

Company registration number: 04264507 (England and Wales)

HCD GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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HCD GROUP LIMITED

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HCD GROUP LIMITED

COMPANY INFORMATION

Directors	S. Highwood K. Smith C. Thomas D. Allen
Company number	04264507
Registered office	Suite 206 Fort Dunlop Fort Parkway Birmingham England B24 9FD
Bankers	Barclays 3 rd Floor Windsor Court 3 Windsor Place Cardiff CF10 3BX
Independent auditor	Ernst & Young LLP 2 St Peter's Square Manchester M2 3EY

HCD GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their strategic report on the company for the year ended 31 December 2018.

Principal activities

The principal activity of the company until May 2018 was that of a holding company providing management services to companies within the group. Following the disposal of the assets and liabilities, the company is non-trading.

Review of the business

The Company's profit for the year is £0 (2017: profit of £15,344,511).

The Company's net assets at 31 December 2018 were £3,700 (2017: £3,700).

Dividends received

The Company received no dividend from HCD Specialist Services Limited, HCD Management Ltd and HCD Eng. Ltd (2017: £9,390,100). The net assets of these entities were transferred to Bureau Veritas UK Ltd during the prior year. The dividends paid from these entities to the company were later passed upwards to Bureau Veritas UK Ltd.

The investments in these entities were written down to nil following the transfer with the expense recognised in the profit and loss account in the prior year.

Dividends paid

The Company paid a dividend to shareholders in respect of the year ended 31st December 2018 of £0 per ordinary share, (2017: £15,751,488).

Financial risk management

There are no specific financial risks following the transfer of net assets to the parent company.

Key performance indicators (KPIs)

KPIs are no longer considered following the transfer of net assets to the parent company.

On behalf of the board



K Smith
Director

24 January 2020

HCD GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the financial statements of the company for the year ended 31 December 2018.

Going concern

As the entity has cash, no liabilities and is non-trading, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

Financial risk management

Financial risk management is described in the Strategic Report on page 2.

Directors

The following Directors have held office since 1 January 2018 and up until the date of signing these financial statements:

D. Davies (resigned 29th March 2019)
M. Gee (resigned 31st of August 2018)
S. Hicks (resigned 10th October 2018)
S. Highwood
D. Allen (appointed 29th of March 2019)
K. Smith
C. Thomas
K. Veitch (resigned 31st August 2019)

Directors' indemnities

As permitted by the Articles of Association, The Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. This is purchased by Bureau Veritas SA on behalf of the Directors. The indemnity was in force throughout the last financial year and is currently in force.

Employee involvement and health and safety at work

The Company is committed to the development of employees and thereby, to employees' greater involvement in its operations. The company holds periodic meetings between local management and employees to discuss matters likely to affect employees' interests and to allow a free flow of information. During the period the company has provided training for employees at all levels through a structured programme of courses, seminars and workshops.

The policy of the company is to ensure, as far as it is able to do so, the health, safety and welfare of everyone engaged in or affected by its business.

The company endorses the active application of equal opportunities policies and programmes to provide fair and equitable conditions for employees regardless of sex, family status, religion, creed, colour, ethnic origin, age or disability.

HCD GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

Employment of disabled persons

It is the policy of the company to give full and fair consideration to applications for employment received from disabled persons. Within the limitations of their abilities, they are given the same opportunities for training, career development and promotion as are available to other employees and if necessary, retraining is given to an employee who becomes disabled whilst in the Company's employment.

Statement of directors' responsibilities

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, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditor

So far as each of the directors at the time the report is approved are aware:

- There is no relevant audit information of which the auditors are unaware
- The directors have taken all the steps required to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Independent auditor

Ernst and Young LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

On behalf of the board



K Smith
Director

24 January 2020

HCD GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCD GROUP LIMITED

Opinion

We have audited the financial statements of HCD Group Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

HCD GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCD GROUP LIMITED (CONTINUED)

whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HCD GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCD GROUP LIMITED (CONTINUED)

Use of our report

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.

Ernst & Young LLP

Anne Wong (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

24 January 2020

HCD GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Note	£	£
Turnover	1	-	394,308
Administrative expenses		-	(342,924)
Operating profit		-	51,348
Profit on sale of HCD Building Control investment	8	-	5,557,309
Profit on sale of company assets	8	-	355,742
Income from investments	2	-	9,390,100
Other interest receivable and similar income		-	100
Bank interest payable		151	-
Interest receivable from fellow group undertaking		(151)	-
Profit on ordinary activities before taxation		-	15,354,635
Tax on profit on ordinary activities	5	-	(10,124)
Profit for the financial year		-	15,344,511
Total comprehensive income for the year		-	15,344,511

HCD GROUP LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Current assets			
Investments	8	-	-
Debtors	6	151	-
Cash at bank and in hand		3,549	3,700
		3,700	3,700
Net current assets		3,700	3,700
Total assets less current liabilities		3,700	3,700
Net assets		3,700	3,700
Capital and reserves			
Called-up share capital	10	3,610	3,610
Other reserves		90	90
Profit and loss account		-	-
Total shareholder's funds		3,700	3,700

The financial statements on pages 8 to 16 have been approved by the board and authorised for issue on 24 January 2020 and were signed on their behalf by:



K Smith

Director

HCD Group Limited

Registered number: 04264507

HCD GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Other Reserves	Share Capital	Profit & Loss Account	Total
	£	£	£	£
Balance at 1 January 2017	90	3,610	406,977	410,677
Profit for the year	-	-	15,344,511	15,344,511
Dividends paid	-	-	(15,751,488)	(15,751,488)
Balance at 31 December 2017	90	3,610	-	3,700
Profit for the year	-	-	-	-
Dividends paid	-	-	-	-
Balance at 31 December 2018	90	3,610	-	3,700

HCD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

General information

HCD Group Limited is a limited company incorporated in England. The address of the Company's registered office and principal place of business is Suite 206 Fort Dunlop, Fort Parkway, Birmingham, B24 9FD.

The Company's principal activities and nature of its operations are outlined in the Strategic Report in page 2.

Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 and under the historical cost convention.

The financial statements have been prepared in Sterling, which is the functional currency of the company.

Going concern

As the entity has cash, no liabilities and is non-trading, the directors have formed a judgement that it is appropriate to prepare the financial statements on a going concern basis.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

Investments

Fixed asset investments in subsidiary undertakings are stated at cost less provision for impairment. Cost represents the aggregate of cash consideration, costs incurred and either the fair or nominal value of shares issued. Impairment reviews are performed when there is an indication of potential impairment. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the Income Statement.

Turnover

Turnover represents amounts receivable for services net of VAT which are provided to other HCD companies. All turnover was earned in the UK.

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows'.
- Section 33 'Related Party Disclosures' paragraph 33.7

Defined contribution plans

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

HCD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

1 Accounting policies (continued)

Taxation

Corporation tax payable is provided on taxable profits based on the tax rates and laws enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences where transactions or events that result in an obligation to pay more or less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Critical accounting estimates and areas of judgement

The recoverability of assets such as trade debtors is based on a review by senior management with considerable knowledge of the industry and client.

Amounts recoverable on contracts are largely calculated using a percentage of completion method, and as such, appropriate judgement is exercised around sensitive areas affecting the calculations, such as budgeted fees and budgeted hours.

Financial Instruments

Financial instruments include debtors with no stated interest rate and receivables due within one year that are recorded at transaction price. Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

2. Income from investments

	2018	2017
	£	£
Income from shares in group undertakings	-	9,390,100
	-	9,390,100

3. Operating profit

Operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	-	1,262
Operating lease payments	-	36,691
Auditors' remuneration	-	-

4. Employment information

Remuneration costs (including directors' emoluments):

	2018	2017
	£	£
Wages and salaries	-	159,296
Social security costs	-	18,508
Other pension costs (note 9)	-	2,332
	-	180,136

Directors' remuneration

The remuneration of the directors of the company was as follows

	2018	2017
	£	£
Wages and salaries	-	79,785
Social security costs	-	10,263
Other pension costs	-	1,255
	-	91,303

The average monthly number of employees (including directors) during the year was:

	2018 Number	2017 Number
By activity		
Administration	-	4
	-	4

HCD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

5. Tax on profit on ordinary activities

	2018 £	2017 £
Current year tax		
U.K. corporation tax	-	(10,124)
Total current tax	-	(10,124)
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax charge on profit on ordinary activity	-	(10,124)

The tax assessed for the year is higher (2017: lower) than the standard rate of corporation tax in the UK 19% (2017: 19%) as explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	-	15,354,635
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 19.25% (2017: 20%)	-	(2,955,767)
Effects of:		
Expenses that are not deductible in determining taxable profit	-	(316)
Expenses that are only deductible for tax purposes	-	-
Other differences	-	2,945,959
Total tax charged on profit on ordinary activity	-	(10,124)

6. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Owed by group	151	-
	151	-

7. Dividends paid

	2018 £	2017 £
Dividends paid	-	15,751,488

HCD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

8. Investments

On 1 May 2017, the company sold its investment in H.C.D Building Control Limited to Bureau Veritas UK Ltd during the year for consideration of £6,074,384, generating a profit on disposal of £5,557,309.

Additionally, on 1 May 2017, the trade and assets of HCD Specialist Services Ltd, HCD Management Ltd and HCD Eng. Ltd were transferred to Bureau Veritas UK Ltd. Accordingly, the investments in these entities have been written off with an expense recognised in the profit and loss account. The company also sold all of its asset and liabilities as part of the transfer, as detailed in the strategic report.

As part of the transfer, the company received a dividend totalling £9,390,100 which is recognised in the profit and loss account.

9. Pension costs

The company participates in a group personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund by the company.

Defined contribution

	2018 £	2017 £
Contributions payable by the company for the year	-	2,332

10. Share capital

	2018 £	2017 £
Allotted and called up		
1,000 Ordinary of 1p each - unpaid (2017: 1,000)	10	10
360,000 Ordinary of 1p each – paid (2017: 360,000)	3,600	3,600
	3,610	3,610

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

11. Financial commitments

There are no financial commitments to disclose in either 2017 or 2018 relating to the total future minimum lease payments under non-cancellable operating leases for property, plant and machinery.

12. Control

The immediate Parent Company is Bureau Veritas UK Limited which owns 100% of the ordinary share capital of HCD Group Limited.

The ultimate parent company is Bureau Veritas International SA. The parent company of Bureau Veritas International SAS, a company registered in France.

The smallest group of undertakings of which the company is a member that produces consolidated financial statements is Bureau Veritas SA, a company registered in France. Its group financial statements are available

HCD GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

12. Control (continued)

from the Company's registered office at 67/71 Boulevard du Chateau, 92200 Neuilly-sur-Seine, France.
(www.bureauveritas.com)

The directors regard Wendel SA, a Company incorporated in France, as the company's ultimate parent and ultimate controlling party by virtue of its majority interest in the equity capital of Bureau Veritas SA.

The largest group of undertakings of which the company is a member that produces consolidated financial statements is Wendel SA, a company registered in France. Its group financial statements are available from the company's registered office at 89 rue Taitbout, 75009, Paris, France. (www.wendelgroup.com)

13. Capital commitments

There were no capital commitments in place at the year-end (2017: none).

14. Post balance sheet events

There were no post balance sheet events which require reporting (2017: none).

15. Dividends

Dividends paid during the year are disclosed as part of the Directors' report.