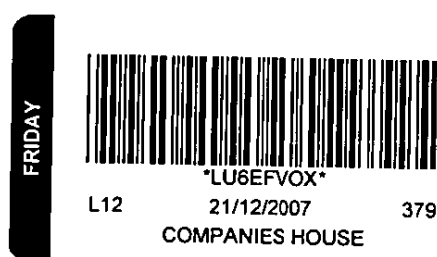


## NICON DEVELOPMENTS LIMITED

### ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006



 **Horwath Clark Whitehill**

Horwath Clark Whitehill LLP  
*Chartered Accountants*  
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**NICON DEVELOPMENTS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO NICON DEVELOPMENTS LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts of Nicon Developments Limited for the year ended 31 December 2006 set out on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with section 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 of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

**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 5 have been properly prepared in accordance with those provisions.

*Horwath Clark Whitehill LLP*

**Horwath Clark Whitehill LLP**

Chartered Accountants  
and Registered Auditors

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

Date *20 December 2007*

**NICON DEVELOPMENTS LIMITED**

**ABBREVIATED BALANCE SHEET  
AS AT 31 DECEMBER 2006**

	Note	£	2006 £	£	2005 £	£
<b>FIXED ASSETS</b>						
Tangible fixed assets	2		3,941,561		3,117,427	
Investments	3		3,136		3,136	
			<u>3,944,697</u>		<u>3,120,563</u>	
<b>CURRENT ASSETS</b>						
Stocks		2,561,103		2,065,732		
Debtors		485,702		180,044		
		<u>3,046,805</u>		<u>2,245,776</u>		
<b>CREDITORS:</b> amounts falling due within one year		<u>(5,148,910)</u>		<u>(3,110,523)</u>		
<b>NET CURRENT LIABILITIES</b>			<u>(2,102,105)</u>		<u>(864,747)</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,842,592</u>		<u>2,255,816</u>	
<b>PROVISIONS FOR LIABILITIES</b>						
Deferred tax			<u>(10,792)</u>		<u>(85,716)</u>	
<b>NET ASSETS</b>			<u>1,831,800</u>		<u>2,170,100</u>	
<b>CAPITAL AND RESERVES</b>						
Called up share capital	4		100		100	
Revaluation reserve			1,197,803		1,201,117	
Profit and loss account			633,897		968,883	
<b>SHAREHOLDERS' FUNDS</b>			<u>1,831,800</u>		<u>2,170,100</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 and authorised for issue by the board and were signed on its behalf on

18/12/07

Director



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## NICON DEVELOPMENTS LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

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#### 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 January 2005).

##### 1.2 Turnover

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

##### 1.3 Investments

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

##### 1.4 Tangible fixed assets and depreciation

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

Investment properties	-	0%
Plant and equipment	-	15% straight line
Fixtures and fittings	-	10% straight line
Office equipment	-	10% straight line

##### 1.5 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

##### 1.6 Deferred taxation

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

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

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

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

Deferred tax assets and liabilities are not discounted

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## NICON DEVELOPMENTS LIMITED

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### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 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

##### 1.8 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.

##### 1.9 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.

#### 2. TANGIBLE FIXED ASSETS

	£
<b>Cost or valuation</b>	
At 1 January 2006	3,133,649
Additions	832,916
Disposals	(11,000)
Revaluation surplus/(deficit)	3,447
	<hr/>
At 31 December 2006	3,959,012
	<hr/>
<b>Depreciation</b>	
At 1 January 2006	16,222
Charge for the year	1,229
	<hr/>
At 31 December 2006	17,451
	<hr/>
<b>Net book value</b>	
At 31 December 2006	3,941,561
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At 31 December 2005	3,117,427
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**NICON DEVELOPMENTS LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

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**3. INVESTMENTS**

	<b>£</b>
<b>Cost or valuation</b>	
At 1 January 2006 and 31 December 2006	<b>3,136</b>

**4. SHARE CAPITAL**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<b>100</b>	<b>100</b>

**5. SECURED LIABILITIES**

At 31 December 2006 the company had secured liabilities of £858,215 (2005 - £2,118,308)