

NICON DEVELOPMENTS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED
31 DECEMBER 2003



Horwath Clark Whitehill

Horwath Clark Whitehill LLP

Chartered Accountants

St Bride's House, 10 Salisbury Square

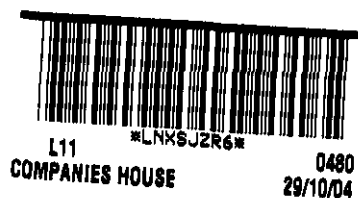
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NICON DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO NICON DEVELOPMENTS LIMITED
Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts of Nicon Developments Limited for the year ended 31 December 2003 set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 December 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with s.247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF AUDIT OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

Narsutt Chel Whitehill & Co

Chartered Accountants
and Registered Auditors

25 New Street Square
London
EC4A 3LN

Date: 22 October 2004

NICON DEVELOPMENTS LIMITED

ABBREVIATED BALANCE SHEET
As at 31 December 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible fixed assets	2	1,136,228	1,192,519
Investments	3	3,136	3,136
		<u>1,139,364</u>	<u>1,195,655</u>
CURRENT ASSETS			
Stocks		3,236,404	3,190,046
Debtors		73,542	53,890
Cash at bank		-	2,524
		<u>3,309,946</u>	<u>3,246,460</u>
CREDITORS: amounts falling due within one year	4	<u>(3,517,569)</u>	<u>(3,384,406)</u>
NET CURRENT LIABILITIES		<u>(207,623)</u>	<u>(137,946)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>931,741</u>	<u>1,057,709</u>
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Revaluation reserve		635,549	681,949
Other reserves		243,245	243,245
Profit and loss account		52,847	132,415
SHAREHOLDERS' FUNDS		<u>931,741</u>	<u>1,057,709</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 28 October 2004 and signed on its behalf.

Director

The notes on pages 3 to 4 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 2003

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover consists of income derived from the sale of land and property, exclusive of Value Added Tax where relevant.

1.3 Tangible fixed assets and depreciation

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

Plant and equipment	-	15% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% straight line
Office equipment	-	10% straight line

1.4 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

1.5 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold and gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.6 Pensions

The company contributes to the Nicholas Holdings Retirement Benefit Scheme, a defined contribution scheme, and any pension charge for the year represents contributions made to the scheme during the year.

1.7 Investment properties

Investment properties are revalued annually and the aggregate surplus and deficit is transferred to the investment property revaluation reserve. No depreciation is provided in respect of investment properties. This constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic useful lives but is necessary to enable the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount that might otherwise have been shown can not be separately identified or quantified.

1.8 Investments

The investments are held for the long term and are stated at cost less provision for any permanent diminution in value.

1.9 Stocks and work in progress

Stocks include work in progress and land held for development and are stated at the lower of cost and net realisable value. Cost includes the purchase price of raw materials and labour.

NICON DEVELOPMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 2003

2. TANGIBLE FIXED ASSETS

	£
Cost or valuation	
At 1 January 2003	1,204,261
Additions	650
Disposals	(55,300)
	<u>1,149,611</u>
At 31 December 2003	<u>1,149,611</u>
Depreciation	
At 1 January 2003	11,742
Charge for the year	1,641
	<u>13,383</u>
At 31 December 2003	<u>13,383</u>
Net book value	
At 31 December 2003	<u>1,136,228</u>
At 31 December 2002	<u>1,192,519</u>

3. FIXED ASSET INVESTMENTS

	£
Cost	
At 1 January 2003 and 31 December 2003	<u>3,136</u>

4. CREDITORS

At 31 December 2003 the company had secured liabilities in respect of its bank loans and overdrafts amounting to £2,080,645 (2002 - £1,931,733).

5. SHARE CAPITAL

	2003 £	2002 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>