

BF III Limited

Directors' Report and Financial Statements

Financial year ended 28 August 2010

Registered Number. 4891748

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BF III Limited

Directors' report

The directors submit their Report together with the audited financial statements of the Company for the financial year ended 28 August 2010

Principal activities

The principal activity of the Company during the financial year was the provision of finance for group companies

Results for the financial year

The results of the Company for the financial year are set out in the profit and loss account on page 4. The profit for the financial year of £60,000 (2009: £102,000) has been transferred to reserves.

Directors

The following served as directors during the financial year to 28 August 2010 and to the date of signing the financial statements were:

J D Lovering (Resigned 31 March 2010)

R W Templeman

C K Woodhouse

M J T Sharp (Appointed 31 March 2010)

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 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, and
- make judgements and accounting estimates that are reasonable and prudent.

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.

BF III 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 the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the board



P R Eardley
Company Secretary
15 December 2010

BF III Limited

Independent auditors' report to the members BF III Limited

We have audited the financial statements of BF III Limited for the year ended 28 August 2010 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 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.

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 28 August 2010 and of its profit 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.

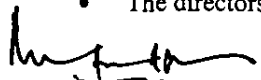
Opinion on other matter prescribed by the Companies Act 2006

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, or
- The directors were not entitled to prepare the Directors' Report in accordance with the small company regime.


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

16 December 2010

BF III Limited

Profit and loss account

For the year ended 28 August 2010

	Note	Year ended 28 August 2010 £'000	Year ended 29 August 2009 £'000
Net interest receivable	2	83	141
Profit on ordinary activities before taxation	3	83	141
Tax on profit on ordinary activities	4	(23)	(39)
Profit for the financial year	9	60	102

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

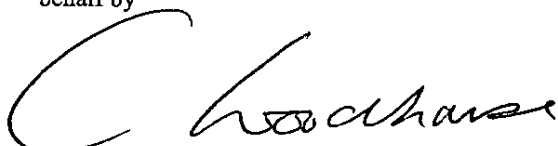
BF III Limited
Registered Number: 4891748

Balance sheet

At 28 August 2010

	Note	28 August 2010 £'000	29 August 2009 £'000
Fixed assets			
Investments	5	-	-
Current assets			
Debtors	6	4,430	4,337
Cash at bank and in hand		2	2
		4,432	4,339
Creditors: amounts falling due within one year	7	(1,272)	(1,239)
Net current assets		3,160	3,100
Total assets less current liabilities		3,160	3,100
Capital and reserves			
Called up share capital	8	-	-
Capital redemption reserve	9	955	955
Profit and loss account	9	2,205	2,145
Total shareholders' funds	10	3,160	3,100

The financial statements on pages 4 to 9 were approved by the board of directors on 15 December 2010 and were signed on its behalf by


C K Woodhouse
Director

BF III Limited

Notes to the financial statements

For the year ended 28 August 2010

1 Accounting policies

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. Accounting policies, which have been consistently applied throughout the financial information presented, are set out below.

Investments

Investments are held at cost unless an impairment in value has occurred.

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.

Interest recognition

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

2 Net interest receivable

	Year ended 28 August 2010 £'000	Year ended 29 August 2009 £'000
Interest payable and similar charges		
Payable on loans from group undertakings	(33)	(55)
Interest receivable and similar income		
Receivable on loans to group undertakings	116	196
Net interest receivable	83	141

3 Profit on ordinary activities before taxation

Auditors' remuneration is borne by another group undertaking in both the current and prior year.

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, J D Lovering and M J T Sharp are held by Debenhams plc. Their emoluments are disclosed in the financial statements of Debenhams plc. It has not been possible to allocate their emoluments between group companies.

During the financial year there were no employees (2009: none).

BF III Limited

Notes to the financial statements (continued)

For the year ended 28 August 2010

4 Tax on profit on ordinary activities

	Year ended 28 August 2010 £'000	Year ended 29 August 2009 £'000
Current tax		
UK corporation tax on profits for the year	(23)	(39)

The tax assessed for the year is equal to (2009 equal to) the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	Year ended 28 August 2010 £'000	Year ended 29 August 2009 £'000
Profit on ordinary activities before taxation	83	141
Profit on ordinary activities at standard rate of corporation tax in the UK of 28% (2009 28%)	(23)	(39)
Current tax charge for the year	(23)	(39)

5 Fixed asset investments

	Shares in group undertakings £'000
Cost	
At 29 August 2009 and 28 August 2010	-

BF III Limited holds 1 ordinary share of £1 in BF Properties (No 1) Limited and 1 ordinary share of £1 in BF Properties (No 2) Limited

BF Properties (No 1) Limited and BF Properties (No 2) Limited are registered in England and Wales The principal activities of BF Properties (No 1) Limited and BF Properties (No 2) Limited are property investment and development and a holding company respectively

6 Debtors

	28 August 2010 £'000	29 August 2009 £'000
Amounts owed by group undertakings	4,430	4,337

Amounts owed by group undertakings are unsecured, have no fixed date of redemption and interest is charged at an average rate of 2.7% (2009 4.6%) per annum

BF III Limited

Notes to the financial statements (continued)

For the year ended 28 August 2010

7 Creditors' amounts falling due within one year

	28 August 2010 £'000	29 August 2009 £'000
Amounts owed to group undertakings	1,272	1,239

Amounts owed to group undertakings are unsecured, repayable on demand and carry an interest rate of 2.7% (2009 4.6%) per annum

8 Called up share capital

	Number	£
At 29 August 2009 and 28 August 2010:		
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
<i>Allotted and fully paid</i>		
Ordinary shares of £1 each	100	100

9 Reserves

	Capital redemption reserve £'000	Profit and loss account £'000
At 29 August 2009	955	2,145
Profit for the financial year	-	60
At 28 August 2010	955	2,205

10 Reconciliation of movements in shareholders' funds

	28 August 2010 £'000	29 August 2009 £'000
Profit for the financial year	60	102
Net additions to shareholders' funds	60	102
Opening shareholders' funds	3,100	2,998
Closing shareholders' funds	3,160	3,100

BF III Limited

Notes to the financial statements (continued)

For the year ended 28 August 2010

11 Ultimate parent undertaking and related party disclosures

The immediate and ultimate parent undertaking 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 Statements'. The Company is also exempt under the terms of FRS 8 'Related Party Disclosures' 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.