

Bhs Group Limited

Report and financial statements
for the year ended
25 August 2012

Company registered number 3858895



Bhs Group Limited (registered number: 3858895)

Directors' report for the year ended 25 August 2012

The directors present their report together with the audited financial statements of the Company for the year ended 25 August 2012

Activities

The principal activity of the Company is that of a holding company

Business review and dividends

At the year end, the Company was a wholly owned subsidiary of Taveta Investments Limited and a review of the group's businesses during the year and its position at 25 August 2012 is given on page 1 to the financial statements of that company

The results of the Company for the year are set out in the profit and loss account on page 4. The directors do not propose a dividend (2011 £nil) and hence the loss for the financial year of £483,000 (2011 £348,000) has been deducted from reserves

Management and reporting of risks and Key Performance Indicators (KPIs)

The directors of Taveta Investments Limited manage the Company's risks and those of its fellow subsidiaries at a group level. Furthermore, they monitor the group's performance on a brand basis rather than at statutory company level

For these reasons the Company's directors do not believe that a discussion of the principal risks facing the Company or of the KPIs used to analyse its performance is appropriate for an understanding of its development, performance or financial position

The KPIs used by the group and the principal business risks it faces, are discussed on page 1 of Taveta Investments Limited's annual report which does not form part of this report

Directors

The Company's directors during the year and up to the date of signing the financial statements were

P Budge
R Burchill
M Geraghty
Sir P Green
S Wightman

M Healey resigned as a director of the Company on 10 February 2012

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Directors' report for the year ended 25 August 2012 (continued)

Directors' responsibilities statement

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 prepared 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, 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 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.

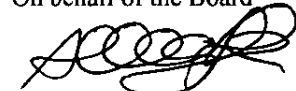
Statement of disclosure of information to auditors

The directors confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that each director has taken all the steps that he or she ought to have taken in his or her duty as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The Company has passed an elective resolution to dispense with the annual appointment of auditors. PricewaterhouseCoopers LLP will therefore continue as auditors in accordance with and subject to Section 487 of the Companies Act 2006.

On behalf of the Board



S Wightman
Director
15 May 2013

Bhs Group Limited

Independent auditors' report to the members of Bhs Group Limited

We have audited the financial statements of Bhs Group Limited for the year ended 25 August 2012 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 2, 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 25 August 2012 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 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.



Steve Denison (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
15 May 2013

Bhs Group Limited

Profit and loss account for the year ended 25 August 2012

	Note	2012 £'000	2011 £'000
Interest payable and similar charges	2	(646)	(478)
Loss on ordinary activities before taxation	3	(646)	(478)
Tax on loss on ordinary activities	4	163	130
Loss for the financial year	10	(483)	(348)

All of the results above relate to continuing activities

The only recognised gains and losses are those dealt with in the profit and loss account above

There is no difference between the results disclosed above and the results on an unmodified historical cost basis

Bhs Group Limited

Balance sheet as at 25 August 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Investments	5	82,668	82,668
Current assets			
Debtors	6	28,708	28,708
Creditors: amounts falling due within one year	7	(87,130)	(86,647)
Net current liabilities		(58,422)	(57,939)
Total assets less current liabilities		24,246	24,729
Creditors: amounts falling due after more than one year	8	(20,000)	(20,000)
Net assets		4,246	4,729
Capital and reserves			
Called up share capital	9	500	500
Share premium account	10	25	25
Profit and loss account	10	3,721	4,204
Total shareholders' funds	10	4,246	4,729

The financial statements on pages 4 to 9 were approved by the board of directors on 15 May 2013 and were signed on its behalf by



S Wightman
Director

Bhs Group Limited

Notes to the financial statements for the year ended 25 August 2012

1. Accounting policies

Accounting convention

The financial statements are drawn up on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards, which have been consistently applied

The principal accounting policies are summarised below

Taxation

The taxation credit is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation 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, or a right to pay less tax in the future have occurred at the balance sheet date, with the following exception

Deferred tax assets are recognised only to the extent that the directors' consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date

Investments

Fixed asset investments are shown at cost less amounts written off. Provision is made where, in the opinion of the directors, there has been an impairment in the carrying value of the investment

Debt

Debt is initially stated at the amount of the net proceeds after the deduction of issue costs. The issue costs are amortised over the life of the related debt instrument. Where the terms of the debt instrument are re-negotiated, or otherwise significantly amended, the issued costs are written off

Cash flow statement

The Company has taken advantage of the exemption allowed by Financial Reporting Standard 1 (revised 1996) from preparing a cash flow statement, as the Company's cash flows are included within the consolidated cash flow statement of Taveta Investments Limited

Bhs Group Limited

Notes to the financial statements for the year ended 25 August 2012 (continued)

2. Interest payable and similar charges

	2012	2011
Interest payable on:	£'000	£'000
Bank loans and overdrafts	646	478

3. Loss on ordinary activities before taxation

Auditors' remuneration and directors' emoluments have been borne by another group undertaking, Arcadia Group Limited

The Company has no employees (2011 none)

4. Tax on loss on ordinary activities

	2012	2011
a) Analysis of the tax credit for the year	£'000	£'000
UK corporation tax at 25.2% (2011: 27.2%)		
Current year (note 4b)	(163)	(130)
Total taxation	(163)	(130)

A reconciliation between the Company's tax credit for the year and the effective rate of UK corporation tax of 25.2% (2011 27.2%) is provided below

	2012	2011
b) Factors affecting the tax credit for the year	£'000	£'000
Loss on ordinary activities before taxation	(646)	(478)
Loss on ordinary activities before taxation multiplied by the effective rate of UK corporation tax of 25.2% (2011 27.2%)	(163)	(130)
Total current tax (note 4a)	(163)	(130)

c) Factors that may affect future tax charges

In addition to the changes in rates of Corporation tax disclosed above further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

Bhs Group Limited

Notes to the financial statements for the year ended 25 August 2012 (continued)

5. Investments

	Cost and net book value £'000
Shares in group undertakings	
At 27 August 2011 and 25 August 2012	82,668

The Company has investments in the following subsidiary undertakings

Company	Country of incorporation	Principal activity	Holding	%
Bhs Limited*	England & Wales	Retailing	Ordinary shares	100
Bhs (Jersey) Limited**	Jersey	Retailing	Ordinary shares	100
Epoch Properties Limited**	Jersey	Property Investment	Ordinary shares	100
Bhs Properties Limited*	England & Wales	Property Investment	Ordinary shares	100
Davenbush Limited*	England & Wales	Property Investment	Ordinary shares	100
Lowland Homes Limited**	England & Wales	Property Investment	Ordinary shares	100
Bhs Services Limited**	England & Wales	Inactive	Ordinary shares	100
Bhs (Hong Kong) Limited**	Hong Kong	Inactive	Ordinary shares	100

* held directly by Bhs Group Limited

** held by subsidiary undertakings

Consolidated financial statements have not been prepared, as the Company is a wholly owned subsidiary of Taveta Investments Limited, which prepares consolidated financial statements. In the opinion of the directors the aggregate value of the Company's investments in its subsidiary undertakings is not less than the amount at which they are stated.

6. Debtors

	2012 £'000	2011 £'000
Amounts owed by subsidiary undertakings	28,708	28,708
	28,708	28,708

7. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Bank overdraft	4	-
Amounts owed to group undertakings	87,126	86,647
	87,130	86,647

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Notes to the financial statements for the year ended 25 August 2012 (continued)

8. Creditors: amounts falling due after more than one year

	2012 £'000	2011 £'000
Bank loan repayable between one and two years	20,000	20,000

9. Called up share capital

	2012 £'000	2011 £'000
Authorised		
2,000,000 ordinary shares of 25p each	500	500
Allotted and fully paid		
2,000,000 ordinary shares of 25p each	500	500

10. Reconciliation of movements in shareholders' funds

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total 2012 £'000	Total 2011 £'000
Loss for the financial year	-	-	(483)	(483)	(348)
Opening shareholders' funds	500	25	4,204	4,729	5,077
Closing shareholders' funds	500	25	3,721	4,246	4,729

11. Parent undertaking, controlling party and related party disclosures

The Company's ultimate parent company is Taveta Investments Limited ('Taveta'), a company incorporated in England. Taveta is also the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Taveta's consolidated financial statements can be obtained by writing to the Secretary at Colegrave House, 70 Berners Street, London, W1T 3NL.

The Company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Taveta group or investees of Taveta.

The Company's ultimate controlling party is Lady Cristina Green and her immediate family.