

HM Group Limited

**Directors' report and financial
statements**

Registered number 1712456

Year ended 30 June 2014

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Directors and Company information

Directors

Executive:

A Selley
B Joffe

Secretary

S D Bender

Registered Office

Buckingham Court
Kingsmead Business Park
London Road
High Wycombe
Buckinghamshire
HP11 1JU

Auditor

KPMG LLP
St James' Square
Manchester
M2 6DS

Bankers

HSBC Bank plc
8 Canada Square
London
E14 5XL

Directors' report

The directors present their annual report and audited financial statements for the year ended 30 June 2014.

Strategic report

The Company has met the requirements in the Companies Act 2006 to obtain the exemption provided, on the grounds of its size, from the presentation of a strategic report.

Principal activities

During the year, the company waived an amount of £850,000 (2013: £850,000) due from BFS Group Limited, a fellow 100% directly owned subsidiary company of Bidvest (UK) Limited.

Business review

The results for the year are set out on page 6. The directors do not recommend the payment of a dividend in the year (2013: £Nil).

Directors

The directors who held office during the year were:

A Selley
B Joffe

None of the directors who held office at the end of the financial year have any interest in the shares of the company or its immediate parent undertaking.

The interests of A Selley in the ultimate parent company, The Bidvest Group Limited, are disclosed in the directors' report of the BFS Group Limited, the UK trading company. The interests of B Joffe in the ultimate parent company, the Bidvest Group Limited, are disclosed in the directors' report of that company.

Political and charitable contributions

The company made no political or charitable donations during the year (2013: £Nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

KPMG LLP has been appointed as auditor during the year. Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditor annually and KPMG LLP will therefore continue in office.

By order of the board



28/10/14

S D Bender

Company Secretary

Buckingham Court
Kingsmead Business Park
London Road
High Wycombe
Buckinghamshire
HP11 1JU

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 Financial UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 UK Accounting Standards; 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.



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Report of the independent auditor to the members of HM Group Limited

We have audited the financial statements of HM Group Limited for the year ended 30 June 2014 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 3, 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 30 June 2014 and of its loss for the year then ended;
 - have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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 for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of
HM Group 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Mick Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS
United Kingdom

5/11/2014

Profit and Loss Account and Other Comprehensive Income
for the year ended 30 June 2014

	<i>Note</i>	2014 £000	2013 £000
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Distribution expenses		-	-
Administration expenses		(850)	(850)
Operating loss	2	(850)	(850)
Loss before taxation		(850)	(850)
Taxation	4	-	-
Loss after taxation		(850)	(850)
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive expense for the period		(850)	(850)

The notes on pages 9-12 form part of these financial statements.

Statement of Changes in Shareholder's Funds
for year ended 30 June 2014

	Share capital £000	Share premium £000	Capital redemption reserve £000	Retained earnings £000	Total £000
Balance at 30 June 2012	13,051	232	8	1,709	15,000
Total comprehensive income for the period					
Loss after taxation	-	-	-	(850)	(850)
Other comprehensive income	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	-	-	-	(850)	(850)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transactions with owners, recorded directly in equity	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2013	<u>13,051</u>	<u>232</u>	<u>8</u>	<u>859</u>	<u>14,150</u>
Balance at 1 July 2013	13,051	232	8	859	14,150
Total comprehensive income for the period					
Loss after taxation	-	-	-	(850)	(850)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	-	-	-	(850)	(850)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transactions with owners, recorded directly in equity	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2014	<u>13,051</u>	<u>232</u>	<u>8</u>	<u>9</u>	<u>13,300</u>

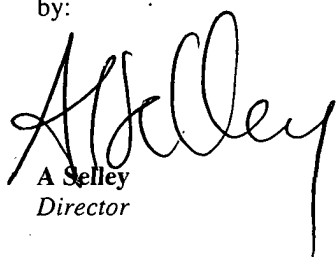
The notes on pages 9-12 form part of these financial statements.

Balance Sheet
at 30 June 2014

	<i>Note</i>	2014 £000	2013 £000
Current assets			
Debtors	5	13,300	14,150
Net assets		<u>13,300</u>	<u>14,150</u>
Capital and reserves			
Called up share capital	6,7	13,051	13,051
Share premium	7	232	232
Capital redemption reserve	7	8	8
Profit and loss account	7	9	859
Shareholders' funds	7	<u>13,300</u>	<u>14,150</u>

The notes on pages 9-12 form part of these financial statements.

These financial statements were approved by the board of directors on 28/10/14 and were signed on its behalf by:


A Selley
Director

Notes

(forming part of the financial statements)

1 Accounting policies

HM Group Limited (the "Company") is a company incorporated in the UK.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In the financial statements the Company has adopted early FRS 101 and for the first time.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of The Bidvest Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- The disclosures required by IFRS 7 *Financial Instrument Disclosures*

The Company's ultimate parent undertaking, The Bidvest Group Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of The Bidvest Group Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Group's website (www.bidvest.co.za).

Going concern

The Board of Directors have prepared forecasts for the forthcoming twelve month period which indicate that the Company has sufficient committed income and financial resources in order to enable it to meet its obligations as they fall due. As a consequence the Board of Directors believe that the Company is well placed to manage its business risks successfully in the current economic environment.

After making all enquiries, the Board of Directors has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Company's accounts.

Intra-group financial instruments

Intra-group financial instruments constitute loans that are repayable on demand.

Notes (continued)

1 Accounting policies (continued)

Trade and other debtors

Trade and other debtors are stated at their nominal amount (discounted if material) less impairment losses.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. 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 in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred 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.

2 Operating loss is stated after charging:

	2014 £000	2013 £000
Partial waiver of inter group balance	850	850
Auditor's remuneration:		
Audit of these financial statements	1	1

The audit costs are borne by a fellow group company BFS Group Limited.

3 Directors' remuneration

The directors did not receive any remuneration during the year, or preceding year.

Notes (continued)

4 Taxation

a) Recognised in the statement of comprehensive income:

	2014 £000	2013 £000
Current year	-	-
Total current tax credit in the statement of comprehensive income	-	-

b) Reconciliation of effective tax rate

	2014 £000	2013 £000
Loss before taxation	(850)	(850)
Tax using the UK corporation tax rate of 22.5% (2013: 23.75%)	(191)	(202)
Non deductible expenses	191	202
Total tax in the statement of comprehensive income	-	-

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

5 Debtors

	2014 £000	2013 £000
Amounts owed by fellow subsidiary company	13,300	14,150

6 Share capital

	2014 £000	2013 £000
<i>Authorised</i> 100,000,000, ordinary shares of £1 each	100,000	100,000
<i>Allotted, called up and fully paid</i> 13,051,042 ordinary shares of £1 each	13,051	13,051

Notes (continued)

7 Capital and reserves

	Share capital £000	Share premium £000	Capital redemption reserve £000	Retained profit £000	Total £000
Balance at 1 July 2013	13,051	232	8	859	14,150
Loss after taxation	-	-	-	(850)	(850)
Balance at 30 June 2014	13,051	232	8	9	13,300

The Company defines capital as the capital and reserves as shown above. The company's policy on capital management is to retain sufficient capital to sustain the development of the company, and to pay dividends to its parent when appropriate. There are no regulatory limits on capital.

8 Ultimate parent company

The ultimate parent company of HM Group Limited is The Bidvest Group Limited, a Company incorporated in South Africa. The largest group in which the results of the company are consolidated is that headed by that company.

Copies of financial statements of The Bidvest Group Limited are available upon application to the Company Secretary at the following address: PO Box 87274, Houghton 2041, Johannesburg, South Africa.

9 Subsequent events

No subsequent events have been identified that require disclosure in the financial statements.

10 Accounting estimates and judgments

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

There are no significant judgements or estimates in this years accounts.

11 Explanation of transition to FRS 101 from Adopted IFRS

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the period ended 30 June 2014, the comparative information presented in these financial statements for the year ended 30 June 2013 and the preparation of the opening FRS 101 balance sheet at 1 July 2012 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has not adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (EU-IFRS GAAP), thus the transition from EU-IFRS GAAP to FRS 101 has not affected the Company's financial position nor financial performance.