

NOS 6 Limited

Registered number 06188983

Directors' report and financial statements

For the year ended 30 September 2012

FRIDAY



A29INTW1

A22

31/05/2013

#387

COMPANIES HOUSE

NOS 6 Limited
Registered number: 06188983
Directors' report and financial statements
For the year ended 30 September 2012
Contents

	Page
Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	2
Independent auditor's report to the members of NOS 6 Limited	3-4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8-13

NOS 6 Limited

Registered number: 06188983

Directors' Report

For the year ended 30 September 2012

The directors present their report and the financial statements for the year ended 30 September 2012

Principal activity and business review

The principal activity of the company is to receive rental income from its investment properties

During the year the company continued to manage its property portfolio

On 11 May 2007 the company joined the UK Real Estate Investment Trust (REIT) regime. Election to the REIT regime gives tax exempt status in respect of rental profits generated from the exempt property investment business and capital gains tax on the sale of investment properties provided certain conditions are met.

A description of the principal risks and uncertainties relevant to the company is given in the parent company's Annual Report.

Results and dividends

The company's profit before taxation amounted to £653,692 (2011 £6,614) and profit after taxation amounted to £653,692 (2011 £6,614).

The directors do not recommend the payment of a dividend (2011 £Nil).

Directors

The directors who held office during the year were as follows:

ME Riley

NJ Gregory

VA Whitehouse

All of the directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Going concern

The directors have considered the current position and outlook for the company and are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to the auditor

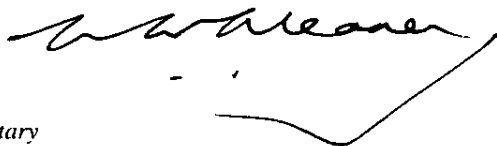
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the Board

WA Heaney
Company Secretary



6th Floor
Palladium House
1-4 Argyll Street
London
W1F 7TA
22 January 2013

NOS 6 Limited

Registered number: 06188983

Statement of directors' responsibilities in respect of the directors' report and the financial statements for the year ended 30 September 2012

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of NOS 6 Limited

We have audited the financial statements of NOS 6 Limited for the year ended 30 September 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 explained more fully 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 30 September 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, 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.

Independent auditor's report to the members of NOS 6 Limited *(continued)*

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



JD Leech (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

22 January 2013

NOS 6 Limited
Registered number: 06188983
Profit and Loss Account
for the year ended 30 September 2012

	Notes	2012 £	2011 £
Turnover	1	2,130,956	1,740,519
Cost of sales		-	(824)
Gross profit		<u>2,130,956</u>	<u>1,739,695</u>
Property operating expenses		(562,095)	(635,514)
Other operating income		2,608	156
Impairment of investment properties		-	(313,557)
Operating profit		<u>1,571,469</u>	<u>790,780</u>
Profit on the disposal of investment properties		(28,872)	10,617
Interest receivable		110	235
Interest payable	4	(889,015)	(795,018)
Profit on ordinary activities before taxation	3	<u>653,692</u>	<u>6,614</u>
Tax on profit on ordinary activities	5	-	-
Profit for the financial year		<u><u>653,692</u></u>	<u><u>6,614</u></u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

NOS 6 Limited**Registered number: 06188983****Statement of total recognised gains and losses
for the year ended 30 September 2012**

	Notes	2012 £	2011 £
Profit for the financial year		653,692	6,614
Unrealised deficit on revaluation of investment properties	6	(1,389,398)	(171,988)
Total recognised gains and losses related to the year		<u>(735,706)</u>	<u>(165,374)</u>

NOS 6 Limited
Registered number: 06188983
Balance Sheet
as at 30 September 2012

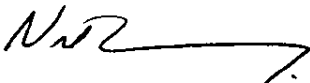
	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	6	29,847,000	23,811,000
Current assets			
Debtors	7	19,911,549	15,906,201
Cash at bank and in hand		<u>497,532</u>	<u>435,673</u>
		20,409,081	16,341,874
Creditors: amounts falling due within one year	8	(28,672,983)	(23,481,037)
Net current liabilities		<u>(8,263,902)</u>	<u>(7,139,163)</u>
Total assets less current liabilities		<u>21,583,098</u>	<u>16,671,837</u>
Creditors: amounts falling due after more than one year	9	(19,887,427)	(14,240,460)
Net assets		<u>1,695,671</u>	<u>2,431,377</u>
Capital and reserves			
Called up share capital	11	6,750,000	6,750,000
Revaluation reserve	12	(4,610,450)	(3,333,468)
Profit and loss account	13	(443,879)	(985,155)
Shareholder's funds	14	<u>1,695,671</u>	<u>2,431,377</u>

These financial statements were approved by the board of directors on 22 January 2013 and were signed on its behalf by

ME Riley
Director



NJ Gregory
Director



NOS 6 Limited
Registered number: 06188983
Notes to the financial statements
for the year ended 30 September 2012

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 in accordance with applicable Accounting Standards and under the historical cost accounting rules, modified to include the revaluation of investment properties. As is more fully explained in the accounting policy for investment properties, the true and fair override provisions of the Companies Act 2006 have been invoked.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, "Accounting for investment properties", investment properties are revalued twice a year at open market values. Surpluses and deficits arising and the aggregate surplus or deficit is transferred to the revaluation reserve except that any permanent diminution in value of an investment property is taken to the profit and loss account for the year. No depreciation is provided in respect of investment properties.

This treatment may be a departure from the requirements of the Companies Act 2006 concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic depreciation would be inappropriate. The accounting policy adopted is, therefore, necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Capital instruments

Under FRS 4, issue costs arising on loans are deducted from the net proceeds of that loan. This results in the cost being charged to the profit and loss account as a finance cost over the period of the loan.

Cash flow statement

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Turnover

Turnover represents lease income net of incentives which is credited to the profit and loss account on a straight line basis over the period of the lease to the first rent review date from investment properties located in the United Kingdom.

Financial instruments

The company has adopted the requirements of FRS 29 - Financial Instruments Disclosures and has taken the exemption under that standard from disclosure on the grounds that the Group's financial statements contain disclosures in compliance with IFRS 7.

NOS 6 Limited
Registered number: 06188983
Notes to the financial statements
for the year ended 30 September 2012

1 Accounting policies (continued)

Related party transactions

As the company is a wholly owned subsidiary of The Local Shopping REIT plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of The Local Shopping REIT plc, within which this company is included, can be obtained from the address given in note 16.

2 Staff numbers and costs

The only employees of the company are the directors, who received no remuneration during the year (2011 £Nil)

3 Profit on ordinary activities before taxation

	2012 £	2011 £
This is stated after charging/(crediting)		
Auditor's remuneration for audit services	-	-
Auditor's remuneration for other services	-	-
Loss/(profit) on disposal of investment properties	28,872	(10,617)
Rents receivable under operating leases	(2,130,956)	(1,740,519)
	<u> </u>	<u> </u>

Amounts receivable by the company's auditor in respect of services provided to the company and its associates have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, The Local Shopping REIT plc.

The audit fee and other fees paid to the company's auditor are borne by the company's parent company and disclosed in those financial statements.

4 Interest payable

	2012 £	2011 £
Bank loans	824,369	765,420
Amortisation of loan arrangement fees	64,646	29,598
	<u>889,015</u>	<u>795,018</u>

NOS 6 Limited**Registered number: 06188983****Notes to the financial statements****for the year ended 30 September 2012****5 Tax on profit on ordinary activities before taxation**

	2012	2011
	£	£
Analysis of charge in period		
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for period

The current tax charge for the year is lower (2011 lower) than the standard rate of corporation tax in the UK (25%) (2011 27%)

Current tax reconciliation

	2012	2011
	£	£
Profit on ordinary activities before tax	<u>653,692</u>	<u>6,614</u>
Standard rate of corporation tax in the UK	25%	27%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	163,423	1,786
Effects of		
Expenses not deductible for tax purposes	-	84,660
Group relief	(28)	(63)
Tax relief available from REIT status	(163,395)	(86,383)
Current tax charge for period	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This would reduce the Company's future tax charge accordingly.

From 11 May 2007, the company has elected to join the UK REIT regime. As a result, the company will be exempt from corporation tax on the profits and gains from its property investment business from this date, provided it continues to meet certain conditions. Non-qualifying profits and gains of the company (the residual business) continue to be subject to corporation tax. The directors consider that all the rental income post 11 May 2007 originates from the company's tax exempt business. Due to profits and gains meeting the UK REIT conditions and the availability of losses to cover residual business profits, no provision for corporation tax has been made in these accounts.

On entering the UK REIT regime, a conversion charge equal to 2% of the gross market value of properties involved in the property rental business, at that date, became due and has been paid.

NOS 6 Limited
Registered number: 06188983
Notes to the financial statements
for the year ended 30 September 2012

6 Tangible fixed assets

	Investment properties £
Cost	
At 1 October 2011	23,811,000
Additions	164,846
Transfers from group companies	7,535,000
Disposals	(274,448)
Revaluation	(1,389,398)
	<u>29,847,000</u>
At 30 September 2012	<u>29,847,000</u>
Depreciation	
At beginning and end of year	<u>-</u>
Net book value	
At 30 September 2012	<u>29,847,000</u>
At 30 September 2011	<u>23,811,000</u>

For the group as a whole Allsop LLP, a firm of independent chartered surveyors valued a 25% sample of the group's property portfolio at 31 March 2012 and 30 September 2012. All properties acquired to each of these dates were also valued by Allsop. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards on the basis of market value. Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The remainder of the portfolio was valued by the directors who have appropriate recognised professional qualifications and recent experience of the location and category of the property being valued.

The historic cost to the company of the properties is £36,001,959 (2011 £28,688,977)

The directors have reviewed the extent to which the individual properties have fallen in value. To the extent that the decrease in value of each property is considered to be a permanent diminution in value, it has been charged to the profit and loss account in the year.

The property portfolio is subject to operating leases to third parties.

NOS 6 Limited
Registered number: 06188983
Notes to the financial statements
for the year ended 30 September 2012

7 Debtors	2012	2011
	£	£
Trade debtors	324,582	109,964
Amounts owed by group undertakings	19,506,212	15,744,666
Other debtors	40,464	16,746
Prepayments and accrued income	40,291	34,825
	<u>19,911,549</u>	<u>15,906,201</u>

Amounts owed by group undertakings have no fixed repayment date and are repayable on demand

8 Creditors: amounts falling due within one year	2012	2011
	£	£
Trade creditors	63,778	85,700
Amounts owed to group undertakings	28,088,684	23,037,938
Other taxes and social security costs	95,761	43,967
Other creditors	111,416	98,963
Accruals and deferred income	313,344	214,469
	<u>28,672,983</u>	<u>23,481,037</u>

9 Creditors: amounts falling due after one year	2012	2011
	£	£
Bank loan (secured)	<u>19,887,427</u>	<u>14,240,460</u>

The bank loan is secured by a floating charge over all of the company's assets and a first legal mortgage over each of the company's properties

The loan bears interest, at the current loan to value ratio of 1.2% (2011 1.2%) above LIBOR, and is repayable by 31 October 2016

10 Loans	2012	2011
	£	£
Analysis of maturity of debt		
Between two and five years	19,887,427	-
After five years	<u>-</u>	<u>14,240,460</u>

The company has entered into hedging arrangements to cover the interest rate exposure of 52.5% (2011 72.9%) of the above loan

11 Share capital	Nominal value	Number	2012	2011
			£	£
Called up and fully paid Ordinary shares	£1 each	<u>6,750,000</u>	<u>6,750,000</u>	<u>6,750,000</u>

NOS 6 Limited
Registered number: 06188983
Notes to the financial statements
for the year ended 30 September 2012

12 Revaluation reserve	2012
	£
At 1 October 2011	(3,333,468)
Arising on revaluation during the year	(1,389,398)
Transfer on disposals	<u>112,416</u>
At 30 September 2012	<u><u>(4,610,450)</u></u>

13 Profit and loss account	2012
	£
At 1 October 2011	(985,155)
Profit for the financial year	653,692
Transfer on disposals	<u>(112,416)</u>
At 30 September 2012	<u><u>(443,879)</u></u>

14 Reconciliation of movement in shareholder's funds	2012	2011
	£	£
At 1 October	2,431,377	2,596,751
Profit for the financial year	653,692	6,614
Unrealised deficit on revaluation of investment properties	<u>(1,389,398)</u>	<u>(171,988)</u>
At 30 September	<u><u>1,695,671</u></u>	<u><u>2,431,377</u></u>

15 Capital commitments	2012	2011
	£	£
Amounts contracted for but not provided in the accounts	<u><u>52,874</u></u>	<u><u>22,031</u></u>

16 Ultimate parent company and controlling party

The immediate and ultimate parent company is The Local Shopping REIT plc, which is incorporated in Great Britain. The only group in which the results of the company are consolidated is that headed by The Local Shopping REIT plc.

The consolidated financial statements of the Local Shopping REIT plc are available to the public and may be obtained from

6th Floor
Palladium House
1-4 Argyll Street
London
W1F 7TA

There is no ultimate controlling party