

**Debenhams Direct Limited**  
**Directors' Report and Financial Statements**

Financial year ended 29 August 2009

**Registered Number: 3665770**

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# Debenhams Direct Limited

## Directors' report

The directors submit their report together with the audited financial statements of the Company for the financial year ended 29 August 2009.

### Principal activity

The principal activity of the Company is the provision of finance for group companies.

### Results for the financial year

The results for the financial year are set out in the profit and loss account on page 4. No dividends were paid during the financial year and the directors do not recommend the payment of a final dividend (2008: £nil). The retained loss of £308,000 (2008: £519,000) has been transferred from reserves.

### Directors

The following served as directors during the financial year:

J D Lovering  
R W Templeman  
C K Woodhouse

None of the directors has a contract of service with the Company. None of the directors received any remuneration in respect of his services to the Company.

### Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing these financial statements.

### Statement of directors' responsibilities

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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

# Debenhams Direct Limited

## Directors' report *(continued)*

### Audit information

The directors confirm that, so far as they are aware, there is no relevant audit information of which the auditors are unaware and that each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

This report has been prepared in accordance with s416(3) and 417 of the Companies Act 2006 relating to exemptions available to small companies.

By order of the board

Registered Office:  
1 Welbeck Street  
London W1G 0AA



P Eardley  
Secretary

5 January 2010

# Debenhams Direct Limited

## Independent auditors' report to the members of Debenhams Direct Limited

We have audited the financial statements of Debenhams Direct Limited for the year ended 29 August 2009 which comprise the Profit and Loss Account, 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).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### 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 29 August 2009 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.

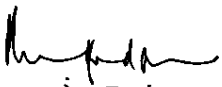
### Opinion on other matter prescribed by the Companies Act 2006

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



M R Hodgson (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

11 January 2010

# Debenhams Direct Limited

## Profit and Loss Account

For the financial year ended 29 August 2009

	Note	Year ended 29 August 2009 £'000	Year ended 30 August 2008 £'000
Interest payable and similar charges	2	(428)	(732)
Loss on ordinary activities before taxation	3	(428)	(732)
Taxation	4	120	213
Loss for the financial year	8	(308)	(519)

All items in the profit and loss account relate to continuing activities.

There is no material difference between the results shown in the profit and loss account and the results as stated on an unmodified historical cost basis.

There are no recognised gains and losses other than those included in the profit and loss account and accordingly no statement of total recognised gains and losses is given.

# Debenhams Direct Limited


Registered Number: 3665770

## Balance Sheet

At 29 August 2009

	Note	29 August 2009 £'000	30 August 2008 £'000
<b>Creditors: amounts falling due within one year</b>	5	(9,432)	(9,124)
<b>Net current liabilities</b>		(9,432)	(9,124)
<b>Creditors: amounts falling due after more than one year</b>	6	(1)	(1)
<b>Net liabilities</b>		(9,433)	(9,125)
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Profit and loss account	8	(9,434)	(9,126)
<b>Shareholders' deficit</b>	8	(9,433)	(9,125)

The financial statements on pages 4 to 8 were approved by the board of directors on 5 January 2010 and were signed on its behalf by:

  
C K Woodhouse  
Director

# Debenhams Direct Limited

## Notes to the financial statements

For the financial year ended 29 August 2009

### 1 Accounting policies

#### *Accounting convention*

The financial statements are drawn up on the going concern basis under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards.

#### *Going concern*

The Company is dependent on the continued financial support of a parent undertaking, Debenhams plc which has confirmed its intention of providing support to the Company to enable it to meet its liabilities as they fall due for a period of not less than one year from the date of signing of these financial statements. For this reason the directors believe it is appropriate to adopt the going concern basis in preparing these financial statements.

#### *Taxation*

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

#### *Interest recognition*

Interest income and expense is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

#### *Financial instruments*

As the Company is a wholly owned subsidiary of Debenhams plc, the Company has taken advantage of the exemption contained in FRS 25 'Financial instruments: Disclosure and presentation' not to provide the full disclosures in respect of financial instruments.

### 2 Interest payable and similar charges

	Year ended 29 August 2009 £'000	Year ended 30 August 2008 £'000
Interest payable on intercompany loan	428	732

### 3 Loss on ordinary activities before taxation

During the financial year there were no employees.

The directors did not receive any emoluments for their services as directors to the Company. The employment contracts of C K Woodhouse, R W Templeman and J D Lovering are held by Debenhams plc. Their emoluments are disclosed in the accounts of Debenhams plc. It has not been possible to allocate their emoluments between group companies.

Auditors' remuneration has been borne by another group undertaking.

# Debenhams Direct Limited

## Notes to the financial statements *(continued)*

For the financial year ended 29 August 2009

### 4 Taxation

	Year ended 29 August 2009 £'000	Year ended 30 August 2008 £'000
<b>Current tax</b>		
UK corporation tax credit	(120)	(213)

The tax assessed for the financial year is equal to (2008: equal to) the standard rate of corporation tax in the UK of 28% (2008: 29.2%). The change in the standard rate of corporation tax to 28.0% with effect from April 2008 has been reflected in the weighted average rate for the year ended 30 August 2008.

	Year ended 29 August 2009 £'000	Year ended 30 August 2008 £'000
Loss on ordinary activities before tax	(428)	(732)
Loss on ordinary activities at standard rate of corporation tax in the UK of 28% (2008:29.2%)	(120)	(213)
Current tax credit for the financial year	(120)	(213)

### 5 Creditors: amounts falling due within one year

	29 August 2009 £'000	30 August 2008 £'000
Bank loans and overdrafts	-	1
Amount due to group undertakings	9,432	9,123
	9,432	9,124

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and the average interest rate charged amounted to 4.6% (2008: 7.8%) per annum.

### 6 Creditors: amounts falling after more than one year

	29 August 2009 £'000	30 August 2008 £'000
Preference shares at £1 each	1	1
The preference shares do not entitle the holders to dividends nor attach any voting rights.		
	Number	£
At 30 August 2008 and 29 August 2009:		
<i>Authorised, called up and fully paid</i>		
Preference shares at £1 each	1,000	1,000



# Debenhams Direct Limited

## Notes to the financial statements *(continued)*

For the financial year ended 29 August 2009

### 7 Share capital

	Number	£
<b>At 30 August 2008 and 29 August 2009</b>		
<i>Authorised</i>		
'A' Ordinary shares of 1 pence each	50,001	500
'B' Ordinary shares of 1 pence each	49,999	500
	<b>100,000</b>	<b>1,000</b>
<i>Called up, allotted and fully paid</i>		
'A' Ordinary shares of 1 pence each	50,001	500
'B' Ordinary shares of 1 pence each	49,999	500
	<b>100,000</b>	<b>1,000</b>

The 'A' and 'B' shares carry equal voting rights.

### 8 Reconciliation of movements in shareholders' funds

	Share capital £'000	Profit and loss account £'000	2009 Total £'000
Loss for the financial year	-	(308)	(308)
Net additions to shareholders' deficit	-	(308)	(308)
Opening shareholders' deficit	1	(9,126)	(9,125)
<b>Closing shareholders' deficit</b>	<b>1</b>	<b>(9,434)</b>	<b>(9,433)</b>

### 9 Ultimate parent undertaking and related party disclosures

The immediate parent undertaking is Debenhams Retail plc.

The ultimate parent undertaking and controlling party is Debenhams plc.

The Company is a wholly owned subsidiary of Debenhams plc and is included in that company's consolidated financial statements, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) 'Cash Flow Statement'. The Company is also exempt under the terms of FRS 8 'Related Parties' from disclosing related party transactions with entities that are part of the Debenhams plc group.

The smallest and largest Group that prepares consolidated statements of which the Company is a member is headed by Debenhams plc.

Copies of the financial statements of Debenhams plc can be obtained by writing to the Company Secretary at 1 Welbeck Street, London, W1G 0AA, England.