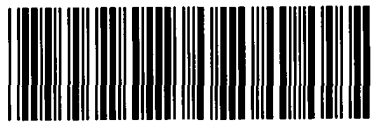


Company Registration No. 08132439 (England and Wales)

**DAVID PHILLIPS GROUP LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

SATURDAY



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COMPANIES HOUSE

# DAVID PHILLIPS GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	N C R Gill M Hall	(Appointed 17 December 2017)
<b>Secretary</b>	N C R Gill	
<b>Company number</b>	08132439	
<b>Registered office</b>	Units 24-32 London Industrial Park Eastbury Road Beckton London E6 6LP	
<b>Independent auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH	

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# **DAVID PHILLIPS GROUP LIMITED**

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# DAVID PHILLIPS GROUP LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2017

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The directors present their report and audited financial statements for the year ended 31 March 2017.

#### Principal activities

The principal activity of the company continued to be that of a holding company.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N C R Gill  
H Sallitt  
D Walker  
A N Gordon  
R Francis  
M Hall

(Resigned 18 December 2017)  
(Resigned 18 December 2017)  
(Resigned 9 July 2016)  
(Appointed 29 March 2017 and resigned 31 August 2017)  
(Appointed 17 December 2017)

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), 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;
- state whether applicable United Kingdom Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# DAVID PHILLIPS GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



N C R Gill

Director

16<sup>th</sup> April 2018

# DAVID PHILLIPS GROUP LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF DAVID PHILLIPS GROUP LIMITED

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#### Report on the financial statements

##### Our opinion

In our opinion, David Phillips Group Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss 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.

##### What we have audited

The financial statements, including within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 March 2017;
- the Income statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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#### Opinion 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 the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

#### Other matters on which we are required to report by exception

##### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# DAVID PHILLIPS GROUP LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF DAVID PHILLIPS GROUP LIMITED

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#### Responsibilities for the financial statements and the audit

##### Our responsibilities and those of the directors

As explained more fully in the statement of directors responsibilities set out on page 1, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### What an audit of financial statements involves

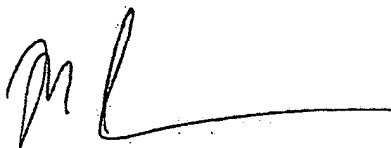
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Mark Jordan (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

London

12/4/18

# DAVID PHILLIPS GROUP LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Administrative expenses		(83,544)	(4,950)
Interest payable and similar charges		(346,073)	(686,678)
Investment impairment		(11,465,802)	-
<b>Loss on ordinary activities before taxation</b>		<b>(11,895,419)</b>	<b>(691,628)</b>
Tax on loss on ordinary activities		-	-
<b>Loss for the financial year</b>		<b>(11,895,419)</b>	<b>(691,628)</b>
<b>Total comprehensive expense for the year</b>		<b>(11,895,419)</b>	<b>(691,628)</b>



# DAVID PHILLIPS GROUP LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investments	2		-	11,465,802	
<b>Current assets</b>					
Trade and other receivables	4	2,283,112		200,000	
<b>Current liabilities</b>	5	<u>(7,698,308)</u>		<u>(7,630,963)</u>	
<b>Net current liabilities</b>			<u>(5,415,196)</u>		<u>(7,430,963)</u>
<b>Total assets less current liabilities</b>			<u>(5,415,196)</u>		<u>4,034,839</u>
<b>Non-current liabilities</b>	6		<u>(8,587,364)</u>		<u>(6,141,980)</u>
<b>Net liabilities</b>			<u><u>(14,002,560)</u></u>		<u><u>(2,107,141)</u></u>
<b>Equity</b>					
Called up share capital	7		1		1
Retained earnings			<u>(14,002,561)</u>		<u>(2,107,142)</u>
<b>Total equity</b>			<u><u>(14,002,560)</u></u>		<u><u>(2,107,141)</u></u>

The financial statements on pages 5 to 11 were approved by the Board on 16/4/2018.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 16/4/18 and are signed on its behalf by:



.....  
N C R Gill  
Director

Company Registration No. 08132439

# DAVID PHILLIPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

#### Company information

David Phillips Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Units 24-32 London Industrial Park, Eastbury Road, Beckton, London, E6 6LP.

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

David Phillips Group Limited is a wholly-owned subsidiary of David Phillips Holdings Limited and the results of David Phillips Group Limited are included in the consolidated financial statements of David Phillips Holdings Limited which are available from Companies House.

#### 1.2 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.3 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.4 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# DAVID PHILLIPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.5 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 2 Fixed asset investments

	2017	2016
	£	£
Investments	-	11,465,802

# DAVID PHILLIPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 2 Fixed asset Investments (Continued)

#### Movements in non-current investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 April 2016 & 31 March 2017	11,465,802
<b>Impairment</b>	
At 1 April 2016	-
Impairment losses	11,465,802
At 31 March 2017	11,465,802
<b>Carrying amount</b>	
At 31 March 2017	-
At 31 March 2016	11,465,802

### 3 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Occam Wile Limited	England	Holding company	Ordinary	100.00
David Phillips Furniture Limited	England	Furniture wholesaler	Ordinary	100.00
Prelet Furniture Limited	England	Dormant	Ordinary	100.00
Peel Mount Contract Furnishings Limited	England	Furniture wholesaler	Ordinary	100.00
Winn Hudson Limited	England	Dormant	Ordinary	100.00
Milc Property Stylists Ltd	England	Furniture retailer	Ordinary	100.00

The registered office for all subsidiaries listed above is Units 24-32, London Industrial Park, Eastbury Road, Beckton, London, E6 6LP.

All investments are held indirectly by Occam Wile Limited.

The directors believe that the carrying value of the investments is supported by the underlying assets.

### 4 Trade and other receivables

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Amounts owed by subsidiary undertakings	2,283,112	200,000

# DAVID PHILLIPS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 5 Current liabilities

	2017 £	2016 £
Amounts due to group undertakings	7,697,306	7,629,962
Other payables	1,002	1,001
	<u>7,698,308</u>	<u>7,630,963</u>

### 6 Non-current liabilities

	2017 £	2016 £
Other payables	<u>8,587,364</u>	<u>6,141,980</u>

### 7 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 1 Ordinary share of £1 each (2016: 1)	<u>1</u>	<u>1</u>

### 8 Events after the reporting date

#### Pre-acquisition funding

On 3 May 2017, David Phillips Group Limited ("DPGL") issued £499,934.80 loan notes under the instrument entered into by DPGL on 28 April 2016 ("2016 Loan Instrument") to investors.

On 29 June 2017, DPGL entered into a secured, fixed rate loan note instrument ("2017 Loan Instrument") with maturity in 2020. Under the 2017 Loan Instrument, DPGL issued loan notes with an aggregate nominal value of £1,060,000.00 on 29 June 2017, issued loan notes with an aggregate nominal value of £552,005.33 on 14 July 2017, issued loan notes with an aggregate nominal value of £651,710.30 on 21 July 2017 and issued loan notes with an aggregate nominal value of £6,284.37 on 28 July 2017. Following the above actions, under the 2017 Loan Note Instrument, loan notes of £2,070,000 were issued to investors.

#### Acquisition

On 18 December 2017 Hamsard 3462 Limited ("BidCo") acquired 100% of the share capital of David Phillips Holdings Limited ("DPHL", the immediate parent of DPGL) and Hamsard 3463 Limited advanced £4,600,000 debt financing to David Phillips Furniture Limited, an indirect subsidiary of DPHL and DPGL (together the "Transaction").

Following the Transaction, Hamsard 3464 Limited (the "TopCo") holds 100% of the share capital of the Group (indirectly, by its subsidiaries).

As part of the Transaction, the 2016 Loan Instrument and the 2017 Loan Instrument were amended to remove the payment or accrual of interest to the holders of these loan notes and to extend their term to 2022. Following the Transaction, the loan notes issued pursuant to these instruments are all held by the economic beneficiaries of TopCo.

Following the transaction TopCo is the sole beneficial owner of David Phillips Holdings Limited and all of its subsidiaries and none of the Group's borrowings are payable within one year of the transaction.

## **DAVID PHILLIPS GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2017**

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#### **9 Related party transactions**

No guarantees have been given or received.

#### **10 Parent company**

Up until 18 December 2017 David Phillips Holdings Limited was the ultimate holding company. Consolidated financial statements for the year ending 31 March 2017 have been prepared for David Phillips Holdings Limited.

The company's immediate parent undertaking is Hamsard 3464 Limited and ultimate parent undertaking Hamsard 3462 Limited, limited liability companies incorporated in England and Wales. No one person has overall control.