

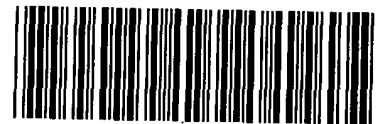
**REGISTERED NUMBER: 01274137**

**HPO1 NOMINEES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE 52 WEEKS ENDED 28 FEBRUARY 2015**

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COMPANIES HOUSE

## **HPO1 NOMINEES LIMITED**

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**HPO1 NOMINEES LIMITED**

**DIRECTORS AND ADVISERS**

**DIRECTORS**

J N Mills  
J J Hargreaves  
S Hill  
A Misra (appointed 7 March 2014)

**COMPANY SECRETARY**

W G Lodder

**REGISTERED OFFICE**

Perimeter Road  
Knowsley Industrial Park  
Liverpool  
L33 7SZ

**INDEPENDENT AUDITOR**

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

**BANKER**

Lloyds Bank plc  
King Street  
Manchester  
M2 4LQ

**SOLICITOR**

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

## **HPO1 NOMINEES LIMITED**

### **STRATEGIC REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2015**

The directors present their annual strategic report and the audited financial statements for the 52 weeks ended 28 February 2015.

#### **RESULTS**

The profit for the period was £622k (2014: £492k) 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 £5,413k (2014: £4,791k).

#### **RISK MANAGEMENT**

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.

By order of the board



S Hill

**Director**

1 June 2015

## **HPO1 NOMINEES LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2015**

The directors present their report for the 52 weeks ended 28 February 2015.

#### **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.

#### **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.

#### **DIVIDENDS**

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

#### **POLITICAL & CHARITABLE DONATIONS**

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

#### **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.

#### **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.

**HPO1 NOMINEES LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**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', written in a cursive style.

S Hill

**Director**

1 June 2015

## **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 28 February 2015 set out on pages 8 to 23. 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 28 February 2015 and of its profit for the period 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



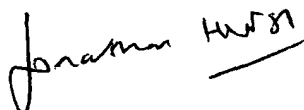
**HPO1 NOMINEES LIMITED**

**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.

A handwritten signature in black ink, appearing to read 'Jonathan Hurst', with a horizontal line underneath.

**Jonathan Hurst (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
1 St Peters' Square  
Manchester  
M2 3AE  
1 June 2015

**HPO1 NOMINEES LIMITED****INCOME STATEMENT**

	Note	<b>52 weeks ended 28 February 2015 £'000</b>	<b>53 weeks ended 1 March 2014 £'000</b>
<b>Revenue</b>		<b>14,164</b>	11,934
Cost of sales		(13,338)	(11,364)
<b>Gross profit</b>		<b>826</b>	570
Administrative expenses		(152)	(2)
<b>Operating profit</b>	5	<b>674</b>	568
<b>Profit before income tax</b>	8	<b>674</b>	568
Income tax charge	9	(52)	(76)
<b>Profit for the period</b>		<b>622</b>	492

The Company has no other comprehensive income other than the profit for the period.

**HPO1 NOMINEES LIMITED****STATEMENT OF FINANCIAL POSITION**

	Note	2015 £'000	2014 £'000
<b>Non current assets</b>			
Property, plant and equipment	10	9,143	8,331
Intangible assets	11	685	51
<b>Total non current assets</b>		<b>9,828</b>	<b>8,382</b>
<b>Current assets</b>			
Receivables	12	251	230
Cash and cash equivalents		1	1
<b>Total current assets</b>		<b>252</b>	<b>231</b>
<b>Total assets</b>		<b>10,080</b>	<b>8,613</b>
<b>Current liabilities</b>			
Payables	13	(3,871)	(3,029)
<b>Total current liabilities</b>		<b>(3,871)</b>	<b>(3,029)</b>
<b>Non current liabilities</b>			
Payables	14	(710)	(759)
Deferred income tax liabilities	9	(86)	(34)
<b>Total non current liabilities</b>		<b>(796)</b>	<b>(793)</b>
<b>Total liabilities</b>		<b>(4,667)</b>	<b>(3,822)</b>
<b>Net assets</b>		<b>5,413</b>	<b>4,791</b>
<b>Capital and reserves</b>			
Share capital	15	10	10
Retained earnings		5,403	4,781
<b>Total shareholders' equity</b>		<b>5,413</b>	<b>4,791</b>

The financial statements on pages 8 to 23 were approved by the board of directors on 1 June 2015 and signed on its behalf by:



S Hill  
Director

HP01 Nominees Limited  
Registered number: 01274137

**HPO1 NOMINEES LIMITED**

**STATEMENT OF CASH FLOWS**

		<b>52 weeks ended 28 February 2015 £'000</b>	<b>53 weeks ended 1 March 2014 £'000</b>
	Note		
<b>Cash flow from operating activities</b>			
Net cash generated from operating activities	16	<b>2,490</b>	<b>7,484</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangibles		<b>(2,490)</b>	<b>(7,484)</b>
Net cash used in investing activities		<b>(2,490)</b>	<b>(7,484)</b>
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		<b>1</b>	<b>1</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1</b>	<b>1</b>

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

	<b>Share capital £'000</b>	<b>Retained Earnings £'000</b>	<b>Total equity £'000</b>
As at 24 February 2013	10	4,289	4,299
<b>Comprehensive income</b>			
Profit for the period	-	492	492
<b>As at 1 March 2014</b>	<b>10</b>	<b>4,781</b>	<b>4,791</b>
As at 2 March 2014	10	4,781	4,791
<b>Comprehensive income</b>			
Profit for the period	-	622	622
<b>As at 28 February 2015</b>	<b>10</b>	<b>5,403</b>	<b>5,413</b>

## **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.

##### **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.

##### **New standards, amendments to standards or interpretations**

There are no new IFRSs or IFRIC interpretations that are effective for the first time for the financial year that would be expected to have a material impact on the company.

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
- Amendments to IFRS 2 Share-based payments
- Amendments to IFRS 8 Operating segments
- Amendments to IFRS 13 Fair value measurement
- Amendments to IAS 24 Continuing related party disclosures

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

##### **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 period 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.

## **HPO1 NOMINEES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **2. Summary of significant accounting policies (continued)**

##### **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.

##### **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.

##### **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.

##### **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)**

##### **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.

##### **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.

##### **Share capital**

Ordinary shares are classified as equity.

##### **Receivables**

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

##### **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.

##### **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's treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks.

##### ***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. For banks and financial institutions, independent ratings are considered when placing deposits and reviewing existing providers.

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, The Royal Bank of Scotland 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.

##### ***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. 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 28 February 2015, 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.

#### 5. Operating profit

	2015 £'000	2014 £'000
<b>Revenue</b>	<b>14,164</b>	<b>11,934</b>
Distribution expenses	(13,338)	(11,364)
<b>Total cost of sales</b>	<b>(13,338)</b>	<b>(11,364)</b>
<b>Gross profit</b>	<b>826</b>	<b>570</b>
Administrative expenses	(152)	(2)
<b>Operating profit</b>	<b>674</b>	<b>568</b>

#### 6. Directors' emoluments

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

#### 7. Employee information

The Company had no employees during the period (2014: none).

#### 8. Profit before income tax

	2015 £'000	2014 £'000
Profit before income tax is stated after charging:		
Depreciation of property, plant and equipment	1,205	1,271
Amortisation of intangible assets	152	2
Operating lease rentals:		
Land and buildings	1,546	1,576
Plant and machinery	229	205

The audit fee for the Company amounting to £2,000 (2014: £2,000) is borne by a fellow group company. The total fee for the Group is £0.2m (2014: £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)****9. Income tax**

Analysis of the income tax charge in the period:

	2015 £'000	2014 £'000
<b>Current income tax</b>		
UK corporation tax	-	-
<b>Deferred income tax</b>		
Originating and reversal of timing differences	46	71
Effect of change in rate of tax	-	5
Adjustment in respect of prior periods	6	-
<b>Total income tax charge</b>	<b>52</b>	<b>76</b>

The income tax expense for the period is lower than (2014: lower than) the standard rate of corporation tax in the UK of 21.17% (2014: 23.10%). The rate of corporation tax is based on a weighted average rate. The standard rate of corporation tax reduced from 24% to 23% on 1 April 2014 (24% to 23% on 1 April 2013).

	2015 £'000	2014 £'000
<b>Profit before income tax</b>	<b>674</b>	<b>568</b>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 21.17% (2014: 23.10%)	143	131
Effects of:		
Non-deductible expenses	15	48
Change of rate in tax rate	(3)	(5)
Group relief claimed	(109)	(98)
Adjustments to tax in respect of prior periods	6	-
<b>Total income tax charge</b>	<b>52</b>	<b>76</b>

## **HPO1 NOMINEES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **9. 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 20% (2014: 20.0%).

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

	<b>£'000</b>
As at 24 February 2013	42
Debited to the income statement in the period	(76)
<hr/> As at 1 March 2014	<hr/> (34)
As at 2 March 2014	(34)
Debited to the income statement in the period	(52)
<hr/> <b>As at 28 February 2015</b>	<hr/> <b>(86)</b>

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)**

**10. Property, plant and equipment**

	Alterations to leasehold premises £'000	Motor and commercial vehicles £'000	Fixtures, fittings and equipment £'000	Assets under construction £'000	Total £'000
<b>Cost</b>					
At 24 February 2013	7,835	37	8,225	-	16,097
Additions	85	-	485	6,862	7,432
At 1 March 2014	7,920	37	8,710	6,862	23,529
At 2 March 2014	7,920	37	8,710	6,862	23,529
Additions	862	-	352	803	2,017
Transfers	7,116	-	549	(7,665)	-
Disposals	(10)	-	(633)	-	(643)
At 28 February 2015	15,888	37	8,978	-	24,903
<b>Accumulated depreciation</b>					
At 24 February 2013	6,760	37	7,130	-	13,927
Charge for the period	645	-	626	-	1,271
At 1 March 2014	7,405	37	7,756	-	15,198
At 2 March 2014	7,405	37	7,756	-	15,198
Charge for the period	591	-	614	-	1,205
Eliminated in respect of disposals	(10)	-	(633)	-	(643)
At 28 February 2015	7,986	37	7,737	-	15,760
<b>Net book value at 28 February 2015</b>	<b>7,902</b>	<b>-</b>	<b>1,241</b>	<b>-</b>	<b>9,143</b>
Net book value at 1 March 2014	515	-	954	6,862	8,331
Net book value at 23 February 2013	1,075	-	1,095	-	2,170

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

**HPO1 NOMINEES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. Intangible assets**

	<b>Software, licences and IT consultancy £'000</b>
<b>Cost</b>	
At 24 February 2013	7,147
Additions	52
At 1 March 2014	7,199
At 2 March 2014	7,199
Additions	786
Disposals	(7)
<b>At 28 February 2015</b>	<b>7,978</b>
<b>Accumulated amortisation</b>	
At 24 February 2013	7,146
Charge for the period	2
At 1 March 2014	7,148
At 2 March 2014	7,148
Charge for the period	152
Eliminated in respect of disposals	(7)
<b>At 28 February 2015</b>	<b>7,293</b>
<b>Net book value at 28 February 2015</b>	<b>685</b>
Net book value at 1 March 2014	51
Net book value at 23 February 2013	1

Amortisation is charged to administrative expenses in the income statement.

**12. Receivables**

	<b>2015 £'000</b>	<b>2014 £'000</b>
Amounts owed by group undertakings	10	10
Prepayments and accrued income	241	220
	<b>251</b>	<b>230</b>

**HPO1 NOMINEES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****13. Payables - current**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	<b>(3,240)</b>	<b>(2,659)</b>
Accruals	<b>(581)</b>	<b>(320)</b>
Deferred income	<b>(50)</b>	<b>(50)</b>
	<b>(3,871)</b>	<b>(3,029)</b>

**14. Payables – non-current**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income	<b>(710)</b>	<b>(759)</b>
	<b>(710)</b>	<b>(759)</b>

**15. Share capital**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Issued and fully paid</b>		
10,000 (2014: 10,000) ordinary shares of £1 each	<b>10</b>	<b>10</b>

**16. Cash flows from operating activities**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit	<b>674</b>	<b>568</b>
Adjustments for:		
Depreciation	<b>1,205</b>	<b>1,271</b>
Amortisation	<b>152</b>	<b>2</b>
Operating cash flows before movements in working capital	<b>2,031</b>	<b>1,841</b>
Movements in working capital:		
(Increase)/decrease in receivables	<b>(21)</b>	<b>2,936</b>
Increase in payables	<b>480</b>	<b>2,707</b>
<b>Net cash flows from operating activities</b>	<b>2,490</b>	<b>7,484</b>

## HPO1 NOMINEES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 17. Operating lease commitments

At 28 February 2015 the Company had total future aggregated minimum lease payment commitments under non-cancellable operating leases which fall due as follows:

	2015		2014	
	Land and buildings £'000	Other assets £'000	Land and buildings £'000	Other assets £'000
Within one year	1,600	210	1,600	90
Between two and five years inclusive	6,400	838	6,400	-
Over five years	16,324	290	17,920	-
	<b>24,324</b>	<b>1,338</b>	<b>25,920</b>	<b>90</b>

The Company leases a distribution centre and various plant and equipment under non-cancellable operating lease agreements. Average remaining lease terms are 15 years land and buildings and 6 years for other assets. The majority of the lease agreements are renewable at the end of the lease period at market rate.

#### 18. Capital commitments

	2015 £'000	2014 £'000
Contracted capital expenditure	-	217

#### 19. 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.



## HPO1 NOMINEES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 20. 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:

	2015 £'000	2014 £'000
Transactions with fellow group undertakings:		
Fixed assets paid by other group undertakings	(2,803)	(7,484)
Operating expenses paid by other group undertakings	(11,943)	(10,043)
Management fee owed by other group undertakings	14,164	11,935
	(582)	(5,592)
Amounts owed by parent	10	10
Amounts owed to group undertakings	(3,240)	(2,659)

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.

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

	2015 £'000	2014 £'000
Fixed assets paid by other group undertakings	(2,803)	(7,484)
Operating expenses paid by other group undertakings	(11,943)	(10,043)
	(14,746)	(17,527)

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.

#### 21. 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 28 February 2015. The directors regard Missouri Topco Limited, a company registered in Guernsey, as the ultimate parent company. The Company regards the Hargreaves family as the ultimate controlling party throughout the period.

Missouri Topco Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 28 February 2015. The consolidated financial statements of Missouri Topco Limited are available from Matalan, Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ.