REGISTERED NUMBER: 01274137

HPO1 NOMINEES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019

HPO1 NOMINEES LIMITED

CONTENTS

HPO1 NOMINEES LIMITED

DIRECTORS AND ADVISERS

Directors
J N Mills
J J Hargreaves
S Hill
G Pateras

Company Secretary
W G Lodder

Registered Office
Perimeter Road
Knowsley Industrial Park
Liverpool
L33 7SZ

Independent Auditor
KPMG LLP
Statutory Auditor
1 St Peter's Square
Manchester
M2 3AE

Solicitor
DLA Piper LLP
1 St Peter's Square
Manchester
M2 3DE

Banker
Lloyds Bank plc
King Street
Manchester
M2 4LQ

HPO1 NOMINEES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 23 FEBRUARY 2019

The directors present their report for the year ended 23 February 2019.

Directors
The directors of the Company who served during the period and up to the date of signing the financial statements are listed on page 1.

Principal activities
The principal activity of the Company is the provision of warehouse and distribution services to other group companies. The Company expects to continue as such going forward.

Results
The profit for the period was £591k (2018: £599k) arising from the management fee charged by the Company to Matalan Retail Limited for the management of the Corby Distribution Centre. The Company has net assets of £7,792k (2018: £7,201k).

Principal risks and uncertainties
The responsibility of monitoring financial risk management and treasury responsibilities and procedures lie with the board of directors. The policies set by the board of directors are implemented by the Company's finance department.

Due to the nature of the activities of the Company, the Company is not exposed to significant risks. The Company is impacted to a lesser extent by credit and liquidity risks. These risks have been addressed in section 3 of the Notes to the Financial Statements.

Directors' indemnities
During the period and up to the date of signing the financial statements, the Company maintained third party indemnity insurance for its directors and officers as defined by Section 234 of the Companies Act 2006.

Going concern
After reviewing the Company's budget for the next financial year, and other long term plans, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

Political donations
The Company did not make any political donations in the current or prior period.

Dividends
The Company did not issue a dividend in the current or prior period.

HPO1 NOMINEES LIMITED

DIRECTORS' REPORT (CONTINUED)

Disclosure of information to the auditor
For all persons who are directors at the time of the approval of the directors' report and financial statements:

a) so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
b) each director has taken all the steps necessary as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

S Hill
Director
19 June 2019

STATEMENT OF DIRECTORS' RESPONSIBILTIES IN RESPECT OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HPO1 NOMINEES LIMITED

Opinion

We have audited the financial statements of HPO1 Nominees Limited for the year ended 23 February 2019 which comprise the Income Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Shareholders' Equity and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 23 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of tangible assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HPO1 NOMINEES LIMITED (CONTINUED)

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Under the Companies Act 2006, we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HPO1 NOMINEES LIMITED (CONTINUED)

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

A. Reddington

Andrew Reddington (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
24 June 2019

HPO1 NOMINEES LIMITED

INCOME STATEMENT

	Note	**52 weeks ended 23 February 2019 £'000**	52 weeks ended 24 February 2018 £'000
Revenue		**13,945**	14,332
Cost of sales		**(13,059)**	(13,470)
Gross profit		**886**	862
Administrative expenses		**(222)**	(179)
Operating profit		**664**	683
Profit before income tax	6	**664**	683
Income tax charge	7	**(73)**	(84)
Profit for the period		**591**	599

The Company has no other comprehensive income/ (expenditure) other than the profit for the period.

HPO1 NOMINEES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 23 FEBRUARY 2019

	Note	2019 £'000	2018 £'000
Non current assets			
Property, plant and equipment	8	**8,273**	7,918
Intangible assets	9	**65**	232
Total non current assets		**8,338**	8,150
Current assets			
Receivables	10	**700**	395
Total current assets		**700**	395
Total assets		**9,038**	8,545
Current liabilities			
Payables	11	**(276)**	(397)
Total current liabilities		**(276)**	(397)
Non current liabilities			
Payables	12	**(510)**	(560)
Deferred income tax liabilities	7	**(460)**	(387)
Total non current liabilities		**(970)**	(947)
Total liabilities		**(1,246)**	(1,344)
Net assets		**7,792**	7,201
Capital and reserves			
Share capital	13	**10**	10
Retained earnings		**7,782**	7,191
Total shareholders' equity		**7,792**	7,201

The financial statements on pages 8 to 22 were approved by the board of directors on 19 June 2019 and signed on its behalf by:

S Hill
Director

HPO1 Nominees Limited
Registered number: 01274137

HPO1 NOMINEES LIMITED

STATEMENT OF CASH FLOWS

	Note	52 weeks ended 23 February 2019 £'000	52 weeks ended 24 February 2018 £'000
Operating profit		**664**	683
Adjustments for:			
Depreciation		**621**	603
Amortisation		**167**	180
Operating cash flows before movements in working capital		**1,452**	1,466
Movements in working capital:			
Increase in receivables		**(305)**	(171)
Decrease in payables		**(171)**	(771)
Net cash flows from operating activities		**976**	524
Net cash generated from operating activities		**976**	524
Cash flows from investing activities			
Purchase of property, plant and equipment and intangibles		**(976)**	(525)
Net cash used in investing activities		**(976)**	(525)
Net decrease in cash and cash equivalents		**-**	(1)
Cash and cash equivalents at the beginning of the period		**-**	1
Cash and cash equivalents at the end of the period		**-**	-

HPO1 NOMINEES LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £'000	Retained Earnings £'000	Total equity £'000
As at 28 February 2017	10	6,592	6,602
Comprehensive income			
Profit for the period	-	599	599
As at 24 February 2018	10	7,191	7,201
As at 25 February 2018	10	7,191	7,201
Comprehensive income			
Profit for the period	-	591	591
As at 23 February 2019	**10**	**7,782**	**7,792**

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company has minimal cash and transactions are funded through intercompany accounts. The directors expect no change in operations of the company and thus do not expect any cash out flows in the next 12 months not funded by intragroup balances and therefore the company will have sufficient funds, through funding from its ultimate parent company, Missouri TopCo Limited, to meets its liabilities as they fall due for that period.

Those forecasts are dependent on Missouri TopCo Limited providing additional financial support during that period. Missouri TopCo Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 18 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.2 New standards, amendments to standards or interpretations
There are no new IFRSs or IFRIC interpretations that are effective for the first time for the financial year that have had a material impact on the Company.

The Company has adopted the following standards and statements. The adoption of these standards has not had a material impact on the Company's accounts:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

- Amendments to IFRS 2 Share-based payments

The Company has not early adopted the following standards and statements which are not yet effectivc:

- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses
- IFRS 16 Leases. The new standard is effective for annual reporting periods beginning on or after 1 January 2019. As such the new standard will be applicable to the Company for the financial year ending 29 February 2020.

2.3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and judgements applied will affect the reported values of assets, liabilities, revenues and expenses in the financial statements. Accounting estimates will, by definition, seldom equal the related actual results.

As at the 23 February 2019, the Company has not applied any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.4 Revenue

Revenue, which is net of returns and excludes value added tax and trade discounts, represents the value of services supplied, recognised on an accruals basis. Current and non-current deferred income arises from rent free periods and reverse premium incentives received on property leases which are held on the statement of financial position and released over the period of the lease. All revenue is within the United Kingdom and is derived from continuing operations.

2.5 Intangible assets

Software, licences and IT consultancy are capitalised as intangible assets where they are not an integral part of the related hardware at purchase cost and amortised to the income statement on a straight line basis over their estimated useful economic life which is generally 3 to 10 years.

2.6 Property, plant and equipment

Items of property, plant and equipment are stated at purchase cost or deemed purchase cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Alterations to leasehold premises	shorter of remaining life and 25 years
Fixtures, fittings and equipment	3 – 10 years
Motor and commercial vehicles	3 – 5 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised net in the income statement.

2.7 Assets under construction
Assets that are not yet in use are classified as 'assets under construction'. When the related asset is brought into use the asset will be transferred out of this classification and depreciation or amortisation will commence based on the estimated useful life as defined by the accounting policies specified above.

2.8 Operating leases
Costs in respect of operating leases are charged to the income statement on a straight line basis over the lease term.

Lease incentives to enter into new leases are deferred and released to the income statement on a straight line basis over the lease term.

Current and non-current deferred income arises from a rent free period and reverse premium incentives received on property leases which are held on the Statement of financial position and released to the income statement on a straight line basis over the lease term.

2.9 Current income tax
Current income tax charge is calculated on the basis of the tax laws enacted at the balance sheet date in the UK. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected.

2.10 Deferred income tax
Deferred income tax is provided in full using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for tax purposes. Temporary differences not provided include initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred income tax provided is based on the expected manner of realisation or settlement of carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date and that are expected to apply when the related deferred income tax liability is settled or asset is realised.

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent it is no longer probable that the related income tax benefit will be realised.

Deferred income tax is charged or credited to the income statement when the liability is settled or the asset is realised. Deferred income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

2.11 Share capital
Ordinary shares are classified as equity.

2.12 Receivables
Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.13 Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

2.14 Payables
Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. Financial risk management

The financial risk management of the Company is managed by the Group. The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Company's risk management is managed by the Group programme that focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The exchange rates between the US dollar and other world currencies have fluctuated significantly in recent years and may continue to do so in the future. Following the UK referendum in June 2016, favouring Brexit, the pound sterling significantly weakened against the US dollar

The Group uses forward foreign exchange contracts in order to manage its exposure to foreign exchange risk and wherever possible these are hedge accounted under IFRS 9. The Group has a treasury policy in place which limits how much can be purchased on a rolling 30 month basis. In accordance with this policy, the Group does not hold or issue derivative financial instruments for speculative or trading purposes

Risk management is carried out by the Group treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks.

3.1 Credit risk
Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and committed transactions. Banks and financial institutions are approved by the Board on a case by case basis, taking into account credit rating and investment criteria.

Management does not expect any losses from non-performance by counterparties. The main counterparties dealt with in the period by the Group include Lloyds Bank plc and Barclays Bank plc.

The majority of receivables held by the Company are inter-company balances. Therefore, the credit risk of the Company is significantly reduced as these balances are supported by the Group.

3.2 Liquidity risk
Liquidity risk is managed on a group basis.

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve comprising borrowing facilities and cash and cash equivalents on the basis of expected cash flow. This is generally carried out at a local level in the operating companies of the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these.

The Company is party to a group cash pooling arrangement with other group companies. The Company does not settle transactions in cash, instead amounts are settled by other group companies on its behalf with a corresponding adjustment to inter-company receivables / payables.

HPO1 NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Directors' emoluments

The directors' remuneration for their services to the Company has been borne by a fellow company.

5. Employee information

The Company had no employees during the period (2018: none).

6. Profit before income tax

	2019	2018
	£'000	£'000
Profit before income tax is stated after charging:		
Depreciation of property, plant and equipment	**621**	603
Amortisation of intangible assets	**167**	180
Operating lease rentals	**1,846**	1,773

The audit fee for the Company amounting to £2,000 (2018: £2,000) is borne by a fellow group company. The total fee for the Group is £0.2m (2018: £0.1m). A detailed breakdown of all audit and non-audit fees payable to the auditor can be found in the financial statements of Missouri Topco Limited.

7. Income tax

Analysis of the income tax charge in the period:

	2019	2018
	£'000	£'000
Current income tax		
UK corporation tax	-	-
Deferred income tax		
Originating and reversal of timing differences	**76**	84
Adjustment in respect of prior periods	**(3)**	-
Total income tax expense	**73**	84

The income tax expense for the period is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19.09%). The rate of corporation tax is based on a weighed average rate. A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

7. Income tax (continued)

	2019	2018
	£'000	£'000
Profit before income tax	**664**	683
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19.09%)	**126**	130
Effects of:		
Expenses not deductible for tax purposes	**32**	39
Change in rate of deferred tax income	**(9)**	(10)
Group relief received for nil payment	**(73)**	(75)
Adjustments to tax in respect of prior periods	**(3)**	-
Total income tax expense	73	84

Deferred income tax

Deferred income tax is calculated in full on temporary differences under the liability method using a tax rate of 17% (2018: 17%).

The movement on the deferred income tax account is shown below:

	£'000
As at 28 February 2017	(303)
Debited to the income statement in the period	(84)
As at 24 February 2018	(387)
As at 25 February 2018	(387)
Debited to the income statement in the period	(73)
As at 23 February 2019	**(460)**

The deferred income tax liability, which is attributable to capital allowances in excess of depreciation, is expected to be payable after more than one year.

8. Property, plant and equipment

	Alterations to leasehold premises £'000	Motor and commercial vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 28 February 2017	15,789	37	9,145	24,971
Additions	303	-	209	512
At 24 February 2018	**16,092**	**37**	**9,354**	**25,483**
At 25 February 2018	16,092	37	9,354	25,483
Additions	122	-	854	976
At 23 February 2019	**16,214**	**37**	**10,208**	**26,459**
Accumulated depreciation				
At 28 February 2017	8,758	37	8,167	16,962
Charge for the period	378	-	225	603
At 24 February 2018	**9,136**	**37**	**8,392**	**17,565**
At 25 February 2018	9,136	37	8,392	17,565
Charge for the period	387	-	234	621
At 23 February 2019	**9,523**	**37**	**8,626**	**18,186**
Net book value at 23 February 2019	**6,691**	**-**	**1,582**	**8,273**
Net book value at 24 February 2018	6,956	-	962	7,918
Net book value at 28 February 2017	7,031	-	978	8,009

Depreciation is charged to cost of sales in the income statement.

9. Intangible assets

	Software, licenses and IT consultancy £'000
Cost	
At 28 February 2017	8,035
Additions	13
At 24 February 2018	**8,048**
At 25 February 2018	8,048
At 23 February 2019	**8,048**
Accumulated amortisation	
At 28 February 2017	7,636
Charge for the period	180
At 24 February 2018	**7,816**
At 25 February 2018	7,816
Charge for the period	167
At 23 February 2019	**7,983**
Net book value at 23 February 2019	**65**
Net book value at 24 February 2018	232
Net book value at 28 February 2017	399

Amortisation is charged to administrative expenses in the income statement.

10. Receivables

	2019 £'000	2018 £'000
Amounts owed by group undertakings	**377**	157
Prepayments and accrued income	**323**	238
	700	395

NOTES TO THE FINANCIAL STATEMENTS

11. Payables - current

	2019 £'000	2018 £'000
Accruals	(226)	(347)
Deferred income	(50)	(50)
	(276)	(397)

12. Payables – non-current

	2019 £'000	2018 £'000
Deferred income	(510)	(560)

13. Share capital

	2019 £'000	2018 £'000
Issued and fully paid		
10,000 (2018: 10,000) ordinary shares of £1 each	10	10

14. Operating lease commitments

At 23 February 2019 the Company had total future aggregated minimum lease payment commitments under non-cancellable operating leases which fall due as follows:

	2019		2018	
	Land and buildings £'000	Other assets £'000	Land and buildings £'000	Other assets £'000
Within one year	1,600	210	1,600	210
Between two and five years inclusive	6,400	293	6,400	501
Over five years	9,942	-	11,538	-
	17,942	503	19,538	711

The Company leases a distribution centre and various plant and equipment under non-cancellable operating lease agreements. Average remaining lease terms are 13 years land and buildings and 4 years for other assets. The majority of the lease agreements are renewable at the end of the lease period at market rate.

15. Contingent liabilities

An unlimited guarantee under a composite accounting agreement operates for all company bank accounts. Group bank facilities are secured by fixed and floating charges on all the assets of the guarantor group.

16. Related party transactions

The Company has a related party relationship with other group undertakings, its parent Company and with its directors and executive officers. During the financial period the Company entered into transactions, in the ordinary course of business, with other related parties as follows:

	2019	2018
	£'000	£'000
Transactions with fellow group undertakings:		
Fixed assets paid by other group undertakings	**(976)**	(167)
Operating expenses paid by other group undertakings	**(13,725)**	(13,183)
Management fee owed by other group undertakings	**13,945**	14,332
	(756)	982
Amounts owed by parent	**10**	10
Amounts owed by group undertakings	**367**	147

The Company has entered into a cash pooling arrangement with other group companies. The Company does not settle transactions in cash, instead amounts are settled by other group companies on its behalf with a corresponding adjustment to inter-company receivables/payables.

Liabilities settled by other group companies on behalf of the Company under the cash pooling arrangement are as follows:

	2019	2018
	£'000	£'000
Fixed assets paid by other group undertakings	**(975)**	(167)
Operating expenses paid by other group undertakings	**(13,725)**	(13,183)
	(14,700)	(13,350)

The Company considers the Hargreaves family to be the ultimate controlling party. Key management is the directors of the Company. The directors' remuneration for their services to the Company has been borne by a fellow group company.

17. Ultimate parent company

The directors regard Matalan Limited, a company registered in England and Wales, as the immediate parent company. According to the register kept by the Company, Matalan Limited has a 100% interest in the equity capital of HPO1 Nominees Limited at 23 February 2019. The company's registered address is Matalan Limited, Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ. The directors regard Missouri Topco Limited, a company registered in Guernsey, as the ultimate parent company. The company's registered address is Missouri Topco Limited, 1st Floor, Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB. The Company regards the Hargreaves family as the ultimate controlling party throughout the period.

Missouri Topco is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 23 February 2019. The consolidated financial statements of Missouri Topco Limited are available from Matalan, Perimeter Road, Knowsley Industrial Park, Liverpool, L33 7SZ.