
HOUSE OF FRASER (INVESTMENTS) LIMITED

Report and Financial Statements
For the 52 weeks ended 25 January 2014



Registered Number: SC264549

House of Fraser (Investments) Limited

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House of Fraser (Investments) Limited
Company information

Registered Address Granite House
31 Stockwell Street
Glasgow
G1 4RZ

Company Number SC264549

Directors Mr D McCarthy
Mr J King
Mr M Gifford
Mr S Cassar
Mr P Hearsey
Mr S Barwick

Company Secretary Mr P Hearsey

Auditor Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading

House of Fraser (Investments) Limited
Strategic Report

Principal activity

The principal activity of the Company is an investment company. It has historically reviewed and invested in low risk treasury products and arrangements including fixed interest securities.

It is anticipated that the Company will continue to act as an investment company.

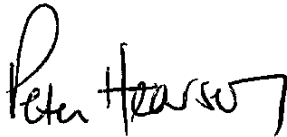
Financial review

The Company did not trade in either the current or previous periods and accordingly no profit and loss account is presented.

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 interest rate 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
26 August 2014

House of Fraser (Investments) Limited

Directors' Report

The directors present their annual report and the audited financial statements of House of Fraser (Investments) Limited ("the Company") for the 52 weeks ended 25 January 2014.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small company's exemption under s415 (a) of the Companies Act 20116.

Holding company

The immediate parent company is House of Fraser Limited. The Company's ultimate and controlling party is Highland Group Holdings Limited, a company registered in England and Wales.

Dividends

The Company did not pay an interim dividend (2012/13: £nil) and the directors do not propose to pay a final dividend in respect of the 52 weeks ended 25 January 2014 (2012/13: £nil).

Going concern

After making reasonable enquiries and taking due care, the directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing these financial statements.

Directors

The directors who served throughout the period and to the date of this report were:

Mr D McCarthy
Mr J King
Mr M Gifford
Mr S Cassar
Mr P Hearsey
Mr S Barwick

In accordance with the Articles of Association no director is required to seek re-election.

Related parties

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

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.

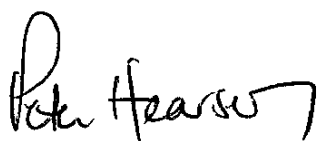
House of Fraser (Investments) Limited

Directors' Report

Post balance sheet event

The shareholders of the Company's ultimate parent company and controlling party, Highland Group Holdings Limited, entered into a sale and purchase agreement with Nanjing Xinjiekou Department Store Co. Ltd ("Nanjing Cenbest") whereby all of the preferred ordinary shares and B ordinary shares of Highland Group Holdings Limited and 89% of the ordinary and preference shares are to be sold. Nanjing Cenbest is listed on the Shanghai Stock Exchange and operates department stores in China. The sale and purchase of the shares is subject to conditions including Chinese regulatory and Stock Exchange clearances and is expected to complete later in 2014.

Approved by the Board and signed on its behalf by:



Peter Hearsey
Company Secretary
26 August 2014

House of Fraser (Investments) Limited

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; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of House of Fraser (Investments) Limited

We have audited the financial statements of House of Fraser (Investments) Limited for the 52 weeks ended 25 January 2014 which comprise the Balance Sheet and the related notes 1 to 11. 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 25 January 2014;
- 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

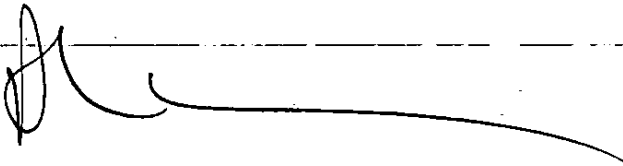
In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the parent company financial statements.

**Independent auditor's report to the members of
House of Fraser (Investments) 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 (Senior Statutory Auditor) FCA
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading
United Kingdom
27 August 2014

House of Fraser (Investments) Limited**Balance Sheet****As at 25 January 2014****Company number: SC264549**

	Notes	25 January 2014 £	26 January 2013 £
Current assets			
Debtors	5	199,592,842	192,450,414
Cash at bank and in hand		3,010,812	10,153,240
Net assets		202,603,654	202,603,654
Capital and reserves			
Called up share capital	6	200,002,593	200,002,593
Profit and loss account	7	2,601,061	2,601,061
Shareholders' funds	8	202,603,654	202,603,654

The financial statements of House of Fraser (Investments) Limited, registration number SC264549, were approved by the board of directors and authorised for issue on 26 August 2014.

They were signed on its behalf by:



M Gifford
Director

The notes on pages 9 to 11 form an integral part of these accounts.

House of Fraser (Investments) Limited
Notes to the Financial Statements
For the 52 weeks ended 25 January 2014

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.

The principal accounting policies are set out below and have been applied consistently throughout the current and prior period.

Cash flow statement and related party transactions

The Company is a wholly owned subsidiary of Highland Group Holdings Limited and is included within the consolidated financial statements of Highland Group Holdings Limited. 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 wholly owned by Highland Group Holdings Limited.

2. Operating profit

The audit fee of £2,000 (2012/13: £2,000) was borne by a fellow group company. Auditor's remuneration for non audit-fee services was £nil (2012/13: £nil).

3. Staff costs

There were no employees during the period (2012/13: none).

4. Directors' remuneration

D McCarthy and J King are employed by Highland Group Holdings Limited and M Gifford, P Hearsey and S Barwick are employed by House of Fraser (Stores) Limited. None of these companies make a recharge to the Company.

D McCarthy, J King and M Gifford 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 financial statements of Highland Group Holdings Limited. S Barwick and P Hearsey received remuneration paid by House of Fraser (Stores) Limited in respect of their services to group companies. The portion of this that relates to the Company is £nil (2012/13: £nil).

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.

5. Debtors

	25 January 2014 £	26 January 2013 £
Amounts owed by group undertakings	199,592,842	192,450,414

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

House of Fraser (Investments) Limited
Notes to the Financial Statements (continued)
For the 52 weeks ended 25 January 2014

6. Share capital

	25 January 2014 £	26 January 2013 £
<i>Authorised</i>		
20,000,000,000 (2012/13: 20,000,000,000) ordinary A shares of £0.01 each	200,000,000	200,000,000
1,000,000 (2012/13: 1,000,000) ordinary B shares of £0.01 each	10,000	10,000
	200,010,000	200,010,000
<i>Called-up, allotted and fully paid</i>		
20,000,000,000 (2012/13: 20,000,000,000) ordinary A shares of £0.01 each	200,000,000	200,000,000
259,350 (2012/13: 259,350) ordinary B shares of £0.01 each	2,593	2,593
	200,002,593	200,002,593

All of the A shares are owned by House of Fraser Limited whilst the B shares are owned by House of Fraser (Stores) Limited.

7. Reserves

	Profit and loss account £
As at 26 January 2013	2,601,061
Result for the financial period	-
As at 25 January 2014	2,601,061

8. Reconciliation of movements in shareholders' funds

	25 January 2014 £	26 January 2013 £
Opening shareholders' funds	202,603,654	202,603,654
Result for the financial period	-	-
Closing shareholders' funds	202,603,654	202,603,654

9. Contingent liabilities

The Company provides guarantees to the trustees of House of Fraser Pension Trustees Limited. Previously, the Company provided guarantees to the trustees of the James Beatties plc Pension Scheme, the House of Fraser Pension Plan and the Jenners' Princes Street Edinburgh Limited Pension & Life Assurance Scheme 1974, in respect of the obligations of James Beatties Limited and House of Fraser (Stores) Limited.

10. Parent undertaking

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

The Company's ultimate parent company and controlling party is Highland Group Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales, which is the smallest and largest 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.

House of Fraser (Investments) Limited
Notes to the Financial Statements (continued)
For the 52 weeks ended 25 January 2014

11. Post balance sheet event

The shareholders of the Company's ultimate parent company and controlling party, Highland Group Holdings Limited, entered into a sale and purchase agreement with Nanjing Xinjiekou Department Store Co. Ltd ("Nanjing Cenbest") whereby all of the preferred ordinary shares and B ordinary shares of Highland Group Holdings Limited and 89% of the ordinary and preference shares are to be sold. Nanjing Cenbest is listed on the Shanghai Stock Exchange and operates department stores in China. The sale and purchase of the shares is subject to conditions including Chinese regulatory and Stock Exchange clearances and is expected to complete later in 2014.
