

Registered number: 266758

**Arcadia Group Fashion Holdings Limited**

**Annual report and financial statements  
for the year ended 30 August 2014**

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# Arcadia Group Fashion Holdings Limited

## Company Information

<b>Directors</b>	RL Burchill R de Dombal MJM Geraghty (resigned 19 November 2014) GA Hague S Wightman M Gammon (appointed 1 December 2014)
<b>Company secretary</b>	R flaherty
<b>Registered number</b>	266758
<b>Registered office</b>	Colegrave House 70 Berners Street London W1T 3NL
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Benson House 33 Wellington Street Leeds LS1 4JP

# Arcadia Group Fashion Holdings Limited

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# Arcadia Group Fashion Holdings Limited

## Strategic report for the year ended 30 August 2014

### Introduction

The directors present their Annual report and the audited financial statements of the Company for the year ended 30 August 2014.

### Principal Activities

The principal activity of the Company was that of an investment holding company. On the 30 August 2014 the investments held were transferred to Arcadia Group Limited. The Company is now dormant and is expected to be so for the foreseeable future.

### Business review

During the year, the Company was a wholly owned subsidiary of Taveta Investments Limited and a review of the group's businesses during the year, its future outlook and its position at 30 August 2014 is given on page 1 to the financial statements of that company.

### Management of 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 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.

### Results for the year

The profit for the financial year amounted to £2,129,092,000 (2013:£nil).

It should be noted that all comparative figures throughout these financial statements in respect of the year ended 31 August 2013 related to a 53-week period as opposed to a 52-week period for the year ended 30 August 2014.

This report was approved by the board on 21 May 2015 and signed on its behalf.



**S Wightman**  
Director

# Arcadia Group Fashion Holdings Limited

## Directors' report for the year ended 30 August 2014

The directors present their Annual report and the audited financial statements for the year ended 30 August 2014.

### Dividends

The directors have approved and paid a dividend of £2,438,470,000 in respect of the year ended 30 August 2014 (2013: £nil).

### Directors

The directors who served during the year and up to the date of approval of the financial statements were:

RL Burchill  
R de Dombal  
MJM Geraghty (resigned 19 November 2014)  
GA Hague  
S Wightman  
M Gammon (appointed 1 December 2014)

### Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group Company (Taveta Investments Limited) also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

# Arcadia Group Fashion Holdings Limited

## Directors' report for the year ended 30 August 2014

### Directors' responsibilities statement (continued)

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.

### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed in accordance with section 487 of the Companies Act 2006 by virtue of an elective resolution passed by the members on 29 August 2011.

This report was approved by the board on 21 May 2015 and signed on its behalf.



**S Wightman**  
Director

# **Arcadia Group Fashion Holdings Limited**

## **Independent auditors' report to the members of Arcadia Group Fashion Holdings Limited**

### **Report on the financial statements**

#### **Our Opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 August 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

#### **What we have audited**

The financial statements, which are prepared by Arcadia Group Fashion Holdings Limited, comprise:

- the balance sheet as at 30 August 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 and Financial Statements 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 other matter prescribed by the Companies Act 2006**

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

## Arcadia Group Fashion Holdings Limited

### Independent auditors' report to the members of Arcadia Group Fashion Holdings Limited

#### Other matters on which we are required to report by exception

##### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### Directors' Remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

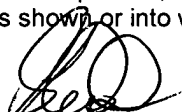
#### Responsibilities for the financial statements and the audit

##### Our responsibilities and those of the directors

As explained more fully in the directors' responsibilities statement set out on page 2 and 3, 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 ISAs (UK & 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.



Steve Denison (Senior statutory auditor)  
for and on behalf of  
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Statutory Auditors  
Leeds

21 May 2015



## Arcadia Group Fashion Holdings Limited

### Profit and loss account for the year ended 30 August 2014

	Note	2014 £000	2013 £000
Income from other fixed asset investments		<u>2,129,092</u>	<u>-</u>
<b>Profit/result on ordinary activities before taxation</b>		<b>2,129,092</b>	<b>-</b>
Tax on profit/result on ordinary activities	3	<u>-</u>	<u>-</u>
<b>Profit/result for the financial year</b>	7	<b><u>2,129,092</u></b>	<b><u>-</u></b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

The notes on pages 8 to 12 form part of these financial statements.

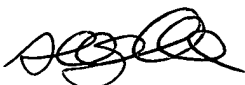
**Arcadia Group Fashion Holdings Limited**  
**Registered number: 266758**

**Balance sheet**  
**as at 30 August 2014**

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Investments	4	-	32,752
<b>Current assets</b>			
Debtors	5	-	276,626
<b>Net assets</b>		<u>-</u>	<u>309,378</u>
<b>Capital and reserves</b>			
Called up share capital	6	-	99,630
Share premium account		-	128,599
Profit and loss account	7	-	81,149
<b>Total shareholders' funds</b>	8	<u>-</u>	<u>309,378</u>

The notes on pages 8 to 12 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 May 2015.



**S Wightman**  
**Director**

The notes on pages 8 to 12 form part of these financial statements.

# Arcadia Group Fashion Holdings Limited

## Notes to the financial statements for the year ended 30 August 2014

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

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

The Company is itself a wholly owned subsidiary undertaking of Taveta Investments Limited, which prepared consolidated financial statements and is exempt from the requirement to prepare consolidated financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

#### 1.2 Cash flow

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 Taveta Investments Limited.

#### 1.3 Investments

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

#### 1.4 Taxation

Corporation tax payable is provided on taxable profits at the prevailing rate during the year.

### 2. Result/profit on ordinary activities before taxation

During the year, no director received any emoluments (2013 - £nil).

Auditors' remuneration has been borne by Arcadia Group Limited, the parent undertaking.

None of the directors received remuneration in respect of his or her services to the Company during the year (2013: £nil).

During the year the Company had no employees (2013: none).

## Arcadia Group Fashion Holdings Limited

### Notes to the financial statements for the year ended 30 August 2014

#### 3. Tax on result/profit on ordinary activities

	2014 £000	2013 £000
UK corporation tax charge on result/profit for the year	-	-

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - the same as) the standard rate of corporation tax in the UK of 22.2% (2013: 23.6%). The differences are explained below:

	2014 £000	2013 £000
Result/profit on ordinary activities before tax	2,129,092	-
Result/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.2% (2013: 23.6%)	472,658	-
<b>Effects of:</b>		
Income not assessable for tax purposes	(472,658)	-
<b>Current tax charge for the year</b> (see note above)	-	-

#### Factors that may affect future tax charges

There are no factors that may affect future tax charges.

## Arcadia Group Fashion Holdings Limited

### Notes to the financial statements for the year ended 30 August 2014

#### 4. Fixed asset investments

	Shares in group undertakings £000
<b>Cost</b>	
At 1 September 2013	33,917
Transfers intra group	(32,752)
	<hr/>
At 30 August 2014	1,165
	<hr/>
<b>Impairment</b>	
At 1 September 2013 and 30 August 2014	1,165
	<hr/>
<b>Net book value</b>	
At 30 August 2014	-
	<hr/> <hr/>
At 31 August 2013	32,752
	<hr/> <hr/>

#### 5. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	-	276,626
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

#### 6. Called up share capital

	2014 £000	2013 £000
<b>Allotted, called up and fully paid</b>		
0 (2013: 99,597,688) ordinary shares of £1 each	-	99,598
0 (2013: 32,388) deferred shares of £1 each	-	32
	<hr/>	<hr/>
	-	99,630
	<hr/> <hr/>	<hr/> <hr/>

The holders of the deferred shares are entitled to a fixed non-cumulative dividend of 5% of the profits available for dividend in excess of £10,000,000 and on a winding up of the Company to the repayment of their capital after a distribution of £1,000,000 to ordinary shareholders. The deferred shares otherwise carry no rights. Non-equity interests in the Company comprise the paid up capital on such shares.

## Arcadia Group Fashion Holdings Limited

### Notes to the financial statements for the year ended 30 August 2014

#### 7. Reserves

	Capital redemption reserve £000	Profit and loss account £000
At 1 September 2013	-	81,149
Profit for the financial year	-	2,129,092
Dividends (note 9)	-	(2,438,470)
Transfer between capital redemption reserve and P/L account	(228,229)	228,229
Transfer on purchase of own shares	228,229	-
	<u>                    </u>	<u>                    </u>
At 30 August 2014	<u>                    </u>	<u>                    </u>

On 23 July 2014 the Company cancelled its entire share premium of £128,599,000 and all but one of its share capital of £99,630,000.

#### 8. Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	309,378	309,378
Profit/result for the financial year	2,129,092	-
Dividends (Note 9)	(2,438,470)	-
Movement on capital redemption reserve	228,229	-
Share capital cancelled during the year	(99,630)	-
Share premium utilised on redemption of shares	(128,599)	-
	<u>                    </u>	<u>                    </u>
Closing shareholders' funds	<u>                    </u>	<u>                    </u>

#### Analysis of shareholders' funds

	2014 £000	2013 £000
Equity	-	309,346
Non-equity	-	32
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

#### 9. Dividends

	2014 £000	2013 £000
Dividends paid of £24.48 per £1 share capital to Arcadia Group Limited	2,438,470	-
	<u>                    </u>	<u>                    </u>

## **Arcadia Group Fashion Holdings Limited**

### **Notes to the financial statements for the year ended 30 August 2014**

#### **10. Contingent liabilities**

The Company, along with certain other subsidiary undertakings, has provided cross guarantees in respect of its parent undertakings' bank borrowings. These borrowings are secured by way of a 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 £7,100,000 (2013: £25,880,000). The directors do not expect a loss to arise as a result of providing these guarantees.

#### **11. Related party transactions**

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 Investments Limited group or investees of Taveta Investments Limited.

#### **12. Ultimate parent undertaking and controlling party**

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

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