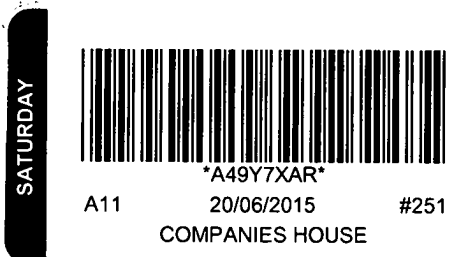


HOUSE OF FRASER (STORES MANAGEMENT) LIMITED

**Report and Financial Statements
For the 53 weeks ended
31 January 2015**



Registered in England No. 02043318

House of Fraser (Stores Management) Limited

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House of Fraser (Stores Management) Limited
Company information

Registered Address	27 Baker Street London W1U 8AH
Company Number	02043318
Directors	Mr N Oddy Mr M Gifford Mr C Elliot
Company Secretary	Mr P Hearsey
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditors 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.

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 53 weeks ended 31 January 2015 or the 52 weeks ended 25 January 2014, therefore no profit and loss account is presented.

Key performance indicators (KPIs)

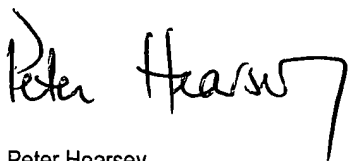
Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

The performance of the Highland Group Holdings Limited group is managed on a divisional basis and the property division as a whole, which includes the Company, is discussed in the Highland Group Holdings Limited annual report 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 Highland Group Holdings Limited, and these are applied as appropriate to mitigate any financial risks. These are disclosed in further detail in the Highland Group Holdings Limited annual report which does not form part of this report.

Approved by the Board and signed on its behalf by:



Peter Hearsey
Company Secretary
27 May 2015

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 53 weeks ended 31 January 2015.

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.

Dividends

No interim dividends were paid during the period (2013/14: £nil) and the directors do not propose to pay a final dividend for the 53 weeks ended 31 January 2015 (2013/14: £nil).

Directors

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

Mr D McCarthy	(resigned 2 September 2014)
Mr J King	(resigned 1 March 2015)
Mr M Gifford	
Mr N Oddy	(appointed 1 March 2015)
Mr C Elliot	(appointed 1 May 2015)

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

Related parties

No director had, during or at the end of the period, any interest in contracts of significance to the Company's business.

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.

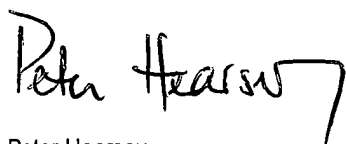
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

House of Fraser (Stores Management) Limited
Directors' report (continued)

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Peter Hearsey', with a long horizontal stroke extending from the end of the name.

Peter Hearsey
Company Secretary
27 May 2015

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). 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 53 weeks ended 31 January 2015 which comprise the Balance Sheet and the related notes 1 to 8. 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, 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 31 January 2015;
- 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.

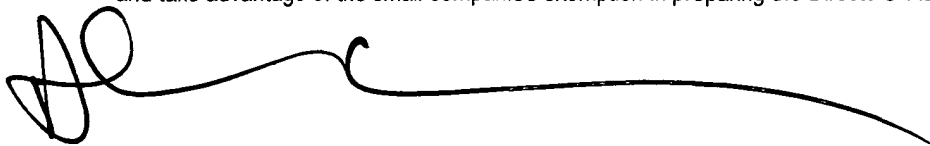
Opinion on other matter prescribed by the Companies Act 2006

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.

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
27 May 2015

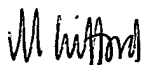
House of Fraser (Stores Management) Limited
Balance Sheet
As at 31 January 2015
Company number: 02043318

	Notes	31 January 2015 £	25 January 2014 £
Current assets			
Debtors	5	100	100
Net assets		100	100
<hr/>			
Capital and reserves			
Called up share capital	6	100	100
Shareholder's funds	7	100	100

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 27 May 2015.

They were signed on its behalf by:



M Gifford
 Director

The notes on pages 8 and 9 form an integral part of these accounts.

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

1 Accounting policies

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.

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

Cash flow statement and related party transactions

The Company is a subsidiary of Nanjing Xinjiekou Department Store Co. Limited and is included within the consolidated financial statements of Nanjing Xinjiekou Department Store Co. Limited and of Highland Group Holdings Limited, its immediate parent company. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (revised 1996).

The Company is also exempt under paragraph 3(c) of the Financial Reporting Standard 8 (amended) from disclosing related party transactions with entities that are owned by Highland Group Holdings Limited.

2 Operating profit

The audit fee of £2,000 (2013/14: £2,000) was borne by a fellow group company. Auditor's remuneration for non-audit services was £nil (2013/14: £nil).

3 Directors' remuneration

D McCarthy and J King, prior to their resignation, were employed by Highland Group Holdings Limited and M Gifford is employed by House of Fraser (Stores) Limited. Neither of these companies make a recharge to the Company. These directors were also directors of the immediate parent company, House of Fraser 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. The total emoluments of these directors are included in the aggregate directors' emoluments disclosed in the consolidated financial statements of Highland Group Holdings Limited. In the prior year 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 (2013/14: none).

5 Debtors

	31 January 2015 £	25 January 2014 £
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	100	100
	100	100

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

6 Share capital

	31 January 2015 £	25 January 2014 £
<i>Authorised, allotted, called up and fully paid</i>		
100 (2013/14: 100) Ordinary shares of £1 each	100	100

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

7 Reconciliation of movements in shareholder's funds

	31 January 2015	25 January 2014
	£	£
Opening shareholder's funds	100	100
Result for the period	-	-
Closing shareholder's funds	100	100

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.

Highland Group Holdings 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 Highland Group Holdings Limited are available from the Company Secretary, Highland Group Holdings Limited, 27 Baker Street, London W1U 8AH.