

Registered number
06188983

NOS 6 LIMITED

Annual report and financial statements

30 September 2017

WEDNESDAY



A76JH341

A05

23/05/2018

#193

COMPANIES HOUSE

NOS 6 LIMITED
Report and accounts
Contents

	Page
Directors' report	1-2
Strategic report	3
Independent auditor's report to the members of Nos 6 Limited	4-5
Income statement	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9-16

NOS 6 LIMITED

Registered number: 06188983

Directors' Report

The directors present their report and financial statements for the year ended 30 September 2017.

Principal activities

The company's principal activity during the year continued to be receipt of rental income from its investment properties

REIT regime

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.

Results and dividends

The company's profit before and after taxation amounted to £423,479 (2016: profit £547,741) .

Directors

The following persons served as directors during the year:

Stephen John East
Nicholas John Vetch
Rupert Peter Wallman
Jonathan Ottley Short

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

Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

NOS 6 LIMITED

Registered number: 06188983

Directors' Report

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to

Disclosure of information to the auditor

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself 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 LLP will therefore continue in office.

This report was approved by the board on 9 May 2018 and signed by its order.

W A Heaney
Secretary



65 Grosvenor Street
Mayfair
London
W1K 3JH

NOS 6 LIMITED**Registered number: 06188983****Strategic Report****Review of business**

The company's profit before and after taxation amounted to £423,479 (2016: £547,741). Gross rental income and administration costs both reduced from 2016 as a result of the ongoing property sales strategy. The loss on sale of properties increased from £208,511 to £160,989 and the loss on revaluation increased from £95,413 to £270,701. However the financing costs fell from £288,379 to £104,112 as a result of the payment of swaps during the previous year and the full repayment of bank borrowing during the current year.

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. Further details are set out in the Local Shopping REIT plc annual report.

Principal risks and uncertainties

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

This report was approved by the board on 9 May 2018 and signed by its order.

W A Heaney
Secretary



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOS 6 LIMITED

Opinion

We have audited the financial statements of NOS 6 Limited ("the company") for the year ended 30 September 2017 which comprise the Income statement, Statement of Financial Position, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

- 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.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOS 6 LIMITED

Directors' responsibilities

As explained more fully in their statement set out on pages 1-2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at

<http://www.frc.org.uk/auditorsresponsibilities>

The purpose of our audit work and to whom we owe our responsibilities

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.



Mark Flanagan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
31 Park Row
Nottingham
NG1 6FQ

9 May 2018

NOS 6 LIMITED**Registered number: 06188983****Income Statement****for the year ended 30 September 2017**

	Notes	2017 £	2016 £
Turnover	3	1,980,538	2,177,557
Administrative expenses		(1,021,257)	(1,037,513)
Operating profit		<u>959,281</u>	<u>1,140,044</u>
Loss on sale of investment properties		(160,989)	(208,511)
Movement in fair value of investment properties		(270,701)	(95,413)
Net financing costs	5	(104,112)	(288,379)
Profit on ordinary activities before taxation	4	<u>423,479</u>	<u>547,741</u>
Tax on profit on ordinary activities	6		
Profit for the financial year		<u><u>423,479</u></u>	<u><u>547,741</u></u>

The company has no recognised gains and losses other than those included above and therefore no separate statement of other comprehensive income has been presented.

All results arise from continuing activities.

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

NOS 6 LIMITED**Registered number: 06188983****Statement of Financial Position
as at 30 September 2017**

	Notes	2017 £	2016 £
Fixed assets			
Investment properties	7	20,922,500	25,735,000
Current assets			
Debtors	8	645,337	473,079
Cash at bank and in hand		<u>3,078,332</u>	<u>985,778</u>
		3,723,669	1,458,857
Creditors: amounts falling due within one year	9	(21,921,037)	(24,065,647)
Net current liabilities		(18,197,368)	(22,606,790)
Total assets less current liabilities		<u>2,725,132</u>	<u>3,128,210</u>
Creditors: amounts falling due after more than one year	10		(826,557)
Net assets		<u>2,725,132</u>	<u>2,301,653</u>
Capital and reserves			
Called up share capital	13	6,750,000	6,750,000
Profit and loss account	14	(4,024,868)	(4,448,347)
Total equity		<u>2,725,132</u>	<u>2,301,653</u>



R P Wallman

Director

Approved by the board on 9 May 2018

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

NOS 6 LIMITED**Registered number: 06188983****Statement of Changes in Equity****for the year ended 30 September 2017**

	Share capital	Profit and loss account	Total
	£	£	£
At 1 October 2015	6,750,000	(4,996,088)	1,753,912
Profit for the financial year	-	547,741	547,741
At 30 September 2016	<u>6,750,000</u>	<u>(4,448,347)</u>	<u>2,301,653</u>
At 1 October 2016	6,750,000	(4,448,347)	2,301,653
Profit for the financial year	-	423,479	423,479
At 30 September 2017	<u>6,750,000</u>	<u>(4,024,868)</u>	<u>2,725,132</u>

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

NOS 6 LIMITED**Registered number: 06188983****Notes to the Accounts****for the year ended 30 September 2017****1 Summary of significant accounting policies**

NOS 6 Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales. The registered number is 06188983 and the registered address is 65 Grosvenor Street, Mayfair, London, W1K 3JH.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, The Local Shopping REIT plc includes the Company in its consolidated financial statements. The consolidated financial statements of The Local Shopping REIT plc are available to the public and may be obtained from The Secretary, 65 Grosvenor Street, London W1K 3JH. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period.
- Cash Flow Statement and related notes.
- Key Management Personnel compensation; and
- Related party transactions with members of the group as per FRS 102 section 33.11.

As the consolidated financial statements of The Local Shopping REIT plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.33 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within fair value accounting rules of paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

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. Further details are set out in the Local Shopping REIT plc annual report.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment properties.

NOS 6 LIMITED

Registered number: 06188983

Notes to the Accounts

for the year ended 30 September 2017

1.2 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

1.3 Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

1.4 Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective

1.5 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOS 6 LIMITED

Registered number: 06188983

Notes to the Accounts

for the year ended 30 September 2017

1.6 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.7 Turnover

Turnover is measured at the monetary value of rent receivable apportioned on a straight line basis over the length of each individual lease, net of value added taxes.

1.8 Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

2 Critical accounting estimates and judgements

Judgements

Investment properties

For the Group as a whole Allsop LLP, a firm of independent chartered surveyors valued the Group's property portfolio at 30 September 2017, 31 March 2017, 30 September 2016 and 31 March 2016. On each of these dates Allsop LLP performed a full valuation of 25% of the Group's properties (including site inspections) and a desktop valuation of the remainder, such that all properties owned by the Group have been inspected and valued over the two-year period. 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.

Investment properties are treated as acquired at the point the Company assumes the significant risks and returns of ownership. Subsequent expenditure is charged to the asset's carrying value only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of each item can be reliably measured. All other repairs and maintenance costs are charged to the Income Statement during the period in which they are incurred.

NOS 6 LIMITED**Registered number: 06188983****Notes to the Accounts****for the year ended 30 September 2017**

3 Analysis of turnover	2017	2016
	£	£
Rental income	<u>1,980,538</u>	<u>2,177,557</u>
By geographical market:		
UK	<u>1,980,538</u>	<u>2,177,557</u>

4 Expenses and auditor's remuneration	2017	2016
	£	£
Included in profit/loss are the following:		
Fair value adjustments for investment properties	<u>(270,701)</u>	<u>(95,413)</u>

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. The total group audit fee was £89,000 (2016:£87,000).

5 Net financing costs	2017	2016
	£	£
Interest receivable	(142)	(215)
Net gain on financial liabilities measured at fair value through		<u>(383,996)</u>
Financing income	<u>(142)</u>	<u>(384,211)</u>
Bank loan interest	37,834	633,690
Amortisation of arrangement fees	<u>66,420</u>	<u>38,900</u>
Financing expenses	<u>104,254</u>	<u>672,590</u>
Net financing costs	<u>104,112</u>	<u>288,379</u>

NOS 6 LIMITED**Registered number: 06188983****Notes to the Accounts****for the year ended 30 September 2017**

6 Taxation	2017	2016
	£	£
Analysis of charge in period		
Current tax		
Deferred tax		
Tax on profit on ordinary activities		

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2017	2016
	£	£
Profit on ordinary activities before tax	423,479	547,741
Standard rate of corporation tax in the UK	19.5%	20.0%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	82,578	109,548
Effects of:		
Expenses not deductible for tax purposes	84,180	60,785
Group relief	(28)	(43)
Tax relief available from REIT status	(166,730)	(170,290)
Current tax charge for period		
Analysis of relief available from REIT status		
Trading profits	198,123	211,992
Loss on sale of investment properties	(31,393)	(41,702)
	166,730	170,290

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current 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.

NOS 6 LIMITED**Registered number: 06188983****Notes to the Accounts****for the year ended 30 September 2017****7 Investment properties**

	Investment properties
	£
Valuation	
At 1 October 2016	25,735,000
Additions	125,121
Transfers from group companies	1,330,000
Disposals	(5,996,920)
Movement in fair value of investment properties	(270,701)
At 30 September 2017	<u>20,922,500</u>

The investment properties have all been revalued to their fair value at 30 September 2017, as further explained in note 2 above.

8 Debtors	2017	2016
	£	£
Trade debtors	116,502	264,774
Amounts owed by group undertakings	1,660	94
Other debtors	325,492	45,653
Prepayments and accrued income	<u>201,683</u>	<u>162,558</u>
	<u>645,337</u>	<u>473,079</u>

Amounts owed by group undertakings carry no interest and are repayable on demand.

9 Creditors: amounts falling due within one year	2017	2016
	£	£
Bank loans	7,178,551	7,178,551
Trade creditors	71,286	42,728
Amounts owed to group undertakings	21,332,841	16,240,952
Other taxes and social security costs	48,354	62,109
Other creditors	246,317	182,032
Accruals and deferred income	<u>222,239</u>	<u>359,275</u>
	<u>21,921,037</u>	<u>24,065,647</u>

Amounts owed to group undertakings carry no interest and are repayable on demand.

NOS 6 LIMITED**Registered number: 06188983****Notes to the Accounts****for the year ended 30 September 2017****10 Creditors: amounts falling due after one year**

2017	2016
£	£

Bank loans (Secured)

	826,557
--	---------

11 Loans

2017	2016
£	£

Analysis of maturity of debt:

Within one year or on demand

7,178,551

Between one and two years

34,988

Between two and five years

791,569

8,005,108

The bank loan was fully repaid during 2016. However the Company is still subject to a floating charge over all of the company's assets and a first legal mortgage over each of the company's properties. It is cross collateralisation for a loan of £30.7m to NOS 4 Limited, a fellow full subsidiary of The Local Shopping REIT plc.

The NOS 4 Limited loan bears interest, at the current loan to value ratio, at a rate of 2.00% (2016: 2.00%) above LIBOR and is repayable by December 2019.

12 Financial instruments

2017	2016
£	£

Assets measured at cost less impairment

Trade debtors

116,502

264,774

Intercompany debtors

1,660

94

118,162	264,868
---------	---------

Liabilities measured at cost less impairment

Trade creditors

(71,286)

(42,728)

Intercompany creditors

(21,332,841)

(16,240,952)

Bank loans

(8,005,108)

(8,005,108)

(21,404,127)	(24,288,788)
--------------	--------------

The risk management policies of the Company follow those set out by its ultimate parent company The Local Shopping REIT plc, and full details of those policies are set out in that company's financial statements.

NOS 6 LIMITED**Registered number: 06188983****Notes to the Accounts****for the year ended 30 September 2017**

13 Share capital	Nominal value	2017 Number	2017 £	2016 £
Allotted, called up and fully paid: Ordinary shares	£1 each	6,750,000	<u>6,750,000</u>	<u>6,750,000</u>

14 Capital commitments	2017 £	2016 £
Amounts contracted for but not provided in the accounts	<u>18,162</u>	<u>33,581</u>

15 Principal place of business

The address of the company's principal place of business and registered office is:

65 Grosvenor Street
Mayfair
London
W1K 3JH

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:

65 Grosvenor Street
Mayfair
London
W1K 3JH