

REGISTERED NUMBER: 01274137

HPO1 NOMINEES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017

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HPO1 NOMINEES LIMITED

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HPO1 NOMINEES LIMITED

DIRECTORS AND ADVISERS

Directors

J N Mills
J J Hargreaves
S Hill

Company Secretary

W G Lodder

Registered Office

Perimeter Road
Knowsley Industrial Park
Liverpool
L33 7SZ

Independent Auditor

KPMG LLP
Statutory Auditor
1 St Peters' Square
Manchester
M2 3AE

Solicitor

DLA Piper LLP
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3DL

Banker

Lloyds Bank plc
King Street
Manchester
M2 4LQ

HPO1 NOMINEES LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017

The directors present their report for the 52 weeks ended 25 February 2017.

Directors

The directors of the Company who served during the period and up to the date of signing the financial statements are listed on page 1.

Principal activities

The principal activity of the Company is the provision of warehouse and distribution services to other group companies. The Company expects to continue as such going forward.

Results

The profit for the period was £397k (2016: £792k) arising from the management fee charged by the Company to Matalan Retail Limited for the management of the Corby Distribution Centre. The Company has net assets of £6,602k (2016: £6,205k).

Principal risks and uncertainties

The responsibility of monitoring financial risk management and treasury responsibilities and procedures lie with the board of directors. The policies set by the board of directors are implemented by the Company's finance department.

Due to the nature of the activities of the Company, the Company is not exposed to significant risks. The Company is impacted to a lesser extent by credit and liquidity risks. These risks have been addressed in section 3 of the Notes to the Financial Statements.

Directors' indemnities

During the period and up to the date of signing the financial statements, the Company maintained third party indemnity insurance for its directors and officers as defined by Section 234 of the Companies Act 2006.

Going concern

After reviewing the Company's budget for the next financial year, and other long term plans, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. In light of the net current liability position, the directors have received confirmation that Missouri Topco Limited intends to support the Company for at least 12 months from the approval of these financial statements and thereafter for the foreseeable future.

Political donations

The Company did not make any political donations in the current or prior period.

Dividends

The Company did not issue a dividend in the current or prior period.

HPO1 NOMINEES LIMITED

DIRECTORS REPORT (CONTINUED)

Disclosure of information to the auditor

For all persons who are directors at the time of the approval of the directors' report and financial statements:

- a) so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- b) each director has taken all the steps necessary 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.

Independent 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.

By order of the board

A handwritten signature in black ink, appearing to be 'S Hill', with a stylized, cursive script.

S Hill
Director
26 May 2017

HPO1 NOMINEES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 IFRSs as adopted by the EU and applicable law. 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 they have been prepared in accordance with IFRSs as adopted by the EU; 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.

HPO1 NOMINEES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HPO1 NOMINEES LIMITED

We have audited the financial statements of HP01 Nominees Limited for the period ended 25 February 2017 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 4, 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 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 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 25 February 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

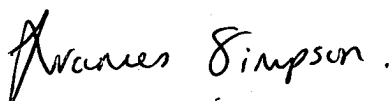
HPO1 NOMINEES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HPO1 NOMINEES 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.
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Frances Simpson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peters' Square
Manchester
M2 3AE
31 May 2017

HPO1 NOMINEES LIMITED**INCOME STATEMENT**

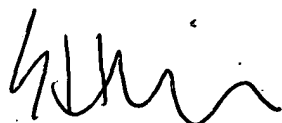
	Note	52 weeks ended 25 February 2017 £'000	52 weeks ended 27 February 2016 £'000
Revenue		14,369	16,234
Cost of sales		(13,510)	(15,340)
Gross profit		859	894
Administrative expenses		(175)	(172)
Operating profit	4	684	722
Profit before income tax	7	684	722
Income tax (charge)/ credit	8	(287)	70
Profit for the period		397	792

The Company has no other comprehensive income/ (expenditure) other than the profit for the period.

HPO1 NOMINEES LIMITED**STATEMENT OF FINANCIAL POSITION AS AT 25 FEBRUARY 2017**

	Note	2017 £'000	2016 £'000
Non current assets			
Property, plant and equipment	9	8,009	8,625
Intangible assets	10	399	529
Total non current assets		8,408	9,154
Current assets			
Receivables	11	224	196
Cash and cash equivalents		1	-
Total current assets		225	196
Total assets		8,633	9,350
Current liabilities			
Payables	12	(1,118)	(2,469)
Total current liabilities		(1,118)	(2,469)
Non current liabilities			
Payables	13	(610)	(660)
Deferred income tax liabilities	8	(303)	(16)
Total non current liabilities		(913)	(676)
Total liabilities		(2,031)	(3,145)
Net assets		6,602	6,205
Capital and reserves			
Share capital	14	10	10
Retained earnings		6,592	6,195
Total shareholders' equity		6,602	6,205

The financial statements on pages 7 to 22 were approved by the board of directors on 26 May 2017 and signed on its behalf by:



S Hill
Director

HP01 Nominees Limited
Registered number: 01274137

HPO1 NOMINEES LIMITED

STATEMENT OF CASH FLOWS

	Note	52 weeks ended 25 February 2017 £'000	52 weeks ended 27 February 2016 £'000
Cash flow from operating activities	15	21	286
Net cash generated from operating activities		21	286
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		(20)	(287)
Net cash used in investing activities		(20)	(287)
Net increase/ (decrease) in cash and cash equivalents		1	(1)
Cash and cash equivalents at the beginning of the period		0	1
Cash and cash equivalents at the end of the period		1	-

HPO1 NOMINEES LIMITED**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Share capital £'000	Retained Earnings £'000	Total equity £'000
As at 1 March 2015	10	5,403	5,413
Comprehensive income			
Profit for the period	-	792	792
As at 27 February 2016	10	6,195	6,205
As at 28 February 2016	10	6,195	6,205
Comprehensive income			
Profit for the period	-	397	397
As at 25 February 2017	10	6,592	6,602

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

2.2 New standards, amendments to standards or interpretations

The Company has not early adopted the following standards and statements which are not yet effective. The adoption of these standards is not expected to have a material impact on the Company's accounts when adopted, except where stated:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 2 Share-based payments
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses
- IFRS 16 Leases. The new standard is effective for annual reporting periods beginning on or after 1 January 2019. The impact of the new standard is expected to be material and is currently under review by the Company.

The company intends to adopt the new standards and amendments no later than their applicable date, subject to endorsement by the EU.

2.3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and judgements applied will affect the reported values of assets, liabilities, revenues and expenses in the financial statements. Accounting estimates will, by definition, seldom equal the related actual results.

As at the 25 February 2017, the Company has not applied any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.4 Revenue

Revenue, which is net of returns and excludes value added tax and trade discounts, represents the value of services supplied, recognised on an accruals basis. Current and non-current deferred income arises from rent free periods and reverse premium incentives received on property leases which are held on the statement of financial position and released over the period of the lease. All revenue is within the United Kingdom and is derived from continuing operations.

2.5 Intangible assets

Software, licences and IT consultancy are capitalised as intangible assets where they are not an integral part of the related hardware at purchase cost and amortised to the income statement on a straight line basis over their estimated useful economic life which is generally 3 to 5 years.

2.6 Property, plant and equipment

Items of property, plant and equipment are stated at purchase cost or deemed purchase cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Alterations to leasehold premises	shorter of remaining life and 25 years
Fixtures, fittings and equipment	3 – 10 years
Motor and commercial vehicles	3 – 5 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised net in the income statement.

2.7 Assets under construction

Assets that are not yet in use are classified as 'assets under construction'. When the related asset is brought into use the asset will be transferred out of this classification and depreciation or amortisation will commence based on the estimated useful life as defined by the accounting policies specified above.

2.8 Operating leases

Costs in respect of operating leases are charged to the income statement on a straight line basis over the lease term.

Lease incentives to enter into new leases are deferred and released to the income statement on a straight line basis over the lease term.

Current and non-current deferred income arises from a rent free period and reverse premium incentives received on property leases which are held on the Statement of financial position and released to the income statement on a straight line basis over the lease term.

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of significant accounting policies (continued)

2.9 Current income tax

Current income tax charge is calculated on the basis of the tax laws enacted at the balance sheet date in the UK. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected.

2.10 Deferred income tax

Deferred income tax is provided in full using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for tax purposes. Temporary differences not provided include initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred income tax provided is based on the expected manner of realisation or settlement of carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date and that are expected to apply when the related deferred income tax liability is settled or asset is realised.

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent it is no longer probable that the related income tax benefit will be realised.

Deferred income tax is charged or credited to the income statement when the liability is settled or the asset is realised. Deferred income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

2.11 Share capital

Ordinary shares are classified as equity.

2.12 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

2.14 Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Financial risk management

The financial risk management of the Company is managed by the Group. The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's risk management is managed by the Group programme that focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Group treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks.

3.1 Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and committed transactions. Banks and financial institutions are approved by the Board on a case by case basis, taking into account credit rating and investment criteria.

Management does not expect any losses from non-performance by counterparties. The main counterparties dealt with in the period by the Group include Lloyds Bank plc and Barclays Bank plc.

The majority of receivables held by the Company are inter-company balances. Therefore, the credit risk of the Company is significantly reduced as these balances are supported by the Group.

3.2 Liquidity risk

Liquidity risk is managed on a group basis.

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve comprising borrowing facilities and cash and cash equivalents on the basis of expected cash flow. This is generally carried out at a local level in the operating companies of the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these.

The Company is party to a group cash pooling arrangement with other group companies. The Company does not settle transactions in cash, instead amounts are settled by other group companies on its behalf with a corresponding adjustment to inter-company receivables / payables.

HPO1 NOMINEES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. Operating profit**

	2017 £'000	2016 £'000
Revenue	14,369	16,234
Distribution expenses	(13,510)	(15,340)
Total cost of sales	(13,510)	(15,340)
Gross profit	859	894
Administrative expenses	(175)	(172)
Operating profit	684	722

5. Directors' emoluments

The directors' remuneration for their services to the Company has been borne by a fellow company.

6. Employee information

The Company had no employees during the period (2016: none).

7. Profit before income tax

	2017 £'000	2016 £'000
Profit before income tax is stated after charging:		
Depreciation of property, plant and equipment	592	610
Amortisation of intangible assets	175	168
Operating lease rentals	1,778	1,772

The audit fee for the Company amounting to £2,000 (2016: £2,000) is borne by a fellow group company. The total fee for the Group is £0.1m (2016: £0.1m). A detailed breakdown of all audit and non-audit fees payable to the auditor can be found in the financial statements of Missouri Topco Limited.

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Income tax

Analysis of the income tax charge in the period:

	2017 £'000	2016 £'000
Current income tax		
UK corporation tax	-	-
Deferred income tax		
Originating and reversal of timing differences	102	132
Effect of changes in tax rate on opening liability	(35)	-
Adjustment in respect of prior periods	220	(202)
Total income tax expense/ (credit)	287	(70)

The income tax expense for the period is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20.09%). The rate of corporation tax is based on a weighed average rate. 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.

	2017 £'000	2016 £'000
Profit before income tax	684	722
Profit before tax multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20.09%)	137	145
Effects of:		
Expenses not deductible for tax purposes	33	6
Change in rate of deferred tax income	(53)	(1)
Group relief received for nil payment	(50)	(18)
Adjustments to tax in respect of prior periods	220	(202)
Total income tax expense/ (credit)	287	(70)

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Income tax (continued)

Deferred income tax

Deferred income tax is calculated in full on temporary differences under the liability method using a tax rate of 17% (2016: 20%).

The movement on the deferred income tax account is shown below:

	£'000
As at 1 March 2015	(86)
Debited to the income statement in the period	70
<hr/> As at 27 February 2016	<hr/> (16)
As at 28 February 2016	(16)
Credited to the income statement in the period	(287)
<hr/> As at 25 February 2017	<hr/> (303)

The deferred income tax liability, which is attributable to capital allowances in excess of depreciation, is expected to be payable after more than one year.

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Property, plant and equipment

	Alterations to leasehold premises £'000	Motor and commercial vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 March 2015	15,888	37	8,978	24,903
Additions	-	-	156	156
Disposals	(64)	-	-	(64)
At 27 February 2016	15,824	37	9,134	24,995
At 28 February 2016	15,824	37	9,134	24,995
Additions	-	-	11	11
Disposals	(35)	-	-	(35)
At 25 February 2017	15,789	37	9,145	24,971
Accumulated depreciation				
At 1 March 2015	7,986	37	7,737	15,760
Charge for the period	398	-	212	610
At 27 February 2016	8,384	37	7,949	16,370
At 28 February 2016	8,384	37	7,949	16,370
Charge for the period	374	-	218	592
At 25 February 2017	8,758	37	8,167	16,962
Net book value at 25 February 2017	7,031	-	978	8,009
Net book value at 27 February 2016	7,440	-	1,185	8,625
Net book value at 28 February 2015	7,902	-	1,241	9,143

Depreciation is charged to cost of sales in the income statement.

HPO1 NOMINEES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10. Intangible assets**

	Software, licenses and IT consultancy £'000
Cost	
At 1 March 2015	7,978
Additions	12
At 27 February 2016	7,990
At 28 February 2016	7,990
Additions	45
At 25 February 2017	8,035
Accumulated amortisation	
At 1 March 2015	7,293
Charge for the period	168
At 27 February 2016	7,461
At 28 February 2016	7,461
Charge for the period	175
At 25 February 2017	7,636
Net book value at 25 February 2017	399
Net book value at 27 February 2016	529
Net book value at 28 February 2015	685

Amortisation is charged to administrative expenses in the income statement.

11. Receivables

	2017 £'000	2016 £'000
Amounts owed by group undertakings	10	10
Prepayments and accrued income	214	186
	224	196

HPO1 NOMINEES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****12. Payables - current**

	2017 £'000	2016 £'000
Amounts owed to group undertakings	(835)	(1,955)
Accruals	(233)	(464)
Deferred income	(50)	(50)
	(1,118)	(2,469)

13. Payables – non-current

	2017 £'000	2016 £'000
Deferred income	(610)	(660)

14. Share capital

	2017 £'000	2016 £'000
Issued and fully paid		
10,000 (2016: 10,000) ordinary shares of £1 each	10	10

15. Cash flows from operating activities

	2017 £'000	2016 £'000
Operating profit	684	722
Adjustments for:		
Depreciation	592	610
Amortisation	175	168
Operating cash flows before movements in working capital	1,451	1,500
Movements in working capital:		
(Increase)/decrease in receivables	(28)	55
Increase/(decrease) in payables	(1,402)	(1,269)
Net cash flows from operating activities	21	286

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Operating lease commitments

At 25 February 2017 the Company had total future aggregated minimum lease payment commitments under non-cancellable operating leases which fall due as follows:

	2017		2016	
	Land and buildings £'000	Other assets £'000	Land and buildings £'000	Other assets £'000
Within one year	1,600	210	1,600	210
Between two and five years inclusive	6,400	710	6,400	838
Over five years	13,133	-	17,729	81
	21,133	920	25,729	1,129

The Company leases a distribution centre and various plant and equipment under non-cancellable operating lease agreements. Average remaining lease terms are 14 years land and buildings and 5 years for other assets. The majority of the lease agreements are renewable at the end of the lease period at market rate.

17. Contingent liabilities

An unlimited guarantee under a composite accounting agreement operates for all company bank accounts. Group bank facilities are secured by fixed and floating charges on all the assets of the guarantor group.

18. Related party transactions

The Company has a related party relationship with other group undertakings, its parent Company and with its directors and executive officers. During the financial period the Company entered into transactions, in the ordinary course of business, with other related parties as follows:

	2017 £'000	2016 £'000
Transactions with fellow group undertakings:		
Fixed assets paid by other group undertakings	(152)	(168)
Operating expenses paid by other group undertakings	(13,097)	(14,421)
Management fee owed by other group undertakings	14,369	16,234
	1,120	1,645
Amounts owed by parent	10	10
Amounts owed to group undertakings	(835)	(1,955)

The Company has entered into a cash pooling arrangement with other group companies. The Company does not settle transactions in cash, instead amounts are settled by other group companies on its behalf with a corresponding adjustment to inter-company receivables/payables.

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Related party transactions (continued)

Liabilities settled by other group companies on behalf of the Company under the cash pooling arrangement are as follows:

	2017	2016
	£'000	£'000
Fixed assets paid by other group undertakings	(152)	(168)
Operating expenses paid by other group undertakings	(13,097)	(14,421)
	(13,249)	(14,589)

The Company considers the Hargreaves family to be the ultimate controlling party. Key management is the directors of the Company. The directors' remuneration for their services to the Company has been borne by a fellow group company.

19. Ultimate parent company

The directors regard Matalan Limited, a company registered in England and Wales, as the immediate parent company. According to the register kept by the Company, Matalan Limited has a 100% interest in the equity capital of HPO1 Nominees Limited at 25 February 2017. The company's registered address is Matalan Limited, Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ. The directors regard Missouri Topco Limited, a company registered in Guernsey, as the ultimate parent company. The company's registered address is Missouri Topco Limited, 1st Floor, Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB. The Company regards the Hargreaves family as the ultimate controlling party throughout the period.

Missouri Topco is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 25 February 2017. The consolidated financial statements of Missouri Topco Limited are available from Matalan, Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ.