Registered Number 237511

Arcadia Group Limited

Annual report

for the year ended 28 August 2010

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for the year ended 28 August 2010

Contents

Arcadia Group Limited (registered number: 237511)

Directors' report for the year ended 28 August 2010

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

Principal activities, review of business and dividends
The Company's principal activities are those of a property and investment holding company The Company also provides administrative and logistical services to its subsidiary undertakings

The profit and loss account is set out on page 4 During the year, the Company formed part of Taveta Investments Limited and a review of the group's businesses during the year and its position at 28 August 2010 is given on page 1 to the financial statements of that company

The directors do not recommend the payment of a dividend (2009 £nil) and the retained profit for the year of £16,442,000 (2009 £55,410,000) has therefore been transferred to 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 directors who held office during the year ended 28 August 2010 were as follows

Paul Budge	
Paul Coackley	(resigned 30 April 2010)
Ian Grabiner	
Lord Grabiner QC	
Sir Philip Green	

Donations
During the year, donations to the value of £207,000 (2009 £210,000) were given to various UK charitable organisations

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Directors' report for the year ended 28 August 2010 (continued)

Employees
All staff are informed about matters concerning their interests as employees and the financial position of the Group through a number of communication channels including face-to-face briefings, an intranet site supplemented by e-mail announcements and a staff magazine

The board recognises the importance of a highly motivated and well trained workforce It encourages employees' involvement in the Group's performance through their participation in a variety of incentive bonus schemes linked to the achievement of operational or financial targets in the part of the business for which they work, and it invests in training programmes aimed at achieving the highest standards of personal development and customer service

The Group is an equal opportunities employer, recruiting and promoting employees on the basis of suitability for the job and on no other grounds Proper consideration is given to employment applications from disabled persons whose aptitude and skills can be utilised within the business and to their training and career progression Wherever possible, this includes the retraining and retention of staff that become disabled during their employment

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 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 ought to have taken in his duty as a director in order to make himself 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

Paul Budge
Director
28 February 2011

Independent auditors' report to the members of Arcadia Group Limited

We have audited the financial statements of Arcadia Group Limited for the year ended 28 August 2010 which comprise the profit and loss account, the balance sheet, the accounting policies 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 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 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
28 February 2011

Arcadia Group Limited

Profit and loss account for the year ended 28 August 2010

	Note	2010 £'000	2009 £'000
Turnover	1	**146,923**	67,931
Cost of sales		**(75,431)**	(15,532)
Gross profit		**71,492**	52,339
Distribution costs		**(51,280)**	(30,558)
Administrative expenses		**(32,058)**	(25,055)
Other operating income	2	**5,600**	5,630
Operating (loss) / profit	2	**(6,246)**	2,416
Income from fixed asset investments		**200**	72
Write off of fixed asset investments		**(50)**	-
(Loss) / profit on ordinary activities before interest and taxation		**(6,096)**	2,488
Net interest receivable and similar income	3	**25,941**	55,257
Profit before taxation		**19,845**	57,745
Taxation	5	**(3,403)**	(2,335)
Retained profit for the year	14	**16,442**	55,410

All of the results in the profit and loss account 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 profit before taxation and the retained profit for the year stated above and their historical cost equivalents

Arcadia Group Limited

Balance sheet as at 28 August 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	6	**39,513**	31,747
Investments	7	**3,209,845**	2,948,240
		3,249,358	2,979,987
Current assets			
Stocks		**406**	270
Investments	8	**11,565**	-
Debtors	9	**27,061**	20,587
Cash at bank and in hand		**2,459**	11,447
		41,491	32,304
Creditors amounts falling due within one year	10	**(147,286)**	(108,717)
Net current liabilities		**(105,795)**	(76,413)
Total assets less current liabilities		**3,143,563**	2,903,574
Creditors amounts falling due after more than one year	11	**(2,049,909)**	(1,824,835)
Provisions for liabilities and charges	12	**(891)**	(2,418)
Net assets		**1,092, 763**	1,076,321
Capital and reserves			
Called up share capital	16	**168,163**	168,163
Share premium account	13	**393,676**	393,676
Capital redemption reserve	13	**223,431**	223,431
Profit and loss account	13	**307,493**	291,051
Equity shareholders' funds	14	**1,092,763**	1,076,321

The financial statements on pages 4 to 17 were approved by the board of directors on 28 February 2011 and were signed on its behalf by

Paul Budge
Director

Arcadia Group Limited

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 accounting standards A summary of the more important accounting policies, which have been applied consistently, is set out below

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

Turnover
Turnover represents rents receivable from group undertakings and external tenants, together with amounts charged to group undertakings for the provision of administrative and logistical services It accrues on a daily basis and is stated net of value added tax

Other operating income
Income from the operation of the Group's store card business is recognised in the same period as the underlying sales transaction Upfront contributions towards the Group's store card business have been deferred and are being released to the profit and loss account over the term of the related contract

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 investments Income from fixed asset investments represents dividends received from subsidiary undertakings

Current asset investments comprise floating rate loan notes that were purchased at a discount to their nominal value These investments were initially valued at their purchase cost and the appreciation in value is being recognised on a straight-line basis during the period leading up to their redemption

Tangible fixed assets
Fixed assets are stated at cost Fixed asset values are reviewed for impairment in accordance with Financial Reporting Standard 11 Impairment of fixed assets and goodwill

Depreciation
Depreciation is provided so as to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Land not depreciated
Freehold and long leasehold buildings over 50 years depreciated to their estimated residual value over their estimated useful economic life
Short leasehold land and buildings life of lease
Office equipment 10 years
Computer equipment 3 to 4 years
Motor vehicles are depreciated on the reducing balance basis at a rate of 25% per annum

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Accounting policies (continued)

Pension costs
The Company operates a couple of defined benefit schemes on behalf of its employees and those of its subsidiaries The employing companies contribute in order to provide pension and other benefits expressed in terms of a percentage of pensionable salary Although these pension schemes are defined benefit in nature the Company accounts for its contributions as though they were defined contribution schemes as the Company and its subsidiaries are unable to identify their respective share of the schemes' underlying assets and liabilities

The above schemes are now closed to new entrants and eligible employees are offered the opportunity to join the Group's defined contribution scheme operated by the Company For this scheme, the amounts charged to the profit and loss account are the contributions payable during the period

Taxation
Deferred taxation is provided on all timing differences that have originated but not reversed at the balance sheet date Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying tax differences can be deducted Deferred tax is not recognised on revalued assets unless there is a binding agreement at the balance sheet date to sell the revalued asset and the related gain or loss has been recognised in the financial statements Deferred tax assets and liabilities are not discounted

Foreign exchange
Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction Assets and liabilities recorded in foreign currencies are translated either at the rates ruling at the balance sheet date or the rates fixed by forward contracts Exchange differences are dealt with in the profit and loss account

Leased assets
Assets held under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of their estimated useful economic lives and the period of the lease Rentals are apportioned between reductions in the capital obligations included within creditors and finance charges which are charged to the profit and loss account at a constant effective rate of interest

Rentals payable under operating leases are charged to the profit and loss account as incurred except where incentives to sign the leases have been received Such incentives are spread on a straight-line basis over the lease term, or if shorter, the period to the next open market rent review date

Treasury instruments
Gains and losses on hedges of payments or receipts are deferred and only recognised as they crystallise Gains and losses on forward currency contracts entered into as hedges of future purchases denominated in foreign currency are carried forward and are recognised as part of the purchase cost on maturity

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Notes to the financial statements for the year ended 28 August 2010

1 Turnover

Turnover is wholly attributable to the Company's principal activities and arises in the United Kingdom Turnover includes management charges of £145,773,000 (2009 £67,100,000) levied on group undertakings

2 Operating (loss) / profit

Operating (loss) / profit is stated after charging / (crediting)	2010 £'000	2009 £'000
Employment costs (note 4)	**114,631**	101,349
Depreciation - owned assets	**9,434**	8,984
- leased assets	**950**	949
Property rentals received	**(1,170)**	(816)
Property rentals paid	**1,191**	1,193
Other operating lease rentals	**3,630**	2,799
Other operating income (see below)	**(5,600)**	(5,630)
Auditors' remuneration		
Audit services		
Statutory audit of the Company and its subsidiaries	**180**	147
Tax services		
Compliance	**11**	16
Other tax services	**65**	407
Pensions advisory	**361**	-
All other services	**55**	28

Other operating income mainly arises from the operation of the Group's store cards

3 Net interest receivable and similar income

	2010 £'000	2009 £'000
Interest and similar charges payable on		
Bank overdrafts	**(323)**	(936)
Finance leases	**-**	(508)
	(323)	(1,444)
Interest receivable on		
Bank deposits	**3**	10
Other deposits	**216**	464
Loans to group undertakings	**26,045**	56,227
Interest receivable and similar income	**26,264**	56,701
Net interest receivable and similar income	**25,941**	55,257

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Notes to the financial statements for the year ended 28 August 2010 (continued)

4 Employees and directors

Particulars of employee costs (including executive directors) are shown below

Employees (including executive directors)	2010 £'000	2009 £'000
Wages and salaries	**102,256**	90,283
Social security costs	**10,652**	9,347
Pension costs (note 18)	**1,723**	1,719
Total employment costs	**114,631**	101,349

The average monthly number of people employed by the Company during the year was 2,294 (2009 2,118) All of these employees provide administrative support to the Company's retailing subsidiaries and where this can be directly allocated, the related employment costs are recharged accordingly

The equivalent average number of full-time employees was 2,237 (2009 2,061)

Total directors' remuneration comprises	2010 £'000	2009 £'000
Aggregate emoluments	**3,400**	2,994

The Company has not contributed to any money purchase pension arrangements on behalf of its directors

At the year end, 2 directors (2009 2) had retirement benefits accruing under the Company's defined benefit pension schemes

Highest paid director	2010 £'000	2009 £'000
Aggregate emoluments	**1,918**	1,627

The highest paid director has an accrued annual pension of £31,600 (2009 £27,500) under the Company's defined benefit arrangements

5 Taxation

a. Analysis of the tax charge for the year	2010 £'000	2009 £'000
Based on the profit for the year		
UK corporation tax at 28% (2009 28%)		
- Current year	5,754	16,389
- Prior years	(824)	(7,152)
Total current tax (note 5b)	4,930	9,237
Deferred tax – origination and reversal of timing differences (note 12)	(1,527)	(6,902)
Total taxation	3,403	2,335

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom (28%) The differences are explained below

b. Factors affecting the current tax charge for the year	2010 £'000	2009 £'000
Profit before taxation	19,845	57,745
Profit before taxation multiplied by the standard rate of corporation tax in the United Kingdom of 28% (2009 28%)	5,557	16,169
Effects of		
Expenses not deductible for tax purposes	659	979
Income not assessable for tax purposes	-	(20)
Capital allowances in excess of depreciation	(742)	(151)
Other timing differences	280	(588)
Adjustment in respect of prior years	(824)	(7,152)
Current tax charge for the year (note 5a)	4,930	9,237

The Company has entered into a group payment arrangement with HMRC whereby it undertakes to make corporation tax payments on behalf of all subsidiary companies within the same tax group Accordingly, at the year end the aggregate corporation tax liability of all companies within this tax group has been included within the Company's creditors (note 10) whilst a corresponding debtor has either been recognised within loans to group undertakings (note 7) or offset against amounts owed to subsidiary undertakings (note 11)

c. Factors that may affect future tax charges
Based on current capital investment plans, the Company expects capital allowances to exceed depreciation in future years at a similar rate to the current year The Company also expects to incur a similar level of non-deductible expenditure

The standard rate of corporation tax will reduce to 27% with effect from 1 April 2011 Furthermore, in the emergency budget, the government announced its intention to reduce the standard rate of corporation tax to 24% during the life of the current parliament

Notes to the financial statements for the year ended 28 August 2010 (continued)

6 Tangible fixed assets

	Short leasehold land and buildings £'000	Fit out, fixtures and equipment £'000	Total £'000
Cost			
At 30 August 2009	331	69,644	69,975
Additions	-	18,155	18,155
Disposals	(99)	-	(99)
At 28 August 2010	**232**	**87,799**	**88,031**
Accumulated depreciation			
At 30 August 2009	142	38,086	38,228
Charge for the year	40	10,344	10,384
Disposals	(94)	-	(94)
At 28 August 2010	**88**	**48,430**	**48,518**
Net book value			
At 28 August 2010	**144**	**39,369**	**39,513**
At 29 August 2009	189	31,558	31,747

Assets held under finance leases and capitalised in fit out, fixtures and equipment	**2010 £'000**	2009 £'000
Cost	**4,470**	4,470
Accumulated depreciation	**(2,710)**	(1,760)
Net book amount	**1,760**	2,710

Notes to the financial statements for the year ended 28 August 2010 (continued)

7 Fixed asset investments

	Shares in group undertakings		Loans		
	Cost	Provision	Cost	Provision	Total
Group undertakings	£'000	£'000	£'000	£'000	£'000
At 30 August 2009	1,479,853	(288,801)	1,903,474	(146,286)	2,948,240
Additions	-	-	278,375	-	278,375
Disposals / repayments	(50)	-	(16,720)	-	(16,770)
At 28 August 2010	**1,479,803**	**(288,801)**	**2,165,129**	**(146,286)**	**3,209,845**

Advantage has been taken of Section 410 (1) and (2) of the Companies Act 2006 not to disclose all group undertakings on the basis that such information would be of excessive length The principal group undertakings in which the Company is invested are as follows

Group undertaking	Country of operation	Country of incorporation or registration	Main activity
Arcadia Group Brands Ltd *	UK	England	Brand management
Arcadia Group Multiples (Ireland) Ltd *	Ireland	Ireland	Fashion retailing
Burton Retail Ltd*	UK	England	Fashion retailing
Dorothy Perkins Retail Ltd*	UK	England	Fashion retailing
Evans Ltd*	UK	England	Fashion retailing
Gresse Street Ltd	UK	England	Property investment
Miss Selfridge Retail Ltd	UK	England	Fashion retailing
Miss Selfridge Retail (Ireland) Ltd*	Ireland	Ireland	Fashion retailing
Muse Retail Ltd	UK	England	Fashion accessory retailing
Outfit Retail Ltd	UK	England	Fashion retailing
Redcastle Ltd	UK	England	Property investment
Redcastle (214 Oxford Street) Ltd*	UK	England	Property investment
Redcastle Property Mortgage Ltd*	UK	England	Property investment
Top Shop/Top Man Ltd*	UK	England	Fashion retailing
Wallis Retail Ltd	UK	England	Fashion retailing
Wallis Retail (Ireland) Ltd*	Ireland	Ireland	Fashion retailing
Zoom co uk Ltd	UK	England	E-commerce

* Denotes indirect shareholding

Other than Gresse Street Limited and Muse Retail Limited, which are 53% and 50% owned, respectively, the Company owns the whole of the above companies issued ordinary share capital

Consolidated financial statements have not been prepared, as the Company is a wholly owned subsidiary undertaking 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

Arcadia Group Limited

Notes to the financial statements for the year ended 28 August 2010 (continued)

8 Current asset investments

Floating rate loan notes	**£'000**
At 29 August 2009	-
Additions	11,494
Appreciation in value	71
At 28 August 2010	**11,565**

9 Debtors

Amounts falling due within one year	**2010 £'000**	2009 £'000
Amounts due from joint venture – loan	**401**	449
Other debtors (including VAT)	**8,081**	8,853
Prepayments and accrued income	**18,579**	11,285
	27,061	20,587

10 Creditors – amounts falling due within one year

	2010 £'000	2009 £'000
Bank overdrafts	**21,069**	374
Trade creditors	**17,456**	16,263
Finance leases	**185**	951
Amounts due to joint venture – trading balances	**7**	86
Corporation tax (note 5)	**39,259**	40,428
Other taxation and social security	**7,771**	4,985
Other creditors	**13,995**	9,995
Accruals and deferred income	**47,544**	35,635
	147,286	108,717

Notes to the financial statements for the year ended 28 August 2010 (continued)

11 Creditors – amounts falling due after one year

	2010 £'000	2009 £'000
Finance leases falling due		
- between one and two years	-	92
Amounts owed to subsidiary undertakings	**2,014,580**	1,785,046
Other creditors	**11,147**	9,915
Accruals and deferred income	**24,182**	29,782
	2,049,909	1,824,835

12 Provisions for liabilities and charges

Deferred taxation

The movement in the Company's deferred tax balance is as follows

	£'000
At 30 August 2009	2,418
Profit and loss account (note 5a)	(1,527)
At 28 August 2010	**891**

	Amount provided / (recognised)		Amount unrecognised	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Accelerated capital allowances	**(1,807)**	(2,500)	-	-
Other timing differences	**2,698**	4,918	-	-
Capital losses	-	-	**(6,367)**	(6,603)
	891	2,418	**(6,367)**	(6,603)

The Company has not recognised a potential deferred tax asset in respect of agreed capital losses as there is insufficient evidence that it will generate the capital profits required to utilise the losses

Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods when timing differences reverse, based on tax rates at the balance sheet date

13 Reserves

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 30 August 2009	393,676	223,431	291,051	908,158
Retained profit for the year	-	-	16,442	16,442
At 28 August 2010	**393,676**	**223,431**	**307,493**	**924,600**

14 Reconciliation of movements in equity shareholders' funds

	2010 £'000	2009 £'000
Retained profit for the year	**16,442**	55,410
Opening shareholders' funds	**1,076,321**	1,020,911
Closing shareholders' funds	**1,092,763**	1,076,321

15 Financial commitments

At 28 August 2010 the Company had capital commitments contracted but not provided for of £17,413,000 (2009 £4,537,000) In addition, the Company leases a number of properties from external landlords under non-cancellable operating leases that are subject to renegotiation at various dates The minimum annual rentals under the foregoing are

	2010 £'000	2009 £'000
Operating leases which expire		
- within one year	**791**	840
- between two and five years inclusive	**540**	316
- after five years	**490**	883
	1,821	2,039

The Company also leases certain items of plant and machinery along with vehicles whose minimum annual rentals are as follows

Other assets	**2010 £'000**	2009 £'000
Operating leases which expire		
- within one year	**2,162**	1,712
- between two and five years inclusive	**1,926**	1,657
	4,088	3,369

Notes to the financial statements for the year ended 28 August 2010 (continued)

16 Called up share capital

	2010		2009	
	£'000	No. ('000)	£'000	No ('000)
Authorised				
Ordinary shares of 80p each	**200,000**	**250,000**	200,000	250,000
Deferred shares of 40p each	**320,000**	**800,000**	320,000	800,000
	520,000	**1,050,000**	520,000	1,050,000
Called up and fully paid				
Ordinary shares of 80p each	**168,163**	**210,204**	168,163	210,204

17 Contingent liabilities

The Company, along with certain of its subsidiary undertakings, has provided cross guarantees in respect of its parent undertaking's bank borrowings The borrowings are secured by way of fixed charge over certain of the companies' freehold properties and by legal charge over their other assets and undertaking

At the year end the amount outstanding under these guarantees totalled £460,000,000 (2009 £635,000,000) The directors do not expect a loss to arise as a result of providing these guarantees

The Company has also guaranteed the rents payable by certain subsidiary undertakings which amounted to £14,356,000 (2009 £21,554,000) during the year

18 Pension schemes

Eligible employees participate in a couple of defined benefit schemes operated by the Company to which the Company and a number of its subsidiaries contribute in order to provide pension and other benefits expressed in terms of a percentage of pensionable salary These schemes are financed through separate trustee administered funds Contributions to the schemes are based on actuarial advice following the most recent valuations of the funds

Although these pension schemes are defined benefit in nature the Company accounts for its contributions as though they were defined contribution schemes as the Company is unable to identify its share of the underlying assets and liabilities of the schemes

During the year, the Company contributed £12,723,000 (2009 £6,719,000) to the above schemes, which included £11,000,000 (2009 £5,000,000) of prepaid contributions in respect of future years The current year amount related to only one of the schemes and comprised three separate elements A contribution, representing 34 7% of members' pensionable salary, to fund future benefits, a payment towards the scheme's administrative expenses and a further contribution to help repair the scheme's past service funding deficit The Company did not contribute to the other scheme, as any contributions that would have been payable in respect of future benefits were offset by the utilisation of the past service funding surplus identified at the last actuarial valuation

An actuarial valuation of the defined benefit schemes referred to above, and carried out as at 28 August 2010 for the purposes of FRS 17, identified that the present value of their liabilities exceeded the market value of the schemes' assets by £143,389,000 (2009 £80,502,000) The detailed disclosures required by FRS 17 are provided for the Group as a whole in the consolidated financial statements of the Company's ultimate parent undertaking, Taveta Investments Limited

The Company's defined benefit schemes are now closed to new entrants and eligible employees joining the Company are offered the opportunity to join the Group's defined contribution scheme

19 Parent undertaking, controlling party and related party disclosures

The Company's ultimate parent undertaking is Taveta Investments Limited ('Taveta'), a company incorporated in England, which 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 available within 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

During the year, the Company purchased certain floating rate loan notes from Lady Cristina Green for £11,494,000

Muse Retail Limited ('Muse') is a joint venture between the Company and DCK Concessions Limited The Company provides Muse with support in a number of areas including administration, marketing and treasury During the year the Company invoiced Muse £56,000 (2009 £266,000) in respect of these services At the year end Muse owed the Company £394,000 (2009 £363,000)

One of the Company's subsidiaries is a member of the Fashion Retail Academy ('FRA'), which is a higher education academy that provides students with a range of courses with an emphasis on retailing During the year, the Company charged FRA £9,000 (2009 £37,000) for administrative expenses and also provided FRA with other services on a gratis basis In addition, FRA invoiced the Company £2,000 (2009 £10,000) for the use of its facilities At the year end there was no amount outstanding between the two companies (2009 £nil)