

Homebase Group Limited

Annual Report and Financial Statements

For the period ended
30 December 2018



Homebase Group Limited
Annual Report and Financial Statements
For the period ended 30 December 2018

Contents	<u>Pages</u>
Directors' report	1
Income statement and statement of comprehensive income	2
Balance sheet	3
Statement of changes in equity	4
Notes to the financial statements	5 - 8

Homebase Group Limited
Directors' report for the period ended 30 December 2018

The directors present their report and the financial statements of the Company for the 6 month period ended 30 December 2018 (the "period").

Registered number

The registered number of the Company is 04071533.

Principal activities and business review

The principal activity of the Company is that of an investment holding company. It is anticipated that the Company will continue to act as an investment holding company. The Company did not trade during the period, and is not expected to trade for the foreseeable future. As such the Directors have applied to dissolve the company.

Some of the company investments were impaired in the period following an impairment review and £86,775 was charged to the statement of comprehensive income.

Directors

The directors who held office during the period were as follows:

- A C Coleman
- D G McGloughlin

Company Secretary

A G Secretarial Limited.

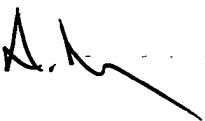
Exemption from disclosing a strategic report

The Company has taken the exemption, under the Companies Act 2006, for companies applying the small companies' regime and not prepared a strategic report.

Directors liability insurance

During the period and up to the date of approval of the financial statements the Company maintained liability insurance for its directors.

On behalf of the Board



A C Coleman
Director

Date: 27.09.19

Homebase Group Limited
Statement of comprehensive income
For the period ended 30 December 2018

	Note	December 2018 £'000	June 2018 £'000
Operating expense - exceptional item	5	(86,775)	-
Interest receivable and similar income		-	-
Loss before taxation		(86,775)	-
Tax on loss		-	-
Loss for the financial period		(86,775)	-

Statement of comprehensive income

	December 2018 £'000	June 2018 £'000
Loss for the financial period	(86,775)	-
Other comprehensive income	-	-
Total comprehensive expense for the financial period attributable to the owners of the Company	(86,775)	-

Homebase Group Limited
Balance sheet
As at 30 December 2018

		6 month to 30 December 2018 £'000	12 months to 30 June 2018 £'000
ASSETS	Note		
Non-current assets			
Investments in subsidiaries	6	77,754	164,529
Total non-current assets		<u>77,754</u>	<u>164,529</u>
Current assets			
Debtors	7	1	1
Total current assets		<u>1</u>	<u>1</u>
Total assets		<u>77,755</u>	<u>164,530</u>
Net assets		<u>77,755</u>	<u>164,530</u>
Capital and reserves			
Called up share capital	8	143,628	143,628
Share premium account		3,960	3,960
Retained earnings		(69,833)	16,942
Total shareholders' funds		<u>77,755</u>	<u>164,530</u>

The notes on pages 5 to 8 form an integral part of the financial statements.

For the period ended 30 December 2018 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- (i) The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476,
- (ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 2 to 8 were approved by the Board of Directors and were signed on their behalf by:



A C Coleman
 Director

Date: 27.09.19

Homebase Group Limited
Statement of changes in equity
For the period ended 30 December 2018

	Attributable to the owners of the Company			
	Called up share capital	Share premium account	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000	£'000
Balance at 30 June 2018	143,628	3,960	16,942	164,530
Total comprehensive income for the financial period	-	-	(86,775)	(86,775)
Balance at 30 December 2018	143,628	3,960	(69,833)	77,755

	Attributable to the owners of the Company			
	Called up share capital	Share premium account	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000	£'000
Balance at 28 February 2017	143,628	3,960	16,942	164,530
Total comprehensive income for the financial year	-	-	-	-
Balance at 30 June 2018	143,628	3,960	16,942	164,530

Homebase Group Limited
Notes to the financial statements
For the period ended 30 December 2018

1. General information

Homebase Group Limited ("the Company") is a private limited company incorporated and domiciled in England and Wales under the Companies Act 2006. The Company's registered address is Witan Gate House, 500-600 Witan Gate, Milton Keynes, MK9 1BA.

The financial year represents the 6 month period ended 30 December 2018 (16 month period ended 30 June 2018).

2. Basis of preparation

FRS 102 – reduced disclosure exemptions for subsidiaries and basis for non-consolidation

As the Company meets the FRS 102 definition of a qualifying entity, it has decided to take advantage of certain disclosure exemptions available to such entities in preparing these financial statements. Details of the exemptions taken are as follows:

- No cash flow statement has been presented for the Company;
- Those financial instrument disclosure exemptions that are listed in paragraph 1.12 (c) of FRS 102 that would otherwise be relevant to the Company, as equivalent disclosures have been provided in respect of the group as a whole in the consolidated financial statements referred to above;

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in applying the Company's accounting policies. Details of the significant judgements in applying accounting policies and the key sources of estimation uncertainty are set out in note 3.

The financial statements, which are prepared on a going concern basis, are presented in pounds sterling.

The Company's ultimate parent undertaking Ark UK Holdings Limited, prepares publicly available consolidated financial statements, which include the Company, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the group it heads as at 30 December 18. These can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Changes in accounting standards

There are no new standards, amendments to existing standards or interpretations which are effective for the first time during the period ended 30 December 2018 that have a material impact on the Company.

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The critical accounting policies of the Company are described in further detail below.

Impairment of assets

Assets are subject to impairment reviews whenever changes in events or circumstances indicate that an impairment may have occurred. If such an indicator exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. In the case of store assets, a CGU represents a single store.

Assets (or CGUs) are written down to their recoverable amount, which is the higher of fair value less costs to sell and value-in-use. Value-in-use is calculated by discounting the expected cash flows from the asset at an appropriate discount rate for the risks associated with that asset. This includes estimates of both the expected cash flows and an appropriate discount rate which use management's assumptions and estimates of the future performance of the asset. Differences between expectations and the actual cash flows will result in differences in the level of impairment required.

A previously recognised impairment loss is reversed if there has been a significant change in the underlying assumptions used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined, net of amortisation or depreciation, if no impairment loss had been recognised in prior years.

Homebase Group Limited
Notes to the financial statements (continued)
For the period ended 30 December 2018

3. Summary of principal accounting policies

Investments

Investments are included in the balance sheet at their cost of acquisition. Where appropriate, a provision is made for any impairment in their value.

Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of debtors. The amount of the provision is recognised in the balance sheet, with the cost of unrecoverable trade debtors recognised in the income statement immediately.

4. Employee costs and employee numbers

The Company had no employees in either period, other than the Company's directors. No director received emoluments in respect of their services to the Company during the period (June 2018: £nil).

5. Exceptional items

	December 2018 £'000	June 2018 £'000
	(86,775)	-
	(86,775)	-

6. Investments in subsidiaries

	Subsidiaries £'000
Cost	
At 30 June 2018 and 30 December 2018	164,530
Impairment	
At 30 June 2018	(1)
At 30 December 2018	(86,775)
Net book value as at 30 December 2018	77,754
	Subsidiaries £'000
Cost	
At 28 February 2017 and 30 June 2018	164,530
Impairment	
At 28 February 2017 and 30 June 2018	(1)
Net book value as at 30 June 2018	164,529

The fixed asset investments are stated at cost less provision for impairment.

At the balance sheet date, the directors believe that the net book values of the fixed asset investments are supported by their underlying net assets.

The investments in subsidiary companies comprise the following:

Company name	Class and proportion of nominal shares held	Country of Incorporation	Principal activity
Directly held subsidiaries:			
Fifthgrange Limited	Ordinary 100%	England	Investment holding company
Iconford Limited**	Ordinary 100%	England	Investment holding company

Homebase Group Limited
Notes to the financial statements (continued)
For the period ended 30 December 2018

6. Investments in subsidiaries (continued)

Indirectly held subsidiaries:

Homebase Card Handling Services Limited**	Ordinary 100%	England	Investment holding company
HHGL Limited (formerly Homebase Limited)	Ordinary 100%	England	Home improvement and garden products retailer
Index Limited**	Ordinary 100%	England	Dormant
Lexden BH (Colchester) Limited	Ordinary 100%	England	Investment holding company
Lexden BH Limited	Ordinary 100%	Jersey	Property investment company
HHGL (ROI) Limited (formerly Homebase House and Garden Centre Limited)	Ordinary 84.63%* Deferred Shares 100%	Republic of Ireland	Home improvement and garden products retailer
Texas Services Limited**	Ordinary 100%	England	Dormant
Homebase Spend & Save Limited**	Ordinary 100%	England	Dormant
Focal Point (Lighting) Limited**	Ordinary 100%	England	Dormant
MI Home Limited**	Ordinary 100%	England	Dormant
Modern Interiors Limited**	Ordinary 100%	England	Dormant
Texas (NI) Limited**	Ordinary 100%	Northern Ireland	Dormant
Homebase (NI) Limited**	Ordinary 100%	Northern Ireland	Dormant
Homebase Group (2000) Limited**	Ordinary 100%	England	Investment holding company
Beddington House Holdings Limited**	Ordinary 100%	England	Investment holding company
Homebase Holdings Limited**	Ordinary 100%	England	Investment holding company
Home Charm Group Limited**	Ordinary 100%	England	Investment holding company
Home Charm Group Trustees Limited**	Ordinary 100%	England	Dormant
Homebase Direct Limited**	Ordinary 100%	England	Dormant
Texas Homecare (Northern Ireland) Limited**	Ordinary 100%	Northern Ireland	Dormant
Texas Homecare Installation Services	Ordinary 100%	England	Investment holding company
Texas Installations Limited**	Ordinary 100%	England	Dormant
Texas Homecare Limited**	Ordinary 100%	England	Investment holding company
Quickinstant Limited**	Ordinary 100%	England	Investment holding company
Sandfords Limited**	Ordinary 100%	England	Dormant
Sandfords Limited**	Founder 100%	England	Dormant
Trend Decor Limited**	Ordinary 100%	England	Dormant
Beddington House (No. 4) Limited**	Ordinary 100%	England	Dormant

Homebase Group Limited

Notes to the financial statements (continued)
For the period ended 30 December 2018

* The remaining 15.37% of the ordinary shares in HHGL (ROI) Limited are held by Hampden Group Limited, a parent company of the Company.

** Post the balance sheet date, applications to dissolve these dormant companies have been made. These are expected to be completed before the end of December 2019.

For HHGL (ROI) Limited the registered address is Unit C1, Gulliver's Retail Park, Ballymun Road, Santry, Dublin 9, Ireland. For those companies incorporated in Northern Ireland, the registered address is 21 Arthur Street, Belfast, BT1 4GA. For Lexden BH Limited the registered address is 44 Esplanade, St. Helier, Jersey, JE4 9WG. The remaining companies are incorporated in England and the registered address is Witan Gate House, 500-600 Witan Gate, Milton Keynes, MK9 1BA.

7. Debtors

	6 month to 30 December 2018 £'000	16 months to 30 June 2018 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1	1

The balances owed by group undertakings at the year end are unsecured, non-interest bearing and repayable on demand.

Homebase Group Limited
Notes to the financial statements (continued)
For the period ended 30 December 2018

8. Called up share capital

	6 month to 30 December 2018 £'000	12 months to 30 June 2018 £'000
Authorised:		
302,000 (June 2018: 302,000) "A"ordinary shares at 1p each	3	3
14,461,736,411 (June 2018: 14,461,736,411) "B"ordinary shares at 1p each	143,618	143,618
712,000 (June 2018: 712,000) "C"ordinary shares at 1p each	7	7
118,000 (June 2018: 118,000) "D"ordinary shares at 1p each	1	1
20,000 (June 2018: 20,000) "E"ordinary shares at 1p each	-	-
	143,629	143,629
Allotted, called-up and fully paid:		
302,000 (June 2018: 302,000) "A"ordinary shares at 1p each	3	3
14,361,625,040 (2017: 14,361,625,040) "B"ordinary shares at 1p each	143,617	143,617
712,000 (June 2018: 712,000) "C"ordinary shares at 1p each	7	7
118,000 (June 2018: 118,000) "D"ordinary shares at 1p each	1	1
20,000 (June 2018: 20,000) "E"ordinary shares at 1p each	-	-
	143,628	143,628

Other than as specifically provided in the Articles of Association, the "A", "B", "C", "D" and "E" ordinary shares rank pari passu, but constitute five separate classes of shares.

9. Contingent liabilities

The Company has guaranteed the lease obligations of two stores owned by its indirectly held subsidiaries. As at the balance sheet date, the annual lease payments guaranteed by the Company amount to €2,228,000 (June 2018: €2,228,000). The average remaining life of these lease guarantees is 7 years.

10. Post balance sheet event

An application has been made to dissolve all dormant companies in the group, shown in note 6. An application has also been made to dissolve Homebase Group Limited.

11. Ultimate parent undertakings

The Company's immediate parent undertaking is Hampden Group Limited, a company registered in England and Wales, by virtue of its 100 per cent shareholding in the Company.

The Company's ultimate and controlling party is Ark UK Holdings Limited. Copies of there financial statements are available from its registered office at 80 New Bond Street, London, England, W1S 1SB produced to the 31 December 2018.