Beaconsfield Group Holdings Limited

Report and Financial Statements

26 January 2014

Directors
S J Houlgrave
P N Davis
P N Taylor (appointed 04/02/2014)

Secretary
P N Davis

Auditors
Ernst & Young LLP
20 Chapel Street
Liverpool L3 9AG

Bankers
HSBC
4 Hardman Square
Spinningfields
Manchester M3 3EB

Lloyds Bank plc
40 Spring Gardens
Manchester M2 1EN

Solicitors
DLA Piper UK LLP
101 Barbirolli Square
Bridgewater
Manchester M2 3DL

Registered Office
2 Peel Road
West Pimbo
Skelmersdale
Lancashire WN8 9PT

Registered No. 6430124

Strategic report

The directors present their strategic report for the 52 weeks ended 26 January 2014.

Results and dividends

The loss for the period after taxation amounted to £235,000 (52 weeks ended 27 January 2013 – profit of £11,523,000). No dividends were paid during the period (52 weeks ended 27 January 2013 – £11,450,000).

Principal activities and review of the business

The company has continued to be a parent undertaking during the period.

At the period end the company had shareholders' funds of £2,545,000 (52 weeks ended 27 January 2013 – £2,780,000).

Key performance indicators

The directors monitor the following key performance indicators on a monthly basis and at the period-end they are as follows:

	52 weeks ended 26 January 2014	*52 weeks ended 27 January 2013*
	£000	*£000*
Interest payable	235	277
Cash	12	5
Net assets	2,545	2,780

Principal risks and uncertainties

The company finances its operations through the use of various financial instruments including cash and intercompany loans. The main purpose of these financial instruments is to raise finance for the company's operations.

By order of the Board

P N Davis
Secretary
2/5/14

Directors' report

The directors present their report for the 52 weeks ended 26 January 2014.

Directors

The directors who served the company during the period were as follows:

S J Houlgrave
P N Davis

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

P N Davis
Secretary

2/5/14

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 elected to prepare 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 judgments and 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
- 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.

Independent auditors' report

to the members of Beaconsfield Group Holdings Limited

We have audited the financial statements of Beaconsfield Group Holdings Limited for the 52 weeks ended 26 January 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. 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).

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 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. 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 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 Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 January 2014 and of its loss for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report (continued)

to the members of Beaconsfield Group Holdings Limited

Matters on which we are required to report by exception

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.

B Flynn (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Liverpool
7/5/2014

Profit and loss account

for the period ended 26 January 2014

	Notes	52 weeks ended 26 January 2014 £000	52 weeks ended 27 January 2013 £000
Interest payable and similar charges	5	(235)	(277)
Dividend receivable		–	11,800
(Loss)/profit on ordinary activities before taxation	2	(235)	11,523
Tax	6	–	–
(Loss)/profit for the financial period	13	(235)	11,523

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the period ended 26 January 2014

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £235,000 in the 52 weeks ended 26 January 2014 (52 weeks ended 27 January 2013 – profit of £11,523,000).

Balance sheet

at 26 January 2014

	Notes	26 January 2014 £000	27 January 2013 £000
Fixed assets			
Investments	7	47,540	47,540
Current assets			
Debtors	8	9,549	9,549
Cash		12	5
		9,561	9,554
Creditors: amounts falling due within one year	9	–	(1,294)
Net current assets		9,561	8,260
Total assets less current liabilities		57,101	55,800
Creditors: amounts falling due after more than one year	10	(54,556)	(53,020)
Net assets		2,545	2,780
Capital and reserves			
Called up share capital	12	2,760	2,760
Profit and loss account	13	(215)	20
Shareholders' funds	14	2,545	2,780

The financial statements were approved for issue by the Board of Directors and signed on its behalf by:

P N Davis

Director

2/5/14

Notes to the financial statements

at 26 January 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Group financial statements

The company has taken the exemptions under FRS 2 not to prepare group financial statements as it is included within the financial statements of Hotter Group Holdings Limited, a parent undertaking.

These financial statements present information about the company as an individual undertaking and not about its group.

Statement of cash flows

The company has taken advantage of the exemption in FRS 1 from the requirement to produce a statement of cash flow on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

Investments

Fixed asset investments are recorded at cost, less amounts written off.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by payments made in respect of the debts of the period.

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 26 January 2014

1. Accounting policies (continued)

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- There is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- The instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Group's own equity instruments.

When shares are issued, any component that creates a financial liability of the company or group is presented as a liability in the balance sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the income statement.

The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allocated to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

The company's 12% cumulative redeemable preference shares have been accounted for as such a hybrid instrument.

2. Loss on ordinary activities before taxation

Fees payable to the company's auditor for the audit of the company's financial statements and other services were borne by another group undertaking.

3. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were £nil (52 weeks ended 27 January 2013 – £nil).

4. Staff costs

The company did not have any employees during the period or in the prior year.

Notes to the financial statements

at 26 January 2014

5. Interest payable and similar charges

	52 weeks ended 26 January 2014	*52 weeks ended 27 January 2013*
	£000	*£000*
Bank loans	164	207
Amortisation of debt issue costs	71	56
Preference share dividends (accounted for as interest under FRS 25)	–	14
	235	277

6. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	52 weeks ended 26 January 2014	*52 weeks ended 27 January 2013*
	£000	*£000*
Current tax:		
UK corporation tax on the loss for the period	–	–
Total current tax (note 6(b))	–	–
Deferred tax:		
Origination and reversal of timing differences	–	–
Tax on loss on ordinary activities	–	–

Notes to the financial statements

at 26 January 2014

6. Tax (continued)

(b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 23.16% (52 weeks ended 27 January 2013 – 24.33%). The differences are explained below:

	52 weeks ended 26 January 2014 *£000*	*52 weeks ended 27 January 2013* *£000*
(Loss)/profit on ordinary activities before tax	(235)	11,523
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.16% (52 weeks ended 27 January 2013 – 24.33%)	(54)	2,804
Effects of:		
Group tax relief	1,436	1,411
Interest imputed	(1,382)	(1,344)
UK dividend not taxable	–	(2,871)
Current tax for the period (note 6(a))	–	–

7. Investments

	Subsidiary undertakings *£000*
Cost and net book value:	
At 28 January 2013 and 26 January 2014	47,540

Principal fixed asset investments

Name of company	*Class of share*	*Proportion held*	*Country of incorporation*	*Nature of business*
Hotter Limited ^	Ordinary	100%	UK	Parent undertaking
Beaconsfield Footwear Limited *	Ordinary	100%	UK	Footwear retailer
Comfort Concept Limited *	Ordinary	100%	UK	Dormant

^ – held directly by Beaconsfield Group Holdings Limited

* – held directly by other subsidiary undertakings

The company's voting rights in respect of the investments are held in the same proportion as the company's share of the ordinary share capital of each company.

Notes to the financial statements

at 26 January 2014

8. Debtors

	26 January 2014	*27 January 2013*
	£000	*£000*
Other debtors	3	3
Amounts owed by group undertakings	9,546	9,546
	9,549	9,549

9. Creditors: amounts falling due within one year

	26 January 2014	*27 January 2013*
	£000	*£000*
Bank loans (note 11)	–	1,292
Accruals	–	2
	–	1,294

10. Creditors: amounts falling due after more than one year

	26 January 2014	*27 January 2013*
	£000	*£000*
Bank loans (note 11)	–	6,929
Amounts owed to group undertakings	54,456	45,991
12% convertible cumulative redeemable preference shares of £0.01 each (classified as a liability under FRS 25)	100	100
	54,556	53,020

Included within amounts owed to group undertakings in the prior year was a dividend payable on preference shares of £68,468 (52 weeks ended 27 January 2013 – £68,468). These shares are classified as a liability under FRS 25.

11. Loans

Bank loans repayable, included within creditors, are analysed as follows:

	26 January 2014	*27 January 2013*
	£000	*£000*
Within one year	–	1,292
In two to five years	–	6,929
	–	8,221

Notes to the financial statements

at 26 January 2014

11. Loans (continued)

Details of loans wholly repayable within five years are as follows:

	26 January 2014 £000	27 January 2013 £000
Loan A	–	1,292
Loan B	–	7,000
	–	8,292
Less: issue costs	–	(71)
	–	8,221

On 17th January 2014 the bank loans were settled in full using funds provided by a loan from a group undertaking and replaced with an intercompany loan payable (see note 10). The loan is interest free and repayable on demand. As the controlling party have confirmed that these loans will not be recovered prior to 26th January 2015, these loans have been classified as falling due after more than one year.

12. Issued share capital

Allotted, called up and fully paid	*No.*	*26 January 2014 £000*	*No.*	*27 January 2013*
"A" Ordinary shares of £0.01 each	144,000,000	1,440	144,000,000	1,440
"B" Ordinary shares of £0.01 each	132,000,000	1,320	132,000,000	1,320
		2,760		2,760
12% convertible cumulative "A" redeemable preference shares of £0.01 each (classified as a liability under FRS 25)	5,000,000	50	5,000,000	50
12% convertible cumulative "B" redeemable preference shares of £0.01 each (classified as a liability under FRS 25)	5,000,000	50	5,000,000	50
		2,860		2,860

The company has authorised, issued and fully paid 10,000,000 12% convertible redeemable cumulative preference shares of £0.01 each classified as liabilities under FRS 25. These shares do not carry voting rights. On a winding up of the company the preference shareholders have a right to receive, in preference to payments to ordinary shareholders, £0.01 per share plus any accrued dividend.

Notes to the financial statements

at 26 January 2014

13. Movements on reserves

	Profit and loss account
	£000
At 28 January 2013	20
Loss for the period	(235)
At 26 January 2014	(215)

14. Reconciliation of shareholders' funds

	26 January 2014	*27 January 2013*
	£000	*£000*
(Loss)/profit on ordinary activities after tax	(235)	11,523
Dividends paid	–	(11,450)
Net (decrease)/increase in shareholders' funds	(235)	73
Shareholders' funds at 28 January 2013	2,780	2,707
Shareholders' funds at 26 January 2014	2,545	2,780

15. Related party transactions

There were no related party transactions during the period.

16. Ultimate parent undertaking and controlling party

At 26 January 2014, the company was a subsidiary of Hotter Holdings Limited.

The entire issued share capital of the company is indirectly owned by Hotter Group Holdings Limited; a company incorporated in Great Britain and registered in England and Wales. The group financial statements of Hotter Group Holdings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate parent undertaking is Galaxy Topco Limited; a company incorporated in Great Britain and registered in England and Wales. 61.27% of the issued share capital of the company is held by Electra Private Equity plc, the controlling party.