

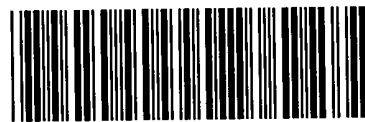
NSB Retail No. 2 Limited

Directors' report and financial statements

Registered number 1449940

Year ended 31 December 2015

MONDAY



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

Review of the business

The company is non-trading.

A summary of the results for the year is contained in the profit and loss account on page 4. The business and assets of the company's principal operations were sold in 2003.

Results and dividends

The retained profit for the year was £919,551 (2014: £2,475).

The directors do not recommend the payment of a dividend (2014: £nil).

Principal risks and uncertainties

The company is dependent on its related companies for continued financial support. The directors are satisfied that the financial support will be available when required.

Directors

The following directors held office during the year and subsequently:

J Ireland (resigned on 2 June 2015)

YH Cheung (resigned on 2 June 2015)

R Clark (resigned on 2 June 2015)

D Baum (appointed on 1 June 2015)

M Bentler (appointed on 1 June 2015)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with the Companies Act 2006 a resolution proposing the appointment of RSM UK Audit LLP as Auditor will be put to the members.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.



M Bentler

Director

Statement of directors' responsibilities

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 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

By order of the board



M Bentler
Director

20-22 Bedford Row
London
WC1R 4JS

Independent Auditors' Report to the Members of
NSB Retail No. 2 Ltd
(Registration number: 1449940)

We have audited the financial statements on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.



Nicholas Davies (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Profit and loss account
for the year ended 31 December 2015

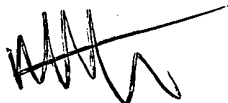
	<i>Note</i>	2015 £	2014 £
Other operating income	5	919,551	2,475
Profit on ordinary activities before taxation		919,551	2,475
Tax on profit on ordinary activities	6	-	-
Profit for the year		919,551	2,475

Balance sheet
At 31 December 2015

	<i>Note</i>	2015 £	2014 £
Debtors: amounts falling due within one year	7	2	-
Creditors: amounts falling due within one year	8		(919,549)
Net current assets (liabilities)		<u>2</u>	<u>(919,549)</u>
Net assets (liabilities)		<u>2</u>	<u>(919,549)</u>
Capital and reserves			
Called up share capital	9	2	20,000
Profit and loss account	10	-	(939,549)
Shareholders' equity (deficit)	11	<u>2</u>	<u>(919,549)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 4 to 11 were approved by the board of directors and authorised for issue on 19 October 2016 and are signed on its behalf by:



M Bentler
Director

The notes on pages 6 to 11 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2015), "the FRSSE".

The directors have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. The company retains the support of its ultimate parent company which has confirmed it will continue to provide support for a period of at least 12 months from the date of approving the financial statements. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Post-retirement benefits

The company participates in the immediate holding company's pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company in an independently administered fund. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by the FRSSE, has provided disclosures in relation to the scheme as a whole (see note 13).

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Audit fees

The audit fees of £750 for the current year (2014: £750) are borne by NSB Retail Systems Limited, an intermediate parent company of the company.

3 Directors' emoluments and benefits

The directors received no remuneration for services to this company (2014: £nil).

4 Staff numbers and costs

There were no employees during the year (2014: nil).

Notes (continued)

5 Other operating income

	2015 £	2014 £
Exceptional items:		
Recovery of provisions on amounts owed by group undertakings	55,046,004	-
Release of debt received from group undertakings	919,569	2,475
Release of debt provided to group undertakings	(55,046,022)	-
	<u>919,551</u>	<u>2,475</u>

6 Taxation

	2015 £	2014 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustments for prior years	-	-
	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	-	-
	<u>-</u>	<u>-</u>

At 31 December 2015 there are unrecognised deferred tax assets of £390,000 (2014: £409,000) relating to non-trade losses. These tax assets have not been recognised as the likelihood of them being used is remote.

Notes (continued)

7 Debtors: Amounts falling due within one year

	2015 £	2014 £
Amounts owed by Group undertakings:		
• <i>NSB Retail Systems Limited</i>	2	-
	<u>2</u>	<u>-</u>

8 Creditors: Amounts falling due within one year

	2015 £	2014 £
Amounts owed to Group undertakings:		
• <i>NSB Retail Systems Limited</i>	-	809,064
• <i>NSB Retail Solutions Limited</i>	-	110,485
	<u>-</u>	<u>919,549</u>

Notes (continued)

9 Share capital

	2015 £	2014 £
Allotted, issued and fully paid 20,000 ordinary shares of £0.0001 each (2014: 20,000 ordinary shares of £1 each)	2	20,000

On 1 June 2015 the company undertook a capital reduction from £20,000 to £2 by reducing its capital from 20,000 ordinary shares of £1 each to 20,000 ordinary shares of £0.0001 each.

10 Statement of movement on reserves

	Profit and loss Account £
Deficit at beginning of year	(939,549)
Capital reduction (note 9)	19,998
Net result for the financial year	919,551
Profit and loss account at end of year	-

11 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	919,551	2,475
Net addition to shareholders' funds	919,551	2,475
Opening shareholders' deficit	(919,549)	(922,024)
Closing shareholders' equity/(deficit)	2	(919,549)

12 Related parties

The company has taken advantage of the exemption under FRSSE (January 2015) from reporting transactions with companies under 100% common control.

Notes (continued)

13 Pension scheme

Certain employees of the company were eligible to join the pension scheme of the company. The company operates a defined benefit scheme, providing benefits based on final pensionable salary. The plan participants are no longer employed by the NSB group. On 8 August 2011, NSB Retail Systems Limited, the company's intermediate parent company, entered into an agreement guaranteeing all present and future obligations and liabilities of the scheme and recognised the net liability for the defined benefit obligation. The assets of this scheme are held separately from those of the company, being invested with an insurance company. Since the company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis, as mentioned in Note 1 – *Post-retirement benefits*, the following disclosures relate to the scheme as a whole.

The latest valuation of the defined benefit scheme was performed as at 30 September 2015. The present value of the benefits that had accrued to members was £5,043,000 and the value of the scheme's assets was £5,172,000 at that date; this value represented 102.6% of the latest actuarial valuation of the benefits that had accrued to members.

As of 1 March 1997 the defined benefit pension scheme has been closed to new entrants.

The pension charges for the current year and the prior year were borne by fellow group undertakings.

Funded status

	2015	2014	2013	2012	2011
	£000	£000	£000	£000	£000
Present value of funded obligations	5,043	5,202	4,865	4,788	4,267
Fair value of plan assets	(5,172)	(4,817)	(4,344)	(4,032)	(3,613)
Funded status (asset)/liability for defined benefit obligation at valuation date	(129)	385	521	756	654
<i>Adjustments for material changes since valuation date:</i>					
Additional company contributions	(68)	(67)	(68)	(68)	(68)
Estimated additional return on plan assets	-	-	-	-	(128)
Adjusted funded status (asset)/liability for defined benefit obligation (recognised in group accounts 31 December)	(197)	318	453	688	458

Since July 2007, the Group had been funding this liability by contributing £12,419 per month to the plan. With effect from March 2010 the Group has been funding this liability by contributing £22,543 per month to the plan.

Movements in present value of defined benefit obligation

	1 October 2014 - 30 September 2015 £000	1 October 2013 - 30 September 2014 £000	1 October 2012 - 30 September 2013 £000
At beginning of period	5,202	4,865	4,788
Current service cost	-	-	-
Interest cost	194	206	188
Actuarial (gains) losses	(177)	271	61
Benefits paid	(176)	(140)	(172)
At end of period	5,043	5,202	4,865

Notes (continued)

13 Pension scheme (continued)

Movements in fair value of plan assets

	1 October 2014 - 30 September 2015 £000	1 October 2013 - 30 September 2014 £000	1 October 2012 - 30 September 2013 £000
At beginning of period	4,817	4,344	4,032
Actual return on plan assets	260	342	213
Contributions by the Group	271	271	271
Benefits paid	(176)	(140)	(172)
	<hr/>	<hr/>	<hr/>
At end of period	5,172	4,817	4,344
	<hr/>	<hr/>	<hr/>

The scheme has no active members and is not admitting new members.

Principal actuarial assumptions used to calculate the liability for defined benefit obligation at the balance sheet date (expressed as weighted averages):

	30 September 2015	30 September 2014	30 September 2013
Discount rate	3.80%	3.80%	4.30%
Expected return on plan assets	4.00%	4.40%	4.75%
Future pension increases	1.90%	2.10%	2.20%

The fair value of the plan assets and the return on those assets were as follows:

	30 September 2015	30 September 2014	30 September 2013
	Fair value	Fair value	Fair value
	£000	£000	£000
Equity	1,280	1,263	1,177
Bonds	3,583	3,239	2,802
Property	306	269	252
Cash	3	46	113
	<hr/>	<hr/>	<hr/>
	5,172	4,817	4,344
	<hr/>	<hr/>	<hr/>

The expected long-term rate of return on assets assumption is chosen based on the facts and circumstances that existed at the measurement date, and the mix of assets held at that date.

In valuing the liabilities of the pension fund at 30 September 2015, mortality assumptions have been made based on recent mortality tables and considering the year of birth of the individuals in the plan.

Notes *(continued)*

14 Controlling parties

The immediate parent company is NSB Retail, a company incorporated in England and Wales.

Following the restructuring of Epicor Software Corporation's Retail Solutions Group on June 1, 2015, the ultimate parent company, and the smallest and largest group to consolidate these financial statements, is Aptos (Cayman) LP, a company incorporated in the Cayman Islands.

The directors do not consider there to be an ultimate controlling party.

15 Post balance sheet event

On 12 September 2016 the Company pledged its assets as security under a credit agreement entered into by a group company, Aptos UK Holding No. 2 Limited. The amount outstanding under the credit agreement exceeds the Company's total assets.