

HCD MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

THURSDAY



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HCD MANAGEMENT LIMITED

CONTENTS

	Page
Company information	1
Strategic report for the year ended 31 December 2016	2
Directors' report for the year ended 31 December 2016	3
Independent auditors' report to the members of HCD Management Limited	5
Statement of comprehensive income for the year ended 31 December 2016	7
Statement of financial position as at 31 December 2016	8
Statement of changes in equity for the year ended 31 December 2016	9
Notes to the financial statements for the year ended 31 December 2016	10

HCD MANAGEMENT LIMITED

COMPANY INFORMATION

Directors

D. Davies
S. Hicks
M. Gee
S. Highwood
K. Smith
C. Thomas
K. Veitch

Company secretary

S. Hicks

Company number

04448933

Registered office

2 Links Court
Links Business Park
Fortran Road
St Mellons
Cardiff
CF3 0LT

Independent auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Bankers

Barclays
3rd Floor Windsor Court
3 Windsor Place
Cardiff
CF10 3BX

HCD MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report on the company for the year ended 31 December 2016.

Principal activities

The principal activities of the company during the year were the provision of certification for quality management systems, environmental certification and CE marking of medical devices and gas appliances.

Review of the business

The company's profit for the financial year is £6,357 (2015: profit £67,538).

The company's net assets at 31 December 2016 were £498,919 (2015: £492,562).

The company considers the principal risk and uncertainty affecting the business is recruitment and retention of key staff. This risk is managed through structured and focused recruitment campaigns along with staff training, development programmes and incentive schemes designed to promote staff retention.

Other risks that the organisation faces include the performance of the construction sector as a whole and the threat of competition. These risks are mitigated by a diverse range of services, competitive pricing and a high quality product.

Key performance indicators ("KPI's")

The company's directors consider various KPI's on a frequent basis. These include turnover, gross profit, operating profit and average number of employee's.

	2016	2015	Movement %
Turnover	£1,193,158	£839,061	42%
Operating profit	£628,238	£423,368	48%
Gross profit	£6,546	£94,729	-93%
Average headcount	10	8	25%

Dividends

The directors do not recommend the payment of a dividend (2015: £50,000) and no dividends were paid during the year.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effect of changes in credit risk, liquidity risk and interest rate risk. The company is not exposed to any significant commodity price risk.

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure of any individual counterparty is subject to a limit which is assessed regularly by the board.

All the company's debt is inter-company and the interest rate risk, liquidity risk and cash-flow risk is managed by the Bureau Veritas SA board.

Future developments

The directors anticipate that the trade of HCD Management Limited will be transferred to Bureau Veritas UK Limited during 2017. No other significant change to the business activity is expected.

On behalf of the board

M. Gee

Director

7th April 2017



HCD MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

Future developments

An indication of the likely future developments of the business is included in the Strategic Report on page 2.

Going concern

Going concern basis for preparing the financial statements is no longer appropriate due to senior management's intention to transfer the trade and assets of the entity to Bureau Veritas UK Limited within the next twelve months. The financial statements have been prepared on the break up basis.

Directors

The following directors have held office since 1 January 2016 and up until the date of signing these financial statements:

- S. Hicks
- M. Gee (appointed 22/09/16)
- S. Highwood
- C. Pike (appointed 29/02/16, resigned 18/01/17)
- K. Smith (appointed 29/02/16)
- C. Thomas (appointed 29/02/16)
- K. Veitch (appointed 29/02/16)
- N. Cole (resigned 14/10/16)
- A. Dyer (resigned 14/10/16)
- D. Davies (appointed 17/10/16)

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.

Financial risk management

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

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 MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (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, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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;

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 auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006 the following applies:

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

Independent auditors

Broomfield Alexander Ltd resigned on 29th February 2016 and Ernst and Young LLP was appointed, Ernst and Young LLP has 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

M. Gee

Director

7th April 2017



HCD MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HCD MANAGEMENT LIMITED

We have audited the financial statements of HCD Management Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Change in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are prepared on a basis other than going concern.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

HCD MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HCD MANAGEMENT LIMITED (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Martin Newsholme (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP
Chartered Accountants
100 Barbirolli Square
Manchester
M2 3EY

12th April 2017

HCD MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover		1,193,158	839,061
Cost of sales		(564,920)	(415,693)
Gross profit		628,238	423,368
Administrative expenses		(621,692)	(328,639)
Operating profit	2	6,546	94,729
Interest payable and similar charges	5	(210)	(636)
Profit on ordinary activities before taxation		6,336	94,093
Tax on profit on ordinary activities	6	21	(26,555)
Profit for the financial year		6,357	67,538
Other comprehensive income		6,357	67,538
Total comprehensive income		6,357	67,538

HCD MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	7	-	243,750
Tangible assets	8	-	2,204
		-	245,954
Current assets			
Tangible assets	8	1,110	-
Debtors	9	388,470	315,513
Cash at bank		552,127	45,835
		941,707	361,348
Creditors: amounts falling due within one year	10	(442,788)	(114,740)
Net current assets		498,919	246,608
Net assets		498,919	492,562
Capital and reserves			
Called-up share capital	13	2	2
Profit and loss account		498,917	492,560
Total equity		498,919	492,562

The financial statements on pages 7 to 17 were approved by the board of directors and authorised for issue on 7th April 2017 and are signed on its behalf by:

M. Gee
Director



HCD Management Limited

Registered number: 04448933

HCD MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2016

	Note	Share capital	Profit and loss account	Total
		£	£	£
Balance at 1 January 2015		2	475,022	475,024
Profit for the year		-	67,538	67,538
Total comprehensive income for the year		-	542,560	542,560
Transactions with owners in their capacity as owners:				
Dividends paid		-	(50,000)	(50,000)
Balance at 31 December 2015		2	492,560	492,562
Profit for the year		-	6,357	6,357
Total comprehensive income for the year		-	498,917	498,917
Balance at 31 December 2016		2	498,917	498,919

HCD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

General information

HCD Management Limited ("the company") is a limited company and incorporated in England.

The address of the company's registered office and place of business is 2 Links Court, Links Business Park, Fortran Road, St Mellons, Cardiff, South Glamorgan, CF3 0LT.

The company's principal activity and the nature of the company's operations are disclosed as part of the strategic report on 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 of HCD Management Limited for the period ended 31 December 2015 were prepared in accordance with applicable previous UK GAAP.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1st January 2015. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 17.

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

The financial statements have been prepared on the break up basis with the following areas being affected by this:

- All fixed assets are shown as current assets and are valued at the lower of cost and net realisable value;
- Long term liabilities are taken to current liabilities and any costs of early settlement are recognised; and
- Any other costs associated with winding up the business are recognised.

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised when the goods and services are provided.

All other contracts for services are invoiced in arrears and turnover is accrued to the extent that the contract work is complete at year end. Turnover accrued on contracts is reported as amounts recoverable on contracts.

Going concern

Going concern basis for preparing the financial statements is no longer appropriate due to senior management's intention to transfer the trade and assets of the entity to Bureau Veritas UK Limited within the next twelve months.

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.

HCD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (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 that have originated but not reversed at the balance sheet date 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.

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.

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.

Critical accounting estimates and assumptions

The recoverable amount of goodwill and other intangible assets is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Critical areas of judgment

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.

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

Dividends

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

Financial Instruments

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. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

HCD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. Profit on ordinary activities before taxation

Operating profit is stated after charging:

	2016 £	2015 £
Impairment/amortisation of intangible assets (note 7)	243,750	37,500
Depreciation of tangible assets (note 8)	1,094	1,151
Operating lease payments	14,722	15,498
Auditors' remuneration	6,600	4,500

3. Directors' emoluments

The directors received no remuneration in relation to their qualifying services to the company during the year (2015: nil).

The number of directors for whom retirement benefits are accruing amounted to nil (2015: nil).

There were no additional senior management team remunerations other than the directors which were disclosed in the note above.

4. Employee information

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

	2016 Number	2015 Number
By activity		
Technical	10	8
Administration	-	-
	10	8

Employment costs (including directors' emoluments):

	2016 £	2015 £
Wages and salaries	469,381	368,462
Social security costs	57,177	44,028
Other pension costs (note 12)	7,911	3,203
	534,469	415,693

HCD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

5. Interest payable and similar charges

	2016 £	2015 £
Interest payable on loan with third parties	210	636
	210	636

6. Tax on (loss)/profit on ordinary activities

	2016 £	2015 £
Current year tax		
U.K. corporation tax	-	(26,278)
Total current tax	-	(26,278)
Deferred tax		
Origination and reversal of timing differences	21	(277)
Total deferred tax	21	(277)
Total tax credit/(charge) on profit on ordinary activity	21	(26,555)

There is no tax charge in the current or prior year. The tax assessed for the year is lower (2015: higher) than the standard rate of corporation tax in the UK 20% (2015: 20.25%) as explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	6,336	94,092
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 20% (2015: 20.25%)	(1,267)	(19,054)
Effects of:		
Expenses that are not deductible in determining taxable profit	(48,977)	(7,844)
Expenses that are only deductible for tax purposes	219	238
Group relief received	50,046	-
Marginal rate relief	-	105
Total tax charged on profit on ordinary activity	21	(26,555)

HCD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

7. Intangible Fixed Assets

Goodwill £

Cost

At 1 January 2016	750,000
Additions	-
At 31 December 2016	750,000

Amortisation

At January 2016	506,250
Charge for the year	243,750
At 31 December 2016	750,000

Net Book Value

At 31 December 2016	-
At 31 December 2015	243,750

On the basis that the accounts have been prepared on the break up basis, goodwill has been fully written down. Amortisation was revised prospectively for the significant change in forecasted profits expected over its economic life which is reflected in the financial statements being prepared on the break up basis.

8. Tangible Assets

Plant and machinery etc £

Cost

At 1 January 2016	111,111
Additions	-
At 31 December 2016	111,111

Depreciation

At January 2016	108,907
Charge for the year	1,094
At 31 December 2016	110,001

Net Book Value

At 31 December 2016	1,110
At 31 December 2015	2,204

Tangible assets are currently sat within current assets due to the financial statements being prepared on a break up basis (2015: Fixed assets).

HCD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

9. Debtors: Amounts falling due within one year

	2016 £	2015 £
Trade debtors	263,601	197,445
Amounts owed by group undertakings	94,937	88,186
Other debtors	12,543	7,604
Deferred tax (note 11)	1,000	979
Amounts recoverable on long term contracts	16,389	21,299
	388,470	315,513

The amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

10. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	26,826	1,532
Amounts owed to group undertakings	330,789	14,748
Other taxation and social security costs	70,499	63,701
Corporation tax	-	26,282
Other creditors	14,673	8,477
	442,787	114,740

11. Deferred taxation

	2016 £	2015 £
Deferred tax asset		
1 January	979	1,256
Deferred tax charge in profit and loss account (note 6)	21	(277)
31 December	1,000	979

12. Pension costs

Defined contribution

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.

	2016 £	2015 £
Contributions payable by the Company for the year	7,911	3,203

Included within other taxation and social security as at 31 December 2016 were contributions payable of £744 (2015: £458).

HCD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

13. Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid:		
2 Ordinary Shares of £1 each	2	2

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.

14. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

	Plant and Machinery	
	2016 £	2015 £
Expiring within one year	3,220	14,956
Expiring between two and five years	-	11,616
Expiring over five years	-	-
	3,220	26,572

15. Contingent liabilities

The bank loans in HCD Group Limited are secured by a cross-guarantee and a debenture from its subsidiary undertakings, HCD Building Control Limited, HCD Management Limited, HCD Eng. Limited and HCD Specialist Services Limited.

16. Ultimate parent undertaking

The immediate parent company is HCD Group Limited which owns 100% of the ordinary share capital of HCD Management Limited. The parent of HCD Group is Bureau Veritas UK Limited who is a subsidiary of Bureau Veritas International SAS. The parent company of Bureau Veritas International SAS is Bureau Veritas SA, 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 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)

HCD MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

17. First time adoption of FRS 102

These financial statements are the first financial statements of HCD Management Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of HCD Management Limited for the year ended 31 December 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are not included as the directors consider there not to be any material changes.

18. Financial instruments

	2016 £	2015 £
Financial assets measured at amortised cost		
Trade debtors	263,600	197,445
Other debtors	12,543	7,604
Cash	552,127	45,835
Amounts recoverable on contract	16,389	21,299
Amounts owed by group undertaking	94,937	88,186
Financial liabilities measured at amortised cost		
Trade creditors	26,826	1,532
Other tax and social security	70,499	63,701
Other creditors	14,673	8,477
Amounts owed to group undertakings	330,789	14,748

19. Capital commitments

There were no capital commitments in place at the yearend (2015: none).

20. Post balance sheet events

There were no post balance sheet events which require reporting (2015: none).

21. Dividends

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