

**Registered number: 3197767**

**NEST INVESTMENTS PROPERTY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

WEDNESDAY



\*L7JNG6SP\*

LD5

28/11/2018

#70

COMPANIES HOUSE

# NEST INVESTMENTS PROPERTY LIMITED

---

## REPORT AND FINANCIAL STATEMENTS

31 December 2017

<b>CONTENTS</b>	<b>PAGE</b>
COMPANY INFORMATION .....	1
DIRECTORS' REPORT .....	2
STATEMENT OF DIRECTORS' RESPONSIBILITIES .....	3
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS.....	4
STATEMENT OF COMPREHENSIVE INCOME .....	6
STATEMENT OF CHANGES IN EQUITY .....	7
STATEMENT OF FINANCIAL POSITION .....	8
NOTES TO THE FINANCIAL STATEMENTS.....	9

# **NEST INVESTMENTS PROPERTY LIMITED**

---

## **COMPANY INFORMATION**

<b>Directors</b>	Ghazi Abu Nahl Mehran Eftekhari Reem Abunahl
<b>Company Secretary</b>	Reem Abunahl
<b>Company number</b>	3197767
<b>Registered office</b>	Nest Business Park Nest Business Park Martin Road, Unit 50 Havant, England PO9 5TL
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

# **NEST INVESTMENTS PROPERTY LIMITED**

---

## **DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

### **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:

Ghazi Abu Nahl  
Reem Abunahl  
Mehran Eftekhari

### **DIVIDEND**

No dividend has been paid or declared during the year (2016: £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.

### **INDEPENDENT AUDITORS**

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

# **NEST INVESTMENTS PROPERTY LIMITED**

---

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

FOR THE YEAR ENDED 31 DECEMBER 2017

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 6 to 19 were approved by the Board of Directors on 21<sup>st</sup> November 2018 and signed on its behalf by



Reem Abunahl  
Director

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEST INVESTMENTS PROPERTY LIMITED**

## **Report on the audit of the financial statements**

---

### **Opinion**

In our opinion, Nest Investments Property Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

---

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

---

### **Conclusions relating to going concern**

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

---

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### *Auditors' 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 auditors' 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

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.

---

## **2.1 Other required reporting**

### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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.



Siobhan Byrne (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
21<sup>st</sup> November 2018

## NEST INVESTMENTS PROPERTY LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	5	404,204	384,329
Administrative expenses		(167,391)	(228,385)
<b>Operating profit</b>	6	<b>236,813</b>	155,944
Other Income		90,757	89,873
Interest Payable and similar expense	8	(77,416)	(80,115)
Revaluation (losses)/gains on investment properties		(150,000)	250,000
<b>Profit before taxation</b>		<b>100,154</b>	415,702
Income tax expense	9	(19,454)	(347)
<b>Profit for the financial year and total comprehensive income</b>	17	<b>80,700</b>	<b>415,355</b>

All amounts relate to continuing operations.

The notes on pages 9 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 2017

	Share Capital £	Retained Earnings £	Total £
Balance at 1 January 2016	1,000	3,799,396	3,800,396
Profit for the financial year and total comprehensive	–	415,355	415,355
Balance at 31 December 2016/ 1 January 2017	1,000	4,214,751	4,215,751
Profit for the financial year and total comprehensive	–	80,700	80,700
Balance at 31 December 2017	1,000	4,295,451	4,296,451

The notes on pages 9 to 19 form an integral part of these financial statements.


# NEST INVESTMENTS PROPERTY LIMITED


## STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	10	26	42
Investment Property	11	4,700,000	4,850,000
		<u>4,700,026</u>	<u>4,850,042</u>
<b>CURRENT ASSETS</b>			
Debtors	12	673,567	560,619
Cash at bank and in hand		193	140
		<u>673,760</u>	<u>560,759</u>
CREDITORS: amounts falling due within one year	13	(167,962)	(286,741)
<b>NET CURRENT ASSETS</b>		<u>505,798</u>	<u>274,018</u>
<b>TOTAL ASSETS LESS CURRENT ASSETS</b>		<u>5,205,824</u>	<u>5,124,060</u>
CREDITORS: amounts falling due after than one year	14	(909,373)	(908,309)
<b>NET ASSETS</b>		<u>4,296,451</u>	<u>4,215,751</u>
<b>CAPITAL AND RESERVES</b>			
Called up share Capital	16	1,000	1,000
Retained Earnings	17	4,295,451	4,214,751
<b>Total Equity</b>		<u>4,296,451</u>	<u>4,215,751</u>

The financial statements on pages 6 to 19 were approved by the Board of Directors on 21<sup>st</sup> November 2018 and signed on its behalf by:

  
 Reem Abunahl  
 Director

  
 Mehran Eftekhari  
 Director

The notes on pages 9 to 19 form an integral part of these financial statements.

## **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 were prepared in accordance with The Companies Act 2006 as applicable to companies using FRS 101. The financial statements have been prepared under the reduced disclosure requirements of FRS 101.

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.

These accounting policies adopted are consistent with those of the previous financial year. The following exceptions 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 Paragraph 134 to 136 of IAS 1 *Presentation of Financial Statements*

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

The requirements of the Paragraph 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 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. Accounting policies (continued)**

### **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.

### **2.4 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

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

### **2.6 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

**2. Accounting policies (continued)**

**2.6 Deferred taxation (continued)**

timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

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

**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.

**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 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.

*(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 10 for the carrying amount of the property plant and equipment, and note 2.4 for the useful economic lives for each class of assets.

# NEST INVESTMENTS PROPERTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2017

---

### 4. Critical accounting estimates and judgments (continued)

#### (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 2017, 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

	2017	2016
	£	£
Rental Income	<u>404,204</u>	<u>384,329</u>
	<u>404,204</u>	<u>384,329</u>

Rental income is received predominantly from short-term lets which are booked on a straight line basis throughout the duration of the lease.

All rental income is arising from the United Kingdom.

### 6. Operating profit

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

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the Company	16	16
Repairs and maintenance	(48,748)	18,671
Security expenses	33,704	32,548
Other property related expenses	48,999	59,330
Audit Fees	<u>5,858</u>	<u>7,147</u>

The Company has received a refund amounting to £48,748 from prior customer due not compliance according to the rental agreement.

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

**NEST INVESTMENTS PROPERTY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2017**

**7. Staff costs**

	2017	2016
	£	£
Wages and salaries	12,000	9,800
	<u>12,000</u>	<u>9,800</u>

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

	2017	2016
	No.	No.
Staff	1	1
	<u>1</u>	<u>1</u>

**8. Interest payable and similar expenses**

	2017	2016
	£	£
On bank loans and overdrafts	1,352	4,051
Interest due to parent company- NIH (Cyprus) Ltd	76,064	76,064
	<u>77,416</u>	<u>80,115</u>

**9. Income tax expense**

	2017	2016
	£	£
<b>Current tax</b>		
UK corporation tax at 19.25% (2016: 20%)	19,311	-
Double taxation relief	-	-
Adjustment in respect of prior periods	-	-
<b>Current tax charge / (credit)</b>	<u>19,311</u>	<u>-</u>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	143	206
Effect of change in tax rate on opening balances	-	141
Total deferred tax (see note 15)	<u>143</u>	<u>347</u>
<b>Tax on profit on ordinary activities</b>	<u>19,454</u>	<u>347</u>



**NEST INVESTMENTS PROPERTY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2017**

**9. Income tax expense (continued)**

**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 19.25% (31 December 2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit before taxation	<u>100,154</u>	<u>415,702</u>
Profit before taxation multiplied by the standard rate of corporation tax of 19.25% (2016 20%)	19,280	83,140
<b>Effects of:</b>		
Revaluation assessed on a realised basis	28,875	(50,000)
Expenses not deductible for tax purposes	-	1,139
Rate change adjustments	(22)	142
Group relief claimed not paid for	<u>(28,679)</u>	<u>(34,074)</u>
<b>CURRENT TAX CHARGE FOR THE YEAR (see note above)</b>	<u>19,454</u>	<u>347</u>

A deferred tax asset of £658 (2016: £801) in respect of fixed asset timing differences is recognised at the balance sheet date.

New legislation was passed on 18 November 2015 to further reduce the UK corporation tax rate to 19% from 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 £658.

**10. Tangible Assets**

	Plant & Machinery £	Fixtures and Fittings £	Total £
<b>Cost or Valuation</b>			
At 1 January 2017	57,079	73	57,152
Write offs	-	-	-
<b>Balance at 31 December 2017</b>	<u>57,079</u>	<u>73</u>	<u>57,152</u>
<b>Depreciation</b>			
Balance 1 January 2017	57,079	31	57,110
Charge for the year	-	16	16
Write offs	-	-	-
<b>Balance at 31 December 2017</b>	<u>57,079</u>	<u>47</u>	<u>57,126</u>
<b>Net book amount</b>			
<b>Balance at 31 December 2017</b>	<u>-</u>	<u>26</u>	<u>26</u>
<b>Balance at 31 December 2016</b>	<u>-</u>	<u>42</u>	<u>42</u>

**NEST INVESTMENTS PROPERTY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2017**

**11. Investment property**

	<b>Freehold Investment Property</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 January	4,850,000	4,600,000
(Loss)/gain on revaluation	<u>(150,000)</u>	<u>250,000</u>
<b>At 31 December</b>	<b><u>4,700,000</u></b>	<b><u>4,850,000</u></b>
<b>Comprising</b>		
Cost	3,172,542	3,172,542
Annual revaluation surplus b/fwd	1,677,458	1,427,458
Revaluation (loss)/gain	<u>(150,000)</u>	<u>250,000</u>
<b>At 31 December</b>	<b><u>4,700,000</u></b>	<b><u>4,850,000</u></b>

The 2017 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 £7.21 per sq.f. and the yield used was 7.25%.

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.

In November 2002 the company agreed that the property at Nest Business Park would be used as collateral for £2.9 million (2016 - £2.4 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 (2016 - £72,990) was received for the provision of this security and was recognised as other income in the profit and loss account. An amount of £17,767 in relation to consultancy fees received by Trust International Insurance and Reinsurance Co BSC(c) Trust Re was recognised as other income as well.

**12. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	51,361	63,677
Receivable from ultimate parent company	607,431	469,941
Prepayments and accrued income	14,117	26,200
Deferred tax asset (Note 15)	<u>658</u>	<u>801</u>
	<b><u>673,567</u></b>	<b><u>560,619</u></b>

As of 31 December 2017 trade debtors of £51,361 (2016: £63,677) are fully performing. The receivable from the ultimate parent company is interest free, unsecured and has no specified repayment date.

**NEST INVESTMENTS PROPERTY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2017**

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

	2017	2016
	£	£
Bank overdrafts	15,174	7,144
Bank loans (Note 14)	–	119,959
VAT	19,337	20,413
Deferred income	87,002	109,923
Accruals	27,138	29,302
Corporation tax	19,311	–
	<u>167,962</u>	<u>286,741</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**

	2017	2016
	£	£
Loan due to immediate parent company	909,373	908,309
	<u>909,373</u>	<u>908,309</u>

The loan due to the immediate parent company, Nest Investments Holdings (Cyprus) Limited is subject to a fixed interest rate of 5% (2016: 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:

	2017	2016
	£	£
<b>Between one and five years</b>		
Loan due to immediate parent company	<u>–</u>	<u>–</u>

**15. Deferred Tax Asset**

	2017	2016
	£	£
At beginning of the year	801	1,148
Profit and loss account charge	(143)	(347)
At end of year	<u>658</u>	<u>801</u>

The deferred tax asset consists of:

	2017	2016
	£	£
Fixed asset timing differences	<u>658</u>	<u>801</u>

### 15. Deferred Tax Asset (continued)

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

### 16. Called up share Capital

	2017 £	2016 £
<b>Authorised, issued and called up share capital</b>		
1,000 (2016: 1,000) Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 17. Retained earnings

	Retained earnings £
At 1 January 2017	4,214,751
Profit for the financial year	<u>80,700</u>
<b>At 31 December 2017</b>	<u><b>4,295,451</b></u>

### 18. Financial Risk Management

The Company does not hold material financial instruments and is therefore not exposed to material financial risk.

### 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, 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.

**21. 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.