The Local Shopping REIT plc

Interim Financial Statements

For the Period I October 2018 to

12 September 2019

Registered Number 05304743

Contents

Profit and Loss account
Period ending 12 September 2019

	Period 1 October 2018 to 12 September 2019
	£000's
Income	
Management charges	936
Bank interest received	42
Dividends received	15,000
	15,978
Administrative expenses	(482)
Operating Profit	15,496
Diminution in value - subsidiary companies	(15,798)
Non recurring corporate costs	(1,505)
Loss for the period	(1,807)

The results above are for the Company only and are not the consolidated result of The Local Shopping REIT plc group of companies.

The Company has no recognised gains or losses other than the results as set out above.

Notes on pages 3 and 4 form part of the financial statements.

Balance sheet

As at 12 September 2019

		At 12 September 2019 £000's
Fixed assets		
Wholly owned subsidiary companies		3,205
Current assets		
Intergroup debtors		692
Other debtors		22
Cash		22,256
		22,970
Current liabilities		
Intergroup creditors		(73)
Accruals		(816)
		(889)
Net current assets		22,081
Net assets		25,286
Capital and reserves		
Share capital	*note 4*	917
Profit and loss account	*note 4*	24,369
		25,286

These financial statements were approved by the board of directors on 12 September 2019 and were signed on its behalf by:

S J East

Stephen East
Director

Notes on pages 3 and 4 form part of the financial statements.

Notes
(forming part of the financial statements)

1 **Company information**

The Local Shopping REIT plc is a company incorporated in the United Kingdom. The registered number is 05304743 and the registered office address is 65 Grosvenor Street, London W1K 3JH.

2 **Reason for preparing financial statements**

These interim financial statements have been prepared to provide the Directors with the financial position of the Company as at 12 September 2019 for the purposes of ensuring sufficient distributable reserves are available to enable a buy- back of its own shares under the tender offer set out in the circular to shareholders issued by the Company's directors on 25 July 2019 and the resolutions approved by the Company at its general meeting held on 20 August 2019, in accordance with Sections 836 and 838 of the Companies Act 2006.

3 **Basis of preparation**

These interim financial statements are abridged and unaudited but have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

At 30 September 2018 the Directors planned to dispose of all of the Company's assets and proceed with a winding up of the Company in pursuit of the Company's investment policy. Accordingly financial statements at 30 September 2018 were prepared on a break up basis with full provision for liquidation costs. Depending on the result of the share buy-back scheme, pursuant to which these financial statements have been prepared, the winding up may not now proceed. However at the date of these financial statements the Company's investment policy remains unchanged. Accordingly provision has been made for winding up costs, and an amount of £375,000 has been provided for in these financial statements.

These financial statements have been properly prepared except for matters which are not relevant in determining whether a proposed buy back of shares would be lawful under the Companies Act. These financial statements are not the annual statutory financial statements as required by the Companies Act, and, in particular, they do not include the disclosures which would be required in such financial statements. In the opinion of the Board any such disclosures are not material for the purposes of determining whether a proposed buy- back would be lawful under the Companies Act.

continued........

Notes (continued)
(forming part of the financial statements)

3 Basis of preparation (continued)

Statutory financial statements for the financial year ending 30 September 2018 have been delivered to the Registrar of Companies; the auditor's report on those accounts was not qualified, did include a reference to the non-going concern basis mentioned above to which the auditors drew attention by the way of emphasis without qualifying the report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006. To date, no statutory financial statements have been filed for any period ending later than 30 September 2018.

These financial statements reflect the result and position of The Local Shopping REIT plc company only and does not contain information regarding the consolidated group result or position for the period.

4 Share Capital and Reserves

	Share Capital £'000	Reserves £'000	Redemption Reserve £'000	Retained earnings £'000	Total £'000
As at 1 October 2018	18,334	3,742	1,764	3,253	27,093
Reduction per court authority	(17,417)			17,417	-
Transfer per Court authority			(1,764)	1,764	-
Release on winding up of Gilfin Property Holdings Limited (Note 1)		(3,742)		3,742	-
Loss for period				(1,807)	(1,807)
As at 12 September 2019	917	-	-	24,369	25,286

At 30 September 2018 the Company had 91,669,870 ordinary shares which were alloted, called up and fully paid at a value of 20p per share, including 9,164,017 ordinary shares held in treasury.

On 10 September 2019 the company obtained approval from the High Court of Justice to (a) convert the nominal value of the Company's ordinary shares from 20p per share to 1p per share, releasing £17.417m into distributable reserves, and (b) to cancel the capital redemption reserve, releasing £1.764m into distributable reserves.

Note 1:
In 2007 the Company acquired Gilfin Property Holdings Limited, and a capital consolidation reserve was created to reflect the unrealised excess of value acquired over the cost of acquisition. In March 2019 this company was wound up, with proceeds in excess of its carrying value, and the capital reserve released to distributable reserves.