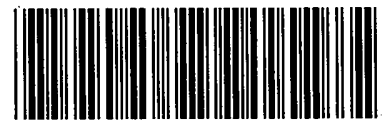


# **HOUSE OF FRASER (STORES MANAGEMENT) LIMITED**

**Annual Report and Financial Statements  
For the 52 weeks ended 30 January 2016**

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COMPANIES HOUSE

Registered in England No. 02043318

## House of Fraser (Stores Management) Limited

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**House of Fraser (Stores Management) Limited**  
**Company information**

<b>Registered Address</b>	27 Baker Street London W1U 8AH
<b>Company Number</b>	02043318
<b>Directors</b>	Mr N Oddy Mr C Elliot
<b>Company Secretary</b>	Mr P Hearsey
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor Reading, UK

# **House of Fraser (Stores Management) Limited**

## **Strategic report**

### **Principal activity**

The principal activity of the Company is the provision of property management services to the House of Fraser business. House of Fraser's principal activity is the retailing of premium designer brands through its department stores in Great Britain and Ireland, as well as online at [www.houseoffraser.co.uk](http://www.houseoffraser.co.uk).

### **Company strategy and future developments**

It is anticipated that the Company will continue to provide property management services for the foreseeable future.

### **Financial review**

The Company did not make a profit or a loss in the 52 weeks ended 30 January 2016 or the 53 weeks ended 31 January 2015, therefore no profit and loss account is presented.

During the year the Company transitioned from previously extant UK GAAP to FRS 101 Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, House of Fraser Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. Details of the recognition or measurement differences arising on the adoption of FRS 101 are included in note 9 to these financial statements.

### **Key performance indicators (KPIs)**

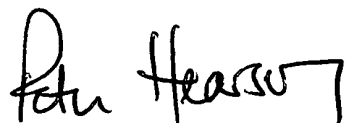
Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

The performance of the House of Fraser (UK & Ireland) Limited group is managed on a divisional basis and the property division as a whole, which includes the Company, is discussed in the House of Fraser (UK & Ireland) Limited annual report (previously known as Highland Group Holdings Limited) which does not form part of this report.

### **Financial risk management objectives and policies**

The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's activities and the assets and liabilities contained within the Company's balance sheet, the only financial risk that the Company is exposed to is credit risk. The Company complies with the financial risk management policies of House of Fraser (UK & Ireland) Limited, and these are applied as appropriate to mitigate any financial risks. These are disclosed in further detail in the House of Fraser (UK & Ireland) Limited annual report (previously known as Highland Group Holdings Limited) which does not form part of this report.

Approved by the Board and signed on its behalf by:



Peter Hearsey  
Company Secretary  
23 August 2016

## **House of Fraser (Stores Management) Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements of House of Fraser (Stores Management) Limited ("the Company") for the 52 weeks ended 30 January 2016.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption under s415 (a) of the Companies Act 2006.

### **Holding company**

The Company's immediate parent undertaking is House of Fraser Limited. The Company's ultimate parent and controlling party is Nanjing Xinjiekou Department Store Co. Limited, a company registered in China.

### **Results and dividends**

The Company made no profit or loss during the period (2014/15: £nil).

No interim dividend was paid (2014/15: £nil). The directors do not propose to pay a final dividend (2014/15: £nil).

### **Directors**

The directors who served throughout the period and to the date of signing the financial statements, unless otherwise noted, were as follows:

Mr N Oddy	(appointed 1 March 2015)
Mr C Elliot	(appointed 1 May 2015)
Mr J King	(resigned 1 March 2015)
Mr M Gifford	(resigned 30 September 2015)

In accordance with the Articles of Association no director is required to seek re-election at the forthcoming annual general meeting.

### **Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly after making enquiries and taking due care, the directors continue to adopt the going concern basis in preparing the financial statements.

### **Auditor and disclosure of information to the auditor**

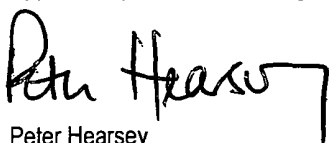
Each person who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the director has taken all the steps that he ought to have taken 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP, have indicated their willingness to continue in office as auditor and a resolution confirming their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



Peter Hearsey  
Company Secretary  
23 August 2016

## **House of Fraser (Stores Management) Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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), including FRS 101 "Reduced Disclosure Framework". 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; 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 to 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 auditor's report to the members of House of Fraser (Stores Management) Limited**

We have audited the financial statements of House of Fraser (Stores Management) Limited for the 52 weeks ended 30 January 2016 which comprise the Balance sheet and the related notes 1 to 9. 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 101 "Reduced Disclosure Framework".

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, 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 parent 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 30 January 2016;
- 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 parent company financial statements.

**Independent auditor's report to the members of  
House of Fraser (Stores Management) Limited (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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report.



Darren Longley FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Reading  
United Kingdom  
23 August 2016



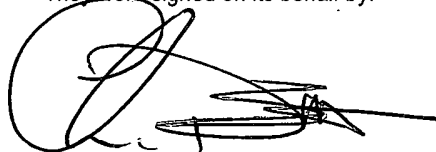
**House of Fraser (Stores Management) Limited**  
**Balance Sheet**  
**As at 30 January 2016**  
**Company number: 02043318**

	Notes	30 January 2016 £	31 January 2015 £
<b>Current assets</b>			
Trade and other receivables	5	100	100
<b>Net assets</b>		<b>100</b>	<b>100</b>
<hr/>			
<b>Capital and reserves</b>			
Share capital	6	100	100
<b>Total equity</b>	<b>7</b>	<b>100</b>	<b>100</b>

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime under the Companies Act 2006.

The financial statements were approved by the board of directors and authorised for issue on 23 August 2016.

They were signed on its behalf by:



C Elliot  
 Director

The notes on pages 8 to 10 form an integral part of these accounts.

**House of Fraser (Stores Management) Limited**  
**Notes to the Financial Statements**  
**For the 52 weeks ended 30 January 2016**

**1 Accounting policies**

**Basis of accounting**

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the 52 weeks ended 30 January 2016, the Company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements were re-stated for material adjustments on adoption of FRS 101 in the current year. For more information see note 9.

The principal accounting policies adopted by the directors are described below all of which have been applied consistently in the current and prior period.

**Basis of preparation**

The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable United Kingdom law and accounting standards. The Directors' Report describes the going concern basis of preparation of the financial statements.

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. Transition reconciliations showing all material adjustments are disclosed in note 9. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 January 2016.

No profit and loss account is presented with the financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses in the current or preceding financial years. There have been no movements in the shareholder's funds during the current or preceding financial years.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures
- (b) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - a. paragraph 79(a)(iv) of IAS 1;
  - b. paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - c. paragraph 118(e) of IAS 38 Intangible Assets;
- (c) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (d) the requirements of IAS 7 Statement of Cash Flows;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

**Adoption of new and revised standards**

As explained above, the company has adopted FRS 101 for the first time in the current year. As part of this adoption, there were no new IFRS standards adopted in the current year.

The following IFRIC interpretations and amendments to existing standards have been adopted in the current year but have not impacted the reported results or financial position:

- Annual improvements to IFRS: 2011-2013 cycle

**House of Fraser (Stores Management) Limited**  
**Notes to the Financial Statements**  
**For the 52 weeks ended 30 January 2016**

**2 Operating profit**

The audit fee of £2,000 (2014/15: £2,000) was borne by a fellow group company. Auditor's remuneration for non-audit services was £nil (2014/15: £nil).

**3 Directors' emoluments**

J King, prior to his resignation, was employed by Highland Group Holdings Limited and M Gifford, prior to his resignation, was employed by House of Fraser (Stores) Limited. Colin Elliot and Nigel Oddy are employed by House of Fraser (Stores) Limited. These directors were also directors of the immediate parent company, House of Fraser (UK & Ireland) Acquisitions Limited, and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the individual companies. Therefore, no amounts were recharged to the Company during the current and prior period. The total emoluments of these directors are included in the aggregate directors' emoluments disclosed in the consolidated financial statements of House of Fraser (UK & Ireland) Limited (previously known as Highland Group Holdings Limited). During the current and prior period, none of the directors who held office during the period received any emoluments in respect of their services to the Company.

**4 Staff costs**

There were no employees during the period (2014/15: none).

**5 Trade and other receivables**

	30 January 2016 £	31 January 2015 £
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	100	100
	<b>100</b>	<b>100</b>

Amounts due from group undertakings are unsecured, interest free and have no fixed date of repayment.

**6 Share capital**

	30 January 2016 £	31 January 2015 £
<i>Authorised, allotted, called up and fully paid</i>		
100 (2014/15: 100) Ordinary shares of £1 each	100	100

**7 Reconciliation of movements in total equity**

	30 January 2016 £	31 January 2015 £
Opening equity	100	100
Result for the period	-	-
Closing equity	<b>100</b>	<b>100</b>

**House of Fraser (Stores Management) Limited**  
**Notes to the Financial Statements (continued)**  
**For the 53 weeks ended 31 January 2015**

**8 Parent undertaking and controlling party**

The Company's immediate parent undertaking is House of Fraser Limited.

The Company's ultimate parent company and controlling party is Nanjing Xinjiekou Department Store Co. Limited, a company incorporated in China, which is the largest group to consolidate the Company's financial statements.

House of Fraser (UK & Ireland) Limited, which is an intermediate parent company, incorporated in the United Kingdom and registered in England and Wales, is the smallest group to consolidate the company's financial statements. Copies of the group financial statements of House of Fraser (UK & Ireland) Limited (previously known as Highland Group Holdings Limited) are available from the Company Secretary, House of Fraser (UK & Ireland) Limited, 27 Baker Street, London W1U 8AH.

**9 Transition to FRS 101**

For all periods up to and including the year ended 31 January 2015, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the period ended 30 January 2016, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2015 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 25 January 2014, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its balance sheet as at 25 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 January 2015.

On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

There were no adjustments required in the restating of the Company's balance sheet as at 31 January 2015 and as at 25 January 2014.