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Company Registration No. 06391022 (England and Wales)

NOVED INVESTMENT ONE LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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NOVED INVESTMENT ONE LIMITED

COMPANY INFORMATION

Directors	P J Tolhurst W E F Samuel W R C Foyle C M Foyle
Secretary	W E F Samuel
Company number	06391022
Registered office	Third Floor Marlborough House Victoria Road South Chelmsford Essex CM1 1LN
Accountants	RSM UK Tax and Accounting Limited Chartered Accountants Marlborough House Victoria Road South Chelmsford Essex CM1 1LN

NOVED INVESTMENT ONE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	3		700,779		1,444,767
Investment properties	4		35,000,000		28,000,000
Investments	5		97		-
			35,700,876		29,444,767
Current assets					
Debtors	6	323,015		2,497,124	
Cash at bank and in hand		135,598		276,195	
		458,613		2,773,319	
Creditors: amounts falling due within one year	7	(621,889)		(342,818)	
Net current (liabilities)/assets			(163,276)		2,430,501
Total assets less current liabilities			35,537,600		31,875,268
Creditors: amounts falling due after more than one year	8		(12,316,976)		(16,391,853)
Provisions for liabilities			(1,410,361)		(451,581)
Net assets			21,810,263		15,031,834
Capital and reserves					
Called up share capital	10		11,501,150		10,001,150
Fair value reserve	11		11,107,151		5,165,832
Profit and loss reserves	11		(798,038)		(135,148)
Total equity			21,810,263		15,031,834

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

Company Registration No. 06391022

NOVED INVESTMENT ONE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 18/5/17 and are signed on its behalf by:

....

P J Tolhurst

Director

1 Accounting policies

Company information

Noved Investment One Limited is a private company limited by shares incorporated in England and Wales. The registered office is Third Floor, Marlborough House, Victoria Road South, Chelmsford, Essex, CM1 1LN.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

First time adoption of FRS 102

These financial statements are the first financial statements of Noved Investment One Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Noved Investment One Limited for the year ended 31 December 2015 were prepared in accordance with previous FRSSE 2015.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from FRSSE 2015. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Specifically in relation to derivative financial instruments, whereby directors have taken advantage of the exemption from restating the comparative information to comply with the fair value measurements required by Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' as these derivative financial instruments were not previously measured at fair value. Instead, these have been adjusted in the current financial year to opening equity and the comparative information prepared under the existing accounting policy. Other adjustments are recognised directly in equity at the transition date and are detailed in note 12.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents property rental income receivable, excluding VAT.

1 Accounting policies (Continued)

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	Straight line over 3 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Investment properties
Investment properties are initially measured at cost, which includes the purchase cost and any directly attributable expenditure and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in the Income Statement.

Fixed asset investments
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets
At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (Continued)

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets
Basic financial assets, which include trade and other debtors and loans to fellow group companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets
Derivatives, including interest rate caps are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors and bank loans, 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 payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1 Accounting policies (Continued)

Other financial liabilities
Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement.

Borrowings
Borrowings are initially measured at the transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

2 Employees

There were no employees in the current or prior period.

3 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2016	2,167,150
Disposals	(64,814)
At 31 December 2016	2,102,336
Depreciation and impairment	
At 1 January 2016	722,383
Depreciation charged in the year	700,779
Eliminated in respect of disposals	(21,605)
At 31 December 2016	1,401,557
Carrying amount	
At 31 December 2016	700,779
At 31 December 2015	1,444,767

4 Investment property

	2016
	£
Fair value	
At 1 January 2016	28,000,000
Fair value gain	7,000,000
At 31 December 2016	35,000,000

Investment property comprises freehold buildings. The fair value of the investment property has been arrived at on a basis of a valuation carried out by the directors, by reference to market evidence of transaction prices for similar properties and in conjunction with professional independent external valuers.

5 Fixed asset investments

	2016	2015
	£	£
Investments	97	-

Fixed asset investments are measured at cost less impairment.

5 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2016	-
Additions	97
At 31 December 2016	97
Carrying amount	
At 31 December 2016	97
At 31 December 2015	-

6 Debtors

Amounts falling due within one year:	2016 £	2015 £
Trade debtors	-	66,362
Amounts due from group undertakings	321,860	-
Other debtors	1,155	2,430,762
	323,015	2,497,124

Other debtors includes financial instruments at fair value through profit or loss as more fully described in the financial instruments note.

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	83,015	-
Trade creditors	127,501	118,267
Other taxation and social security	18,551	25,209
Other creditors	392,822	199,342
	621,889	342,818

Other creditors includes financial instruments at fair value through profit or loss as more fully described in the financial instruments note.

8 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	12,316,976	12,500,000
Other creditors	-	3,891,853
	12,316,976	16,391,853

The bank loan is secured on the company's freehold property in favour of Lloyds Bank Plc.

9 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,155	-
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	220,806	-

As at 31 December 2016 the company had entered into interest rate swap and interest rate cap agreements to manage its exposure to interest rate movements on its bank borrowings. The fair values of these agreements are based on the assumptions and computations supplied by the providers.

10 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
11,501,150 Ordinary of £1 each	11,501,150	10,001,150

Reconciliation of movements during the year:

	Number
At 1 January 2016	10,001,150
Issue of fully paid shares	1,500,000
At 31 December 2016	11,501,150

During the year, 800,000 shares with a nominal value of £1 each were issued for a total cash consideration of £800,000.

In addition, 700,000 shares with a nominal value of £1 each were issued in consideration for outstanding debt of £700,000.

11 Reserves

	Fair value reserve £	Profit and loss reserve £
Balance at 1 January 2016	5,165,832	(135,148)
<u>Adjustments to opening equity on transition:</u>		
Fair value of derivatives	-	(200,499)
Deferred tax on derivatives	-	36,090
	5,165,832	(299,557)
Profit for the year	-	5,657,861
Dividends	-	(215,023)
Transfers	5,941,319	(5,941,319)
Balance at 31 December 2016	11,107,151	(798,038)

12 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 January 2015 £	31 December 2015 £
Equity as reported under FRSSE 2015	10,347,889	15,448,415
Adjustments arising from transition to FRS 102:		
Deferred tax on investment property	-	(416,581)
Equity reported under FRS 102	10,347,889	15,031,834

Reconciliation of (loss)/profit for the financial period

	2015 £
Loss as reported under FRSSE 2015	(381,886)
Adjustments arising from transition to FRS 102:	
Investment property revaluation	5,582,413
Deferred tax on investment property	(416,581)
Profit reported under FRS 102	4,783,946

Notes to reconciliations on adoption of FRS 102

Investment property revaluation
Under FRS 102 the fair value gains on investment properties are shown in the income statement rather than directly in reserves under FRSSE 2015. This has led to an increase in the reported profit for the year ended 31 December 2015 of £5,582,413.

Under FRSSE 2015, no deferred tax was recognised on the revalued investment properties. However under FRS 102, deferred tax shall be recognised on most timing differences. Therefore a deferred tax liability of £416,581 was recognised on investment properties held at valuation at 31 December 2015.

12 Reconciliations on adoption of FRS 102 (Continued)

Financial instruments

Under FRSSE 2015 fair value gains and losses on interest rate caps and interest rate swaps were disclosed, but not recognised. Under FRS 102, these instruments are recognised as financial assets or liabilities through the profit or loss. As the company has taken the exemption not to restate the comparative year for the recognition of the interest rate cap and interest rate swap on transition to FRS 102, the fair value of the interest rate cap of £13,206 was recognised as an asset and the fair value of the interest rate swap of £213,705 was recognised as a liability at 1 January 2016.

Under FRSSE 2015, no deferred tax was recognised on derivative financial instruments. However, under FRS 102, deferred tax shall be recognised on most timing differences. Therefore, a deferred tax liability of £2,377 on the interest rate swap and a deferred tax asset of £38,467 on the interest rate cap were recognised at 1 January 2016.

Therefore the opening reserves at 1 January 2016 are lower than the reported closing reserves at 31 December 2015 by £164,409.