

NICON DEVELOPMENTS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



NICON DEVELOPMENTS LIMITED
REGISTERED NUMBER: 00897640

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	3	6,184	11,236
Investments	4	1,000	1,000
Investment property	5	3,142,695	3,178,695
		<u>3,149,879</u>	<u>3,190,931</u>
Current assets			
Stocks	6	2,339,453	1,841,372
Debtors: amounts falling due within one year	7	80,275	43,910
Cash at bank and in hand	8	197,402	39,787
		<u>2,617,130</u>	<u>1,925,069</u>
Creditors: amounts falling due within one year	9	(3,536,070)	(3,190,205)
Net current liabilities		<u>(918,940)</u>	<u>(1,265,136)</u>
Total assets less current liabilities		<u>2,230,939</u>	<u>1,925,795</u>
Provisions for liabilities			
Deferred tax	10	(300,000)	(300,000)
		<u>(300,000)</u>	<u>(300,000)</u>
Net assets		<u><u>1,930,939</u></u>	<u><u>1,625,795</u></u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		1,930,839	1,625,695
		<u><u>1,930,939</u></u>	<u><u>1,625,795</u></u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2017.



A C Nicholas
Director

The notes on pages 3 to 12 form part of these financial statements.

NICON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

The company is a private limited company (limited by shares), domiciled in England and Wales. The company's registered office is 45 Silver Street, Enfield, EN1 3EF. The company's principal activity continues to be that of property development and investment. During the year the company had, including directors, an average of 3 employees (2015 - 3).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the first time adoption of FRS 102 is given in the final note to these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

The directors consider the going concern basis to be appropriate having paid due regard to the company's projected results for the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of bank facilities and mitigating actions that can be taken during that period.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rental income

Revenue from a lease or licence to occupy is recognised in the period in which the rent falls due in accordance with the terms of the lease or licence as adjusted by deferred or accrued income where the rental periods under the lease or licence are not co-terminous with the financial year when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the company will receive the consideration due under the lease or licence.

Sale of property

Revenue from the sale of property is recognised when all of the following conditions are satisfied:

- . there has been exchange of contracts and completion on the sale;
- . the amount of revenue can be measured reliably;
- . it is probable that the company will receive the consideration due under the transaction; and
- . the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NICON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

	-	15% straight line
	-	10% straight line
	-	10% straight line
Motor vehicles	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.5 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable properties, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of income and retained earnings.

2.6 Valuation of investments

Investments in other unlisted undertakings where market value cannot be reliably determined are stated at historic cost less impairment.

2.7 Stocks

Stocks include land acquisition and development costs and are stated at the lower of cost and net realisable value. Development costs include the purchase of raw materials and labour.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its estimated selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Pensions

The company is one of two employers who can contribute to the Nicholas Holdings Executive Pension Scheme which is an approved scheme. The pension charge represents any amounts paid by the company to the fund in the year.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. TANGIBLE FIXED ASSETS

	Other fixed assets £
Cost	
At 1 January 2016	31,053
At 31 December 2016	<u>31,053</u>
Depreciation	
At 1 January 2016	19,817
Charge for the year on owned assets	5,052
At 31 December 2016	<u>24,869</u>
Net book value	
At 31 December 2016	<u>6,184</u>
At 31 December 2015	<u>11,236</u>

4. Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2016	1,000
At 31 December 2016	<u>1,000</u>
Net book value	
At 31 December 2016	<u>1,000</u>
At 31 December 2015	<u>1,000</u>

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5. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	3,178,695
Deficit on revaluation	(36,000)
At 31 December 2016	3,142,695

The fair value investment property reserve at 31 December 2016 (included within the profit and loss account reserve) was £1,852,744 (2015 - £1,888,744). The fair value decrease in the year was £36,000 (2015 - increase £1,960).

The 2016 valuations were made by A C Nicholas B Sc (Estate Management), a director of the company, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	2015 £
Historic cost	989,951	989,951

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Stocks

	2016 £	2015 £
Land and development costs	<u>2,339,453</u>	<u>1,841,372</u>

7. Debtors

	2016 £	2015 £
Trade debtors	24,736	4,237
Other debtors	32,256	30,372
Prepayments and accrued income	23,283	9,301
	<u>80,275</u>	<u>43,910</u>

8. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>197,402</u>	<u>39,787</u>

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	3,255	8,655
Corporation tax	43,500	-
Other taxation and social security	6,524	4,351
Other creditors	3,379,314	3,113,409
Accruals and deferred income	103,477	63,790
	<u>3,536,070</u>	<u>3,190,205</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Deferred taxation

	2016 £	2015 £
At beginning of year	300,000	300,000
At end of year	300,000	300,000

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Investment property at fair value	300,000	300,000

11. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

12. Related party transactions

Nicholas Holdings Limited ("NHL") is a company controlled by members of the Nicholas family. Included within the income statement for the year are net charges payable to NHL of £149,568 (2015 - £2,947) and at 31 December 2016 the company owed NHL £3,015,875 (2015 - £2,747,595). The remainder of the movement in the amount owed to NHL during the year was a combination of fund transfers and cost recharges. The amount owed to NHL is included within other creditors. There are no fixed terms in respect of this liability and it is therefore repayable on demand.

A H Nicholas ("AHN") is a director of the company. During the year there was a net decrease in the loan account of AHN of £974. The amount owed to AHN at the year end was £Nil (2015 - £974).

Genotin Developments Limited ("Genotin") is a company also owned and controlled by the Nicholas family. During the year the company repaid £1,500 to Genotin. At 31 December 2016 £160,064 was owed to Genotin by the company (2015 - £161,564).

A C Nicholas Properties LLP ("the LLP") is an LLP whose members are the company, NHL and various members of the Nicholas family. Included within fixed asset investments is the company's £1,000 (2015 - £1,000) investment in the LLP.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Controlling parties

The company was controlled by members of the Nicholas family during the year and subsequently.

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14. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 January 2015 £	Effect of transition 1 January 2015 £	FRS 102 (as restated) 1 January 2015 £	As previously stated 31 December 2015 £	Effect of transition 31 December 2015 £	FRS 102 (as restated) 31 December 2015 £
Fixed assets	3,192,301	-	3,192,301	3,190,931	-	3,190,931
Current assets	1,877,616	-	1,877,616	1,925,069	-	1,925,069
Creditors: amounts falling due within one year	(3,064,766)	-	(3,064,766)	(3,190,205)	-	(3,190,205)
Net current liabilities	(1,187,150)	-	(1,187,150)	(1,265,136)	-	(1,265,136)
Total assets less current liabilities	2,005,151	-	2,005,151	1,925,795	-	1,925,795
Provisions for liabilities	-	(300,000)	(300,000)	-	(300,000)	(300,000)
Net assets	2,005,151	(300,000)	1,705,151	1,925,795	(300,000)	1,625,795
Capital and reserves	2,005,151	(300,000)	1,705,151	1,925,795	(300,000)	1,625,795

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**NOTES TO THE FINANCIAL STATEMENTS
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14. First time adoption of FRS 102 (continued)

	<i>As previously stated 31 December 2015 £</i>	<i>Effect of transition 31 December 2015 £</i>	FRS 102 (as restated) 31 December 2015 £
Turnover	142,724	-	142,724
Cost of sales	(23,588)	-	(23,588)
	<u>119,136</u>	<u>-</u>	<u>119,136</u>
Administrative expenses	(234,303)	-	(234,303)
Other operating income	15,916	1,960	17,876
	<u>(99,251)</u>	<u>1,960</u>	<u>(97,291)</u>
Operating profit	(99,251)	1,960	(97,291)
Interest payable and similar charges	(5,488)	-	(5,488)
Taxation	23,423	-	23,423
	<u>(81,316)</u>	<u>1,960</u>	<u>(79,356)</u>
Loss on ordinary activities after taxation and for the financial year	(81,316)	1,960	(79,356)

Explanation of changes to previously reported profit and equity:

1 In accordance with FRS 102 Section 1A investment properties are valued at fair value and any movements in fair value in the year are now shown in the income statement. The £1,960 increase in other operating income for 2015 reflects the fair value movement in that year. Deferred tax based on the realisation of the fair value of investment properties at each year end date is also now provided in the financial statements. The £300,000 reduction of net assets shown in the statement of financial position of the company reflects the estimated deferred tax payable as at the transition date of 1 January 2015. There was no change in this estimate as at 31 December 2015 and hence no income statement affect in that year.