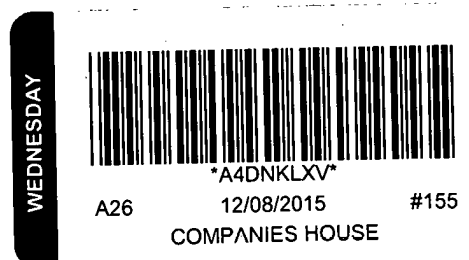


# Home Charm Group Limited

## Annual Report and Financial Statements

For the 52 weeks ended  
28 February 2015



**Home Charm Group Limited**  
**Annual Report and Financial Statements**  
**28 February 2015**

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## **Home Charm Group Limited**

### **Strategic report for the 52 weeks ended 28 February 2015**

#### **Principal activities**

The principal activity of Home Charm Group Limited ("the Company") is that of acting as an investment holding company.

#### **Review of the business and future developments**

The results and dividends are discussed on page 3.

The Company is a wholly owned subsidiary of Home Retail Group plc, and as such a detailed review of Homebase's business and future developments, which includes the activity of the Company, is contained within Home Retail Group's 2015 annual report, which does not form part of this report, starting on page 16.

It is envisaged that the Company will continue to act as an investment holding company for the foreseeable future.

#### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to be the ability of its debtor to repay its loan. The principal risks and uncertainties of Home Retail Group plc, which includes the Company, are discussed on pages 24-25 of Home Retail Group's 2015 annual report, which does not form part of this report.

Home Retail Group (the "Group") operates a centralised treasury function which is responsible for managing the market risk (foreign exchange and interest rate risk), credit risk and liquidity risks associated with the Group's activities. These activities include those of the Company. The Group operates a structured risk management process which identifies, evaluates and prioritises risks and uncertainties.

The Group's treasury function seeks to reduce exposures to foreign exchange, interest rate and other financial risks, and to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Policies and procedures are subject to review and approval by the Group's Board of Directors as well as subject to internal audit review.

The Company's cash and borrowing requirements are managed centrally by the Group treasury function in order to manage the net interest income/expense for the Group as a whole. As a result, the Group's interest rate risk arises from the variance in market rate when deposits are made. The principal objective of the Group's interest rate risk management is to manage the trade-off between obtaining the most beneficial effective rates of interest whilst minimising the impact of interest rate volatility on profits before tax.

The Company monitors its group receivable balances on an ongoing basis with any provision for impairments made as required.

The Company's treasury transactions are managed centrally by the Group treasury function. The Group's exposure to credit risk with regard to treasury transactions is managed by dealing only with major banks and financial institutions. Dealing activity is closely controlled and counterparty positions are monitored on a regular basis. Foreign exchange counterparty limits are set for each organisation on a scale based on credit rating and maturity period.

The Company's liquidity risk is managed centrally by the Group treasury function.

#### **Key performance indicators**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**Home Charm Group Limited**

**Strategic report for the 52 weeks ended 28 February 2015 (continued)**

By order of the Board

A handwritten signature in black ink, appearing to be 'D Hamilton', with a stylized flourish at the end.

D Hamilton

Company Secretary

Date: *22nd July 2015*

**Home Charm Group Limited**  
**Directors' report for the 52 weeks ended 28 February 2015**

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 28 February 2015 (the "year").

**Registered number**

The registered number of the Company is 589383.

**Results and dividends**

The profit for the year was £1,450k (2014: £1,350k). No dividends were paid during the year, and the directors do not recommend the payment of a dividend (2014: £nil). The future developments and principal risks and uncertainties are discussed within the Strategic Report on page 1.

**Directors**

The directors who were in office during the year and up to the date of signing the financial statements were:

D Davis

P Shenton

**Company Secretary**

P McKelvey resigned as Secretary of the Company on 11 September 2014 and D Hamilton replaced her on the same date.

**Political Donations**

The Company has made no charitable donations or political donations and incurred no items of political expenditure during the year (2014: £nil).

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable laws 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied 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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; 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 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.

**Home Charm Group Limited**  
**Directors' report for the 52 weeks ended 28 February 2015 (continued)**

**Directors' liability insurance**

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

**Disclosure of information to auditors**

Each person who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

By order of the Board



D Hamilton  
Company Secretary

Date: 22nd July 2015

## **Home Charm Group Limited**

### **Independent auditors' report to the members of Home Charm Group Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion, Home Charm Group Limited's financial statements (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 profits 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**

Home Charm Group Limited's financial statements comprise:

- the balance sheet as at 28 February 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

##### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

##### **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.

#### **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 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) ("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.

## Home Charm Group Limited

### Independent auditors' report to the members of Home Charm Group Limited (continued)

#### Responsibilities for the financial statements and the audit (continued)

##### 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 and Financial Statements 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.



Simon Morley (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

Date : 02 July 2015



**Home Charm Group Limited**  
**Profit and loss account**  
**For the 52 weeks ended 28 February 2015**

		<b>52 weeks ended 28 February 2015 £'000</b>	<b>52 weeks ended 1 March 2014 £'000</b>
Operating expenses	4	-	-
<b>Operating result</b>		-	-
Interest receivable and similar income	6	<u>1,450</u>	<u>1,350</u>
<b>Profit on ordinary activities before taxation</b>		<b>1,450</b>	<b>1,350</b>
Tax on profit on ordinary activities	7	-	-
<b>Profit and comprehensive income for the financial year</b>		<u><b>1,450</b></u>	<u><b>1,350</b></u>

**Home Charm Group Limited**  
**Balance sheet**  
**As at 28 February 2015**

	Note	2015 £'000	2014 £'000
<b>ASSETS</b>			
<b>Fixed assets</b>			
Investments	8	<u>3,477</u>	<u>3,477</u>
<b>Total fixed assets</b>		<u>3,477</u>	<u>3,477</u>
<b>Current assets</b>			
Debtors	9	<u>979,743</u>	<u>978,293</u>
<b>Total current assets</b>		<u>979,743</u>	<u>978,293</u>
<b>Total assets</b>		<u>983,220</u>	<u>981,770</u>
<b>Capital and reserves</b>			
Called up share capital	10	<u>778,186</u>	<u>778,186</u>
Share premium account		<u>3,638</u>	<u>3,638</u>
Profit and loss account		<u>201,396</u>	<u>199,946</u>
<b>Total shareholders' funds</b>		<u>983,220</u>	<u>981,770</u>

The financial statements on pages 7 to 15 were approved by the Board of Directors and were signed on their behalf by:



D Davis  
Director

Date: *22<sup>nd</sup> July 2015*

**Home Charm Group Limited**  
**Statement of changes in equity**  
**For the 52 weeks ended 28 February 2015**

	Attributable to owners of the Company			
	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000
Balance at 2 March 2014	778,186	3,638	199,946	981,770
Profit for the financial year	-	-	1,450	1,450
Total comprehensive income	-	-	1,450	1,450
<b>Balance at 28 February 2015</b>	<b>778,186</b>	<b>3,638</b>	<b>201,396</b>	<b>983,220</b>

	Attributable to owners of the Company			
	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000
Balance at 3 March 2013	778,186	3,638	198,596	980,420
Profit for the financial year	-	-	1,350	1,350
Total comprehensive income	-	-	1,350	1,350
<b>Balance at 1 March 2014</b>	<b>778,186</b>	<b>3,638</b>	<b>199,946</b>	<b>981,770</b>

**Home Charm Group Limited**  
**Notes to the financial statements**  
**For the 52 weeks ended 28 February 2015**

**1. General information**

Home Charm Group Limited ("the Company") is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company's registered address is Avebury, 489-499 Avebury Boulevard, Milton Keynes, MK9 2NW.

The financial year represents the 52 weeks to 28 February 2015 (prior financial year 52 weeks to 1 March 2014).

**2. Basis of preparation**

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared on the going-concern basis, under the historic cost convention. The principal accounting policies applied in the preparation of these financial statements are set out in note 3. Unless otherwise stated, these policies have been consistently applied to all the periods presented.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 11 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The Company has adopted the intermediate parent exemption under section 400 of the Companies Act 2006, whereby it is not required to prepare consolidated financial statements as the ultimate parent company prepares publicly available consolidated financial statements in accordance with IFRS.

The key disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows
- IFRS 2 Share-based payments; IFRS 7 Financial Instrument disclosures; IAS 1 – Information on management of capital; IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective; IAS 24 disclosure of key management personnel compensation and for related party transactions entered into between two or more members of a group; and the requirement to present roll-forward reconciliations in respect of share capital (IAS 1), property, plant and equipment (IAS 16), and intangible assets (IAS 38).

A summary of the more important accounting policies is set out below.

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.

**Changes in accounting standards**

There are no new standards, amendments to existing standards or interpretations which were effective for the first time during the year ended 28 February 2015 that had a material impact on the Company.

At the balance sheet date there are a number of new standards and amendments to existing standards in issue but not yet effective, including IFRS 15 'Revenue from contracts with customers', which is effective for periods beginning on or after 1 January 2017 and IFRS 9 'Financial Instruments', which is effective for periods beginning on or after 1 January 2018. The Company has not early-adopted either of these new standards or amendments to existing standards. The Company is currently assessing the impact of IFRS 9 and IFRS 15. There are no other new standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a material impact on the Company.

**Home Charm Group Limited**  
**Notes to the financial statements (continued)**  
**For the 52 weeks ended 28 February 2015**

**2. Basis of preparation (continued)**

**Critical accounting estimates and assumptions**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgement at the date of the financial statements, will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and future periods where appropriate. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*Taxes*

Significant judgement is required in determining the provision for income taxes as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the results for the year and the respective income tax and deferred tax provisions in the year in which such determination is made. Deferred tax assets are recognised for tax loss carry-forwards and other temporary differences to the extent that the realisation of the related tax benefit through future taxable profits is probable.

*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. When the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of each CGU to which the asset belongs.

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.

**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 profit and loss account immediately.

Interest free long term loans receivable are discounted to fair value on initial recognition. The discount rate used to determine the net present value of the debtor is the rate that the Company would be able to borrow funds at in the open market. The initial discount is accounted for within retained earnings and the subsequent unwinding of the discount is accounted for through the profit and loss account.

**Home Charm Group Limited**  
**Notes to the financial statements (continued)**  
**For the 52 weeks ended 28 February 2015**

**3. Summary of principal accounting policies (continued)**

**Creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year. They are recognised initially at fair value and subsequently remeasured at amortised cost.

**Current tax**

Current tax is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Corporation tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the balance sheet date.

**Financial instruments**

The Company classifies its financial instruments in the following categories: financial assets and financial liabilities at fair value through the profit and loss account and loans and receivables. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

*Financial assets and liabilities at fair value through the profit and loss*

Financial assets and liabilities at fair value through the profit and loss account are so designated by management on initial recognition. Derivatives are generally designated as hedges. Financial assets and liabilities at fair value through profit or loss are initially recorded at fair value with gains or losses arising from changes in their fair value presented in the profit and loss account. Items in this category are classified as current assets or current liabilities if they are expected to be realised within 12 months of the balance sheet date.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. They are included in current assets.

The discount arising on the initial recognition of the fair value of interest free long term receivables is accounted for within retained earnings, and the subsequent unwinding of the discount is accounted for through the profit and loss account.

**4. Operating Expenses**

Costs of £1k (2014: £1k) for the annual audit of the financial statements of the Company are borne by Homebase Limited, and no recharge is made to the Company (2014: £nil).

**5. Employee costs and employee numbers**

The Company has no employees in either year, other than the Company directors. No director received any emoluments in respect of their services to the Company during the year (2014: £nil).

**6. Interest receivable and similar income**

	52 weeks ended 28 February 2015 £'000	52 weeks ended 1 March 2014 £'000
Unwind of discount recognised on fair value measurement of debtors	1,450	1,350

The unwinding of discount on fair value remeasurement relates to the long-term loan receivable from a group undertaking that was discounted to its fair value in the period ended 27 February 2010 (see note 9).

**Home Charm Group Limited**  
**Notes to the financial statements (continued)**  
**For the 52 weeks ended 28 February 2015**

**7. Tax on profit on ordinary activities**

	<b>52 weeks ended 28 February 2015 £'000</b>	<b>52 weeks ended 1 March 2014 £'000</b>
<b>Analysis of charge in the year</b>		
<b>Total current tax charge</b>	<u>-</u>	<u>-</u>

**Factors affecting the tax charge**

The effective rate of tax for the year of nil (2014: nil) is lower than the standard rate of corporation tax in the UK of 21.17% (2014: 23.08%), The differences are explained below:

Profit on ordinary activities before taxation	<u>1,450</u>	<u>1,350</u>
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK	(305)	(312)
Effects of:		
Transfer pricing adjustment	(10,271)	(11,289)
Income not taxable	305	312
Loss relief claimed from group companies for £nil consideration	<u>10,271</u>	<u>11,289</u>
<b>Total tax charge in profit and loss account</b>	<u>-</u>	<u>-</u>

**8. Investments**

	<b>Subsidiaries £'000</b>
<b>Cost</b>	
At 2 March 2014 and 28 February 2015	<b>4,020</b>
<b>Impairment</b>	
At 2 March 2014 and 28 February 2015	<b>( 543)</b>
<b>Net book value at 28 February 2015</b>	<u><b>3,477</b></u>

	<b>Subsidiaries £'000</b>
<b>Cost</b>	
At 3 March 2013 and 1 March 2014	<b>4,020</b>
<b>Impairment</b>	
At 3 March 2013 and 1 March 2014	<b>( 543)</b>
<b>Net book value at 1 March 2014</b>	<u><b>3,477</b></u>

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

In the opinion of the directors the value of the individual investments are not less than the amounts at which the investments are stated in the Balance Sheet.

**Home Charm Group Limited**  
**Notes to the financial statements (continued)**  
**For the 52 weeks ended 28 February 2015**

**8. Investments (continued)**

The investments in subsidiary companies comprise the following:

Company name	Class and proportion of nominal shares held		Address of the undertaking	Direct/indirect holding
Quickinstant Limited	Ordinary	100%	~see note below	Direct
Texas Homecare Installation Services Limited	Ordinary	100%	~see note below	Direct
Texas Homecare Limited	Ordinary	100%	~see note below	Direct
Home Charm Group Trustees Limited	Ordinary	100%	~see note below	Direct
Homebase Direct Limited	Ordinary	100%	~see note below	Direct
Texas Homecare (Northern Ireland) Limited	Ordinary	100%	21 Arthur Street, Belfast, BT1 4GA	Direct
Sandfords Limited	Ordinary	100%	~see note below	Indirect
Trend Décor Limited	Ordinary	100%	~see note below	Indirect
Texas Installations Limited	Ordinary	100%	~see note below	Indirect

~Unless otherwise stated, the registered address for the above companies is Avebury, 489-499 Avebury Boulevard, Milton Keynes, MK9 2NW.

**9. Debtors**

	2015 £'000	2014 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	25,000	25,000
Less discount recognised in prior years on fair value measurement of debtors	( 1,450)	( 2,800)
Unwinding of discount recognised on fair value measurement of debtors (note 6)	1,450	1,350
	<b>25,000</b>	<b>23,550</b>
 Amounts owed by group undertakings	 954,743	 954,743
	<b>979,743</b>	<b>978,293</b>

As at 28 February 2015, the debtors due within one year from group undertakings are unsecured, interest free and have no fixed date of repayment.

The amounts due from group undertakings included a term loan with a principal sum of £25,000k and a term of 5 years which expired on 27 February 2015. This long term loan was unsecured and interest free and was discounted to its fair value of £18,590k using a discount rate of 6.1% in the period ended 27 February 2010. The unwind of discount recognised on the fair value measurement of debtors of £1,450k (2014: £1,350k) has been accounted for as interest receivable within the profit and loss account.

On its expiry on the 27 February 2015, the long term loan to a group undertaking was replaced with a new loan. This new loan has a principal sum of £25,000 and is unsecured, interest free and repayable on demand. On the basis that this new loan has no fixed date for repayment, it has been classified within amounts falling due within one year.



**Home Charm Group Limited**  
**Notes to the financial statements (continued)**  
**For the 52 weeks ended 28 February 2015**

<b>10. Called up share capital</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised:</b>		
10,000,000,000 (2014: 10,000,000,000) ordinary shares at 10p each	<u>1,000,000</u>	<u>1,000,000</u>
<b>Allotted, called-up and fully paid:</b>		
7,781,857,186 (2014: 7,781,857,186) ordinary shares at 10p each	<u>778,186</u>	<u>778,186</u>

**11. Ultimate parent undertakings**

The Company's immediate parent undertaking is Homebase Holdings Limited, a company registered in England and Wales, by virtue of its 100% shareholding in the Company.

The Company's ultimate and controlling party is Home Retail Group plc, a company registered in England and Wales. The largest and smallest group of undertakings for which group financial statements have been prepared was that of Home Retail Group plc. Copies of these financial statements are available from its registered office at Avebury, 489-499 Avebury Boulevard, Milton Keynes, MK9 2NW.