

**REGISTER OF
COMPANIES**

Hobbs Holdings No.4 Limited

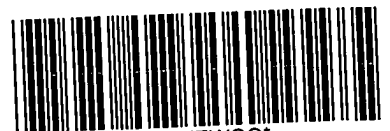
Report and Financial Statements

Year Ended

25 January 2014

Company Number 5270891

TUESDAY



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Hobbs Holdings No.4 Limited

Report and financial statements
for the year ended 25 January 2014

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Directors

S Luscombe
H Williamson

Secretary and registered office

S Luscombe, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG

Company number

5270891

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

Barclays Bank Plc, 28 Hampstead High Street, London, NW3 1QE

Hobbs Holdings No.4 Limited

Strategic report for the year ended 25 January 2014

The directors present their strategic report together with the audited financial statements for the year ended 25 January 2014.

Results and dividends

The statement of income and retained earnings is set out on page 4 and shows the result for the year.

The directors have not approved any dividends for the year (2013 - £Nil).

Principal activities, trading review and future developments

The principal activity of the company is that of an intermediate holding company. This will continue in the foreseeable future.

Approval

This strategic report was approved by order of the Board on 23 May 2014



S Luscombe

Director

Hobbs Holdings No.4 Limited

Independent auditor's report

TO THE MEMBERS OF HOBBS HOLDINGS NO.4 LIMITED

We have audited the financial statements of Hobbs Holdings No.4 Limited for the year end 25 January 2014 which comprise the statement of income and retained earnings, the balance sheet 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 25 January 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Hobbs Holdings No.4 Limited

Independent auditor's report (*continued*)

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.



Sophia Bevan (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date 23 May 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Hobbs Holdings No.4 Limited

Statement of income and retained earnings for the year ended 25 January 2014

	Note	2014 £'000	2013 £'000
Administrative expenses		(5)	2
Operating (loss)/profit	3	(5)	2
Interest receivable and similar credits	4	120	97
Interest payable and similar charges	5	(949)	(1,139)
Loss on ordinary activities before taxation		(834)	(1,040)
Taxation on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation		(834)	(1,040)
Retained earnings at the beginning of the year		(30,192)	(29,152)
Retained earnings at the end of the year		(31,026)	(30,192)

All amounts relate to continuing activities.

All recognised gains and losses have been included in the statement of income and retained earnings.

The notes on pages 6 to 11 form part of these financial statements.

Hobbs Holdings No.4 Limited

Balance sheet
at 25 January 2014

Company number 5270891	Note	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Investments	7		34,023		34,023
Current assets					
Debtors	8				
- due within one year		38,426		19	
- due after more than one year		-		42,539	
Cash at bank and in hand		38,426		42,558	
		32		32	
		38,458		42,590	
Creditors: amounts falling due within one year	9	92,263		6,025	
Net current (liabilities)/assets			(53,805)		36,565
Total assets less current liabilities			(19,782)		70,588
Creditors: amounts falling due after more than one year	10		9,444		98,980
			(29,226)		(28,392)
Capital and reserves					
Called up share capital	12		1,800		1,800
Profit and loss account			(31,026)		(30,192)
Shareholders' deficit			(29,226)		(28,392)

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

23 May
2014



S Luscombe
Director

The notes on pages 6 to 11 form part of these financial statements.

Hobbs Holdings No.4 Limited

Notes forming part of the financial statements for the year ended 25 January 2014

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'.

The company has not presented a cash flow statement. It has taken advantage of the exemption in FRS 102, as the ultimate parent company, Hobbs Fashion Holdings Limited has included a consolidated cash flow statement in its own consolidated financial statements.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015, but may be applied early to periods ending on or after 31 December 2012. Hobbs Holdings No.4 Limited has taken the option to apply the standard early in the preparation of these financial statements. Information on the impact first-time adoption of FRS 102 is given in note 15.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment on applying the accounting policies.

The company is exempt from preparing consolidated financial statements for its group under Section 400 of the Companies Act 2006, as the company's ultimate parent, Hobbs Fashion Holdings Limited, is incorporated in the United Kingdom and prepares group financial statements. These financial statements present information about the company only and not the group which it heads.

The financial statements are made up for the year ended 25 January 2014 (2013 - 52 weeks ended 26 January 2013). The following principal accounting policies have been applied:

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Finance costs

Finance costs of debt are initially capitalised and then amortised to the profit and loss account over the term of the instruments at a constant rate on the carrying amount of the debt.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at the annual general meeting.

Derivatives

The company has entered into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date with movements recognised in profit or loss for the period.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less.

Hobbs Holdings No.4 Limited

Notes forming part of the financial statements
for the year ended 25 January 2014 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's fixed assets investments and intergroup balances. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

3 Operating (loss)/profit

Audit fees for the company were borne by Hobbs Limited. The company has no employees except directors and their remuneration is also borne by Hobbs Limited.

4 Interest receivable and similar credits

	2014 £'000	2013 £'000
Interest rate swap revaluation	120	97

5 Interest payable and similar charges

	2014 £'000	2013 £'000
Bank loans	637	758
Bank interest	66	135
Amortisation of finance costs (note 10)	246	246
	949	1,139

Hobbs Holdings No.4 Limited

Notes forming part of the financial statements
for the year ended 25 January 2014 (*continued*)

6 Taxation on loss on ordinary activities

	2014 £'000	2013 £'000
Taxation on loss on ordinary activities	-	-
The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:		
	2014 £'000	2013 £'000
Loss on ordinary activities before taxation	(834)	(1,040)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 23.17% (2013 - 24.3%)	(193)	(253)
Effects of:		
Transfer pricing adjustment	(489)	(758)
FRS102 transitional adjustment	(4)	(23)
Group relief surrendered	36	1,034
Unrecognised losses carried forward	650	-
Current tax for the year	-	-

Hobbs Holdings No.4 Limited

Notes forming part of the financial statements
for the year ended 25 January 2014 (continued)

7 Fixed asset investments

Investment in
subsidiary
undertakings
£'000

Cost at 25 January 2014 and 26 January 2013

34,023

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

Name	Country of incorporation or registration	Nature of business
Subsidiary undertakings (all 100% owned):		
Hobbs Headco Limited	England	Dormant
Inhoco 2756 Limited	England	Holding company
Inhoco 2748 Limited	England	Dormant
Indirectly held (all 100% owned):		
Peace & Quiet Limited	England	Dormant
Hobbs di Inghilterra Srl	Italy	Manufacture of shoes
Hobbs Retailer Irl Limited	Ireland	Retail of fashion clothes and shoes
Hobbs Limited	England	Design and retail of fashion clothes and shoes
Hobbs International S.A.	Belgium	Dormant
Hobbs Finance Limited	England	Dormant
Hobbs London Inc	USA	Holding Company
Hobbs East LLC	USA	Retail of fashion clothes and shoes

8 Debtors

	2014 £'000	2013 £'000
Other debtors	20	19
Amounts owed by group undertakings	38,406	42,539
	38,426	42,558

Amounts due to group undertakings of £Nil (2013 – £42,539) are not due for payment within one year.

Hobbs Holdings No.4 Limited

Notes forming part of the financial statements
for the year ended 25 January 2014 (continued)

9 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Bank loans (secured - note 10)	3,500	5,800
Accruals and deferred income	26	69
Interest rate swap	36	156
Amounts owed to group undertakings	88,701	-
	<u>92,263</u>	<u>6,025</u>

There is an intercreditor deed executed on 20 April 2011 by all group companies on which the bank borrowings of the group are secured. The possibility of an outflow in respect of these guarantees is considered remote and so the effect is not quantified.

10 Creditors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Amount owed to group undertakings	-	86,282
Bank loans (secured)	9,444	12,698
	<u>9,444</u>	<u>98,980</u>

Bank loans

	2014 £'000	2013 £'000
Maturity:		
Within one year	3,500	5,800
In more than one year but not more than two years	3,500	3,500
In more than two years but not more than five years	6,250	9,750
	<u>13,250</u>	<u>19,050</u>

The balances above include accrued interest on the bank loan and are shown gross of the capitalised issue costs.

The bank loan bears interest at LIBOR plus margin up to 3.5% and is secured on the assets of the company and the group.

11 Financial Instruments

Interest on intercompany loans is charged at a fixed rate of Nil% (2013 - Nil %) per annum due on demand.

Hobbs Holdings No.4 Limited

Notes forming part of the financial statements
for the year ended 25 January 2014 (continued)

12 Share capital

	Authorised		Allotted, called up and fully paid	
	2014 Number	2013 Number	2014 Number	2013 Number
Ordinary shares of £1 each	1,800,000	1,800,000	1,800,000	1,800,000
	£'000	£'000	£'000	£'000
Ordinary shares of £1 each	1,800	1,800	1,800	1,800

13 Related party transactions

The company has taken advantage of the exemption allowed by FRS 102, not to disclose any transactions with entities that are included in the consolidated financial statements of Hobbs Fashion Holdings Limited because the company is a wholly owned subsidiary.

14 Ultimate parent company

At 25 January 2014 the company's immediate parent company was Hobbs Holdings No. 2 Limited.

The company's ultimate parent company and ultimate controlling party was Hobbs Fashion Holdings Limited, which is the parent of both the smallest and largest groups of which the company is a member and for which group financial statements are prepared. Copies of the financial statements of Hobbs Fashion Holdings Limited are available from Companies House.

15 First time adoption of FRS102

	Note	Equity as at 29 January 2012 £'000	Profit for Year ended 24 January 2013 £'000	Equity as at 26 January 2013 £'000
As stated under former UK GAAP		(27,099)	(1,137)	(28,236)
Transitional adjustments				
Interest rate swap	a	(253)	97	(156)
As stated in accordance with FRS 102		(27,352)	(1,040)	(28,392)

Explanation of changes to previously reported profit and equity

- FRS 102 requires that financial assets and liabilities be recognised only when the entity becomes a party to the contractual provisions of the instrument. This was not required for interest rate swaps under previous UK GAAP. This change has been retrospectively applied, leading to the recognition of a financial liability and an increase in the interest credit for the year ended 26 January 2013.

Hobbs Holdings No.4 Limited

Directors' report for the year ended 25 January 2014

The directors present their report together with the audited financial statements for the year ended 25 January 2014.

Directors

The directors of the company during the year and since the year end were:

N J Dulieu	(Resigned 18 April 2014)
S Luscombe	
L Woodhouse	(Resigned 13 September 2013)
H Williamson	(Appointed 2 October 2013)

Dividends

The directors have not approved any dividends for the year (2013 - £Nil).

Financial instruments

The company is part of the Group headed by Hobbs Fashion Holdings Limited and is exposed to the following financial risks:

Cash flow interest rate risk

Borrowings of the Group are managed centrally. Operations are financed by a mixture of retained profits, bank borrowings and long term loans. Operations are not permitted to borrow long-term from external sources locally. The Group makes use of interest rate swaps to achieve the desired interest rate profile on its borrowings. Although the board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

Liquidity risk

The liquidity risk of each Group entity is managed centrally by the Group. Each operation provides budgets annually in advance which enable the Group's cash requirements to be anticipated. Surplus cash is held centrally to maximise returns achieved on deposits. As part of the Senior Debt Facilities Agreement the Group has access to a revolving credit facility which is utilised when required to fund short-term working capital requirements.

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 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.

Hobbs Holdings No.4 Limited

Directors' report for the year ended 25 January 2014 (continued)

Directors' responsibilities (continued)

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;
- 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Approved by the Board and signed on its behalf by:



S Luscombe
Director

Date 23 May 2014.