

REGISTERED NUMBER: 09816081 (England and Wales)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019
FOR
MARLBOROUGH PROPERTY (NBS 169) LIMITED**

KPMG LLP
Statutory Auditor, Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

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FOR THE YEAR ENDED 30 JUNE 2019**

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MARLBOROUGH PROPERTY (NBS 169) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019**

DIRECTORS:

Mr W L Adderley
Mr D L Wright

REGISTERED OFFICE:

Two Marlborough Court
Watermead Business Park
Syston
Leicestershire
LE7 1AD

REGISTERED NUMBER:

09816081 (England and Wales)

INDEPENDENT AUDITORS:

KPMG LLP
Statutory Auditor, Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report with the financial statements of the company for the year ended 30 June 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of commercial property investment.

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2018 to the date of this report.

Mr W L Adderley
Mr D L Wright

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Mr D L Wright - Director

10 December 2019

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement; and
- 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.

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 fraud or error, and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARLBOROUGH PROPERTY (NBS 169) LIMITED

Opinion

We have audited the financial statements of Marlborough Property (NBS 169) Limited ("the company") for the year ended 30 June 2019 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of investment properties and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARLBOROUGH PROPERTY (NBS 169) LIMITED

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MARLBOROUGH PROPERTY (NBS 169) LIMITED**

Ian Borley (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Statutory Auditor, Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

13 December 2019

MARLBOROUGH PROPERTY (NBS 169) LIMITED (REGISTERED NUMBER: 09816081)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	30/6/19 £	30/6/18 £
TURNOVER		1,124,212	1,078,453
Cost of sales		<u>5,212</u>	<u>3,399</u>
GROSS PROFIT		1,119,000	1,075,054
Administrative expenses		<u>266,380</u>	<u>266,702</u>
OPERATING PROFIT		852,620	808,352
Interest receivable and similar income	3	<u>431</u>	<u>318</u>
		853,051	808,670
Gain/(loss) on revaluation of investment property		<u>2,500,000</u>	<u>-</u>
		3,353,051	808,670
Interest payable and similar expenses	4	<u>593,564</u>	<u>539,492</u>
PROFIT BEFORE TAXATION		2,759,487	269,178
Tax on profit	5	<u>1,108</u>	<u>26,206</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,758,379</u>	<u>242,972</u>

The notes form part of these financial statements

MARLBOROUGH PROPERTY (NBS 169) LIMITED (REGISTERED NUMBER: 09816081)

BALANCE SHEET
30 JUNE 2019

	Notes	30/6/19 £	30/6/18 £
FIXED ASSETS			
Investment property	7	67,500,000	65,000,000
CURRENT ASSETS			
Cash at bank		18,045	261,317
CREDITORS			
Amounts falling due within one year	8	<u>(68,229,414)</u>	<u>(68,734,627)</u>
NET CURRENT LIABILITIES		<u>(68,211,369)</u>	<u>(68,473,310)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(711,369)	(3,473,310)
PROVISIONS FOR LIABILITIES	9	<u>(12,478)</u>	<u>(8,916)</u>
NET LIABILITIES		<u>(723,847)</u>	<u>(3,482,226)</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		<u>(723,947)</u>	<u>(3,482,326)</u>
SHAREHOLDERS' FUNDS		<u>(723,847)</u>	<u>(3,482,226)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 10 December 2019 and were signed on its behalf by:

Mr D L Wright - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2017	100	(3,725,298)	(3,725,198)
Changes in equity			
Total comprehensive income	-	242,972	242,972
Balance at 30 June 2018	100	(3,482,326)	(3,482,226)
Changes in equity			
Total comprehensive income	-	2,758,379	2,758,379
Balance at 30 June 2019	100	(723,947)	(723,847)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. STATUTORY INFORMATION

Marlborough Property (NBS 169) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements were prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014, and with the Companies Act 2006 (as applicable to companies subject to the small companies' regime). The changes to FRS 102 issued in September 2015 effective for periods beginning on or after 1 January 2016 have been adopted and therefore, as a small company the financial statements have been prepared under section 1A the small entities regime of FRS 102.

The Company has net current liabilities of £68,211,369 (2018: £68,473,310) and net liabilities of £723,847 (2018: £3,482,226) as at 30 June 2019; nevertheless the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for the period through to 31 December 2020 which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its immediate parent company, Marlborough Property Company Limited, to meet its liabilities as they fall due throughout that period.

Those forecasts are dependent on Marlborough Property Company Limited not seeking repayment of the amounts currently due to that company, which at 30 June 2019 amounted to £67,853,466.

Marlborough Property Company Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts or until the investment property is sold or other funding becomes available to the Company.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019**

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirement of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosure paragraph 33.7;
- key management personnel compensation;

Significant judgements and estimates

The Directors are continually evaluating estimates and judgements based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Directors consider that the only critical accounting judgements in applying the Company's accounting policies is the valuation of the investment property.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Revaluation gains and losses are recognised in the income statement.

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	30/6/19	30/6/18
	£	£
Bank interest received	<u>431</u>	<u>318</u>

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	30/6/19	30/6/18
	£	£
Bank loan interest	564,091	510,019
Refinancing costs	<u>29,473</u>	<u>29,473</u>
	<u>593,564</u>	<u>539,492</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	30/6/19 £	30/6/18 £
Current tax:		
UK corporation tax	(2,454)	22,082
Deferred tax	3,562	4,124
Tax on profit	<u>1,108</u>	<u>26,206</u>

UK corporation tax has been charged at 19% (2018 - 19%).

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2016. The additional rate reduction in the UK tax rate to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2017 and substantively enacted on 26 September 2016. This will reduce the company's future tax charge accordingly.

6. AUDITORS' REMUNERATION

Auditor's remuneration has been recognised by the company's parent and sole shareholder Marlborough Property Co Limited. The costs recognised were for Marlborough Property Co Limited and its subsidiaries at the time.

7. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 July 2018	65,000,000
Revaluations	<u>2,500,000</u>
At 30 June 2019	<u>67,500,000</u>
NET BOOK VALUE	
At 30 June 2019	<u>67,500,000</u>
At 30 June 2018	<u>65,000,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019**

7. INVESTMENT PROPERTY - continued

Fair value at 30 June 2019 is represented by:

	£
Cost	68,916,695
Revaluation in 2017	(3,916,695)
Revaluation in 2019	2,500,000
	<u>67,500,000</u>

If the investment property had not been revalued it would have been included at the following historical cost:

	30/06/19	30/06/18
	£	£
Cost	<u>68,916,695</u>	<u>68,916,695</u>

The investment property was valued on a freehold market value basis on 30th June 2019.

The property was valued on an Investment method basis by comparing the current passing rent and Market Rent for the Property capitalised at an appropriate yield. The yield was derived from transactions over other similar properties for which price information was available. This rate was then adjusted to reflect differences in age, size, condition, location and any other factors considered relevant.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/19	30/6/18
	£	£
Amounts owed to group undertakings	67,853,466	68,355,545
Corporation tax	44,080	46,534
VAT	55,950	56,630
Accruals and deferred income	275,918	275,918
	<u>68,229,414</u>	<u>68,734,627</u>

The company has loans from its parent, Marlborough Property Co Limited which are repayable on demand.

9. PROVISIONS FOR LIABILITIES

	30/6/19	30/6/18
	£	£
Deferred tax		
Accelerated capital allowances	<u>12,478</u>	<u>8,916</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2019

9. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 July 2018	8,916
Charge to Profit & Loss	<u>3,562</u>
Balance at 30 June 2019	<u>12,478</u>

10. RELATED PARTY DISCLOSURES

The immediate parent company is Marlborough Property Co Ltd, a company incorporated in England and Wales with registered address of Two Marlborough Court, Watermead Business Park, Syston, Leicestershire LE7 1AD.

The ultimate parent undertaking is WA Capital Ltd, a company incorporated in England and Wales with registered address of Two Marlborough Court, Watermead Business Park, Syston, Leicestershire LE7 1AD. Transactions between the company and fellow wholly owned subsidiaries or with the parent undertaking are exempt from disclosure.

The smallest and largest group in which the results of the Company are consolidated, is that headed by Marlborough Property Co Ltd. The consolidated financial statements of Marlborough Property Co Ltd are available from its registered office, Two Marlborough Court, Watermead Business Park, Syston, Leicestershire LE7 1AD.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.