are based on historical experience and other

### 4. Critical accounting estimates and judgements

earned on the investment property.

All turnover arose within the United Kingdom and it relates to rental income and service charge income

## 3. Turnover

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019

WEST INVESTMENTS PROPERTY LIMITED

**NEST INVESTMENTS PROPERTY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019**

**6. Operating profit**

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the Company	10	16
Repairs and maintenance	6,656	9,789
Security expenses	37,041	35,341
Other property related expenses	53,802	37,574
Audit Fees - under-accrual from 2017 paid to PwC LLP	-	6,124
2019/2018 fees payable to PKF Littlejohn LLP	<u>4,853</u>	<u>7,200</u>

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

**7. Staff costs**

	2019	2018
	£	£
Wages and salaries	<u>11,513</u>	<u>11,100</u>
	<u>11,513</u>	<u>11,100</u>

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

	2019	2018
	No.	No.
Staff	<u>1</u>	<u>1</u>

**8. Interest payable and similar charges**

	2019	2018
	£	£
Interest due to parent company- NIH (Cyprus) Ltd	<u>76,064</u>	<u>76,064</u>
	<u>76,064</u>	<u>76,064</u>

**NEST INVESTMENTS PROPERTY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019**

**9. Income tax expense**

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax at 19% (2018: 19%)	–	32,885
Double taxation relief	–	–
Adjustment in respect of prior periods	(1,226)	(717)
<b>Current tax (credit) / charge</b>	<u>(1,226)</u>	<u>32,168</u>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	96	116
Effect of change in tax rate on opening balances	–	–
<b>Total deferred tax (see note 15)</b>	<u>96</u>	<u>116</u>
<b>Tax on profit on ordinary activities</b>	<u>(1,130)</u>	<u>32,284</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 19% (31 December 2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>321,492</u>	<u>372,303</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 19% (2018: 19%)	61,083	70,738
<b>Effects of:</b>		
Revaluation assessed on a realised basis	(36,759)	(39,177)
Expenses not deductible for tax purposes	–	1,454
Adjustments to tax charge in respect of prior year	(1,226)	(717)
Rate change adjustments	(12)	(14)
Group relief (claimed) for nil payment	(24,216)	–
<b>TAX (CREDIT)/CHARGE FOR THE YEAR (see note above)</b>	<u>(1,130)</u>	<u>32,284</u>

A deferred tax asset of £446 (2018: £542) in respect of fixed asset timing differences is recognised at the balance sheet date.

On 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020. The deferred tax balances included within the accounts have been calculated with reference to the rate of 17%, as required under FRS 101. However, following the substantive enactment of the rate of 19%, it is anticipated that the reversal of timing differences will occur at this rate. The increase in the corporation tax rate does not have a material impact on the deferred tax asset.

**NEST INVESTMENTS PROPERTY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019**

**10. Tangible Assets**

	Plant & Machinery £	Fixtures and Fittings £	Total £
<b>Cost or Valuation</b>			
At 1 January 2019	57,079	73	57,152
Write offs	-	-	-
<b>Balance at 31 December 2019</b>	<b>57,079</b>	<b>73</b>	<b>57,152</b>
<b>Depreciation</b>			
Balance 1 January 2019	57,079	63	57,142
Charge for the year	-	10	10
Write offs	-	-	-
<b>Balance at 31 December 2019</b>	<b>57,079</b>	<b>73</b>	<b>57,152</b>
<b>Net book amount</b>			
<b>Balance at 31 December 2019</b>	-	-	-
Balance at 31 December 2018	-	10	10

**11. Investment property**

	Freehold Investment Property	
	2019 £	2018 £
<b>Cost</b>		
At 1 January	5,000,000	4,700,000
Subsequent expenditure	56,527	93,805
Gain/(loss) on revaluation	193,473	206,195
<b>At 31 December</b>	<b>5,250,000</b>	<b>5,000,000</b>
<b>Comprising</b>		
Cost	3,322,874	3,266,347
Annual revaluation surplus b/fwd	1,733,653	1,527,458
Revaluation (loss)/gain	193,473	206,195
<b>At 31 December</b>	<b>5,250,000</b>	<b>5,000,000</b>

The 2019 valuations were made by Vail Williams LLP, 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 £7.96 per sq.f. and the yield used was 7.33%.

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

# NEST INVESTMENTS PROPERTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019

In November 2002 the company agreed that the property at Nest Business Park would be used as collateral for £2.9 million (2018 - £2.9 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. The collateral was cancelled on 26 June 2019. A fee of £36,495 (2018 - £72,990) was received for the provision of this security and was recognised as other income in the profit and loss account.

### 12. Debtors

	2019	2018
	£	£
Trade debtors	100,478	104,927
Receivable from ultimate parent company	666,574	726,257
Corporation tax debtor	24,549	-
Prepayments and accrued income	16,925	8,702
Deferred tax asset (Note 15)	446	542
	<u>808,972</u>	<u>840,428</u>

As of 31 December 2019 trade debtors of £100,478 (2018: £104,927) are fully performing. The receivable from the ultimate parent company is interest free, unsecured and has no specified repayment date.

### 13. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Bank overdrafts	-	66,003
VAT	18,537	9,273
Deferred income	128,054	81,770
Accruals	37,364	28,131
Corporation tax	-	8,483
	<u>183,955</u>	<u>193,660</u>

Deferred income arises from rentals received in advance. The Bank overdraft is secured against the property of the company, Nest Business Park.

### 14. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Loan due to immediate parent company	1,006,501	1,010,437
	<u>1,006,501</u>	<u>1,010,437</u>

The loan due to the immediate parent company, Nest Investments Holdings (Cyprus) Limited is subject to a fixed interest rate of 5% (2018: 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 2020).



# **NEST INVESTMENTS PROPERTY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019**

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### **18. 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.

### **19. 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.

### **20. Parent Undertaking and controlling party**

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. The company's ultimate controlling party was Mr Ghazi Abunahl at 31 December 2019 and Barbara Family Ltd as at the date of this report.

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.

### **21. Events after the reporting period**

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures.

Industries such as tourism, hospitality and entertainment are expected to be directly disrupted significantly by these measures. Other industries such as manufacturing, insurance and financial services are expected to be indirectly affected and their results to also be negatively affected. The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2019. Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for any action in case the period of distribution becomes prolonged.

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

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closely and will assess the need for any action in case the period of distribution becomes prolonged.

Immediate material impact on the business operations. Management will continue to monitor the situation there is no significant impact in the Company's profitability position. The event is not expected to have an impact considered the various circumstances and the risk exposures of the Company and has concluded that measurement of the assets and liabilities in the financial statements as at 31 December 2020. Management the event is considered as a non-adjusting event and is therefore not reflected in the recognition and

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#### 31. Events after the reporting period

London, EC3N 2J.

investment (Holding) limited are available to the public and may be obtained from 107 Fenchurch Street, statements is West Investment (Holding) limited. Copies of the consolidated financial statements of West The ultimate parent undertaking and the smallest and largest group to consolidate these financial

entity was Mr. Ghazi Arshad at 31 December 2020 and Barbara Family Ltd as at the date of this report.

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

#### 30. Parent undertaking and controlling entity

parent company holds 100% of the voting rights.

are shown of the related party transactions with the Company's parent and fellow subsidiaries in which the in accordance with the exemption stated in the Financial Reporting Standard 101, paragraph 8, no details

#### 19. Related party transactions

to meet its obligations as they fall due.

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#### 18. Financial Risk Management

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2020

WEST INVESTMENTS PROPERTY LIMITED