

# Cliffrange Limited

## Annual Report and Financial Statements

For the 52 weeks ended  
1 March 2014

FRIDAY



\*A3CEZIT7\*

A29

18/07/2014

#48

COMPANIES HOUSE

**Cliffrange Limited**  
**Annual Report and Financial Statements**  
**1 March 2014**

<b>Contents</b>	<b><u>Page</u></b>
<u>Strategic report</u>	<u>1</u>
<u>Directors' report</u>	<u>2</u>
<u>Independent auditors' report</u>	<u>4</u>
<u>Profit and loss account</u>	<u>5</u>
<u>Statement of comprehensive income</u>	<u>5</u>
<u>Balance sheet</u>	<u>6</u>
<u>Statement of changes in equity</u>	<u>7</u>
<u>Notes to the financial statements</u>	<u>8 - 11</u>

**Cliffrange Limited**  
**Strategic report for the 52 weeks ended 1 March 2014**

**Principal activities, business review and future developments**

The principal activity of the Company is to act as a holding company. It is envisaged that this will remain the activity of the Company for the foreseeable future. The results and dividends are discussed on page 2.

**Principal risks and uncertainties**

From the perspective of the Company, which forms part of Home Retail Group (the "Group"), the principal risks and uncertainties are integrated with the principal risks of Home Retail Group plc and are not managed separately. Further details of these risks and uncertainties in the context of the Home Retail Group as a whole is provided on pages 24 and 25 of Home Retail Group's 2014 annual report which does not form part of this report.

**Financial risk management**

Home Retail Group operates a centralised treasury function which is responsible for managing the market risk (foreign exchange and interest rate risk), credit risk and liquidity risks associated with the Group's activities. These activities include those of the Company. The Group operates a structured risk management process which identifies, evaluates and prioritises risks and uncertainties.

The Group's treasury function seeks to reduce exposures to foreign exchange, interest rate and other financial risks, and to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Policies and procedures are subject to review and approval by the Group's Board of Directors as well as subject to internal audit review.

*Market risk - interest rate risk*

The Company has no exposure to interest rate fluctuations as all amounts receivable and payable to Group companies are non-interest bearing.

*Credit risk*

The Company monitors its group receivable balances on an ongoing basis with any provision for impairments made as required. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Company does not hold any collateral as security.

The Company's treasury transactions are managed centrally by the Group treasury function. The Group's exposure to credit risk with regard to treasury transactions is managed by dealing only with major banks and financial institutions. Dealing activity is closely controlled and counterparty positions are monitored on a regular basis.

*Liquidity risk*

The Company's liquidity risk is managed centrally by the Group treasury function.

**Key performance indicators (KPI's)**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

By order of the Board



P A McKelvey  
Company Secretary

02/07/2014

## **Cliffrange Limited**

### **Directors' report for the 52 weeks ended 1 March 2014**

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 1 March 2014 (the year).

#### **Registered number**

The registered number of the Company is 1967242.

#### **Results and dividends**

The Company did not trade during the year and consequently incurred no profit or loss (2013: £nil). The directors do not recommend the payment of a dividend (2013: £nil). The future developments of the business, principal risks and uncertainties and financial risk management are discussed within the Strategic report on page 1.

#### **Directors**

The directors that held office during the year and up to the date of approval of the financial statements were as follows:

R J Ashton  
D N Brown  
R G Lockwood (resigned 3 March 2014)

Subsequent to the year-end, C L Catlin was appointed as a director on 3 March 2014. There were no further appointments or resignations after the year end.

#### **Company Secretary**

P A Parker resigned as Company Secretary of the Company on 28 June 2013 and P A McKelvey replaced him on the same date.

#### **Going concern**

After making enquiries, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 those 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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Cliffrange Limited**

**Directors' report for the 52 weeks ended 1 March 2014 (continued)**

**Directors liability insurance and third party indemnification provisions**

During the year and up to the date of approval of the financial statements the Company maintained liability insurance for its directors. The Group also maintains third party indemnification provisions for certain directors, under which the Group has agreed to indemnify those directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company and any of its associated companies. These indemnities are Qualifying Third Party Indemnity Provisions as defined in Section 234 of the Companies Act 2006 and copies are available for inspection at the registered office of the Group during business hours on any weekday except public holidays.

**Disclosure of information to auditors**

Each person who is a director at the date of approval of this report confirms that:

- a) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- b) the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

By order of the Board



P A McKelvey  
Company Secretary

02/07/2014

**Cliffrange Limited**  
**Independent auditors' report to the members of Cliffrange 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 1 March 2014 and of its result for the period 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 Cliffrange Limited, comprise:

- the balance sheet as at 1 March 2014;
- the profit and loss account and statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period 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), including FRS 101 "Reduced Disclosure Framework".

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 (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 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 period for which the financial statements are prepared is consistent with the financial statements.

**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, 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.

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 Statement of Directors' Responsibilities 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 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.

*Neil Grimes*

Neil Grimes (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

02/07/2014

**Cliffrange Limited**  
**Profit and loss account**  
**For the 52 weeks ended 1 March 2014**

		<b>52 weeks ended 1 March 2014 £'000</b>	<b>52 weeks ended 2 March 2013 £'000</b>
	Notes		
<b>Turnover</b>		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		-	-
Administrative expenses	4	-	-
		<hr/>	<hr/>
<b>Operating profit</b>		-	-
		<hr/>	<hr/>
<b>Profit before tax on ordinary activities</b>		-	-
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>		-	-

**Statement of comprehensive income**  
**For the 52 weeks ended 1 March 2014**

	<b>52 weeks ended 1 March 2014 £'000</b>	<b>52 weeks ended 2 March 2013 £'000</b>
Profit for the financial year	-	-
<b>Items that may be reclassified subsequently to the profit and loss account:</b>		
Other comprehensive income	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the year attributable to owners of the Company</b>	-	-

**Cliffrange Limited**  
**Balance sheet**  
**As at 1 March 2014**

	Notes	2014 £'000	2013 £'000
<b>ASSETS</b>			
<b>Fixed assets</b>			
Investments	7	449,660	449,660
<b>Total fixed assets</b>		<u>449,660</u>	<u>449,660</u>
<b>Current assets</b>			
Debtors	8	230,273	230,273
<b>Total current assets</b>		<u>230,273</u>	<u>230,273</u>
<b>Total assets</b>		<u>679,933</u>	<u>679,933</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Creditors	9	( 449,660)	( 449,660)
<b>Total current liabilities</b>		<u>( 449,660)</u>	<u>( 449,660)</u>
<b>Total liabilities</b>		<u>( 449,660)</u>	<u>( 449,660)</u>
<b>Net assets</b>		<u>230,273</u>	<u>230,273</u>
<b>Capital and reserves</b>			
Called up share capital	10	230,900	230,900
Profit and loss account		( 627)	( 627)
<b>Total shareholders' funds</b>		<u>230,273</u>	<u>230,273</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors and were signed on their behalf by:



C L Catlin  
Director

02/07/2014



**Cliffrange Limited**  
**Statement of changes in equity**  
**For the 52 weeks ended 1 March 2014**

	Attributable to owners of the Company		
	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 3 March 2013	230,900	( 627)	230,273
Profit for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners:			
Equity dividend paid during the year	-	-	-
<b>Balance at 1 March 2014</b>	<b>230,900</b>	<b>( 627)</b>	<b>230,273</b>

	Attributable to owners of the Company		
	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 4 March 2012	230,900	( 627)	230,273
Profit for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners:			
Equity dividend paid during the year	-	-	-
Balance at 2 March 2013	230,900	( 627)	230,273

**Cliffrange Limited**  
**Notes to the financial statements**  
**For the 52 weeks ended 1 March 2014**

**1. General information**

Cliffrange Limited (the Company) is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company's registered address is Avebury, 489-499 Avebury Boulevard, Milton Keynes, MK9 2NW.

The financial year represents the 52 weeks to 1 March 2014 (prior financial year 52 weeks to 2 March 2013).

**2. Basis of preparation**

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared under the historic cost convention. The principal accounting policies applied in the preparation of these financial statements are set out in note 3. Unless otherwise stated, these policies have been consistently applied to all the periods presented.

As noted in the directors' report on page 2, the financial statements are prepared on a going concern basis as the directors have received assurances of continuing financial support from Argos Limited, a fellow subsidiary undertaking.

Financial reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act) as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 11 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The Company has adopted the intermediate parent exemption under section 400 of the Companies Act 2006, whereby it is not required to prepare consolidated financial statements as the ultimate parent company prepares publicly available consolidated financial statements in accordance with IFRS.

The key disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- Statement of cash flows
- IFRS 2 Share-based payments; IFRS 7 Financial Instrument disclosures; IAS 1 – Information on management of capital; IAS 8 disclosures in respect of new standards and interpretations that have been issued but which are not yet effective; IAS 24 disclosure of key management personnel compensation and for related party transactions entered into between two or more members of a group; the requirement to present roll-forward reconciliations in respect of share capital (IAS 1), property, plant and equipment (IAS 16), intangible assets (IAS 38).

**Changes in accounting standards**

In accordance with the amendment to IAS 1 the consolidated statement of comprehensive income is now required to group together those items that may subsequently be reclassified to profit and loss, and those that will not. This change is presentational only, and has had no impact on previously reported amounts.

There are no other new standards, amendments to existing standards or interpretations which are effective for the first time during the year ended 1 March 2014 that have a material impact on the Company.

A summary of the more important accounting policies is set out below.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The critical accounting policies of the Company are described in further detail below.

**Cliffrange Limited**  
**Notes to the financial statements (continued)**  
**For the 52 weeks ended 1 March 2014**

**3. Summary of principal accounting policies**

**Investments**

Investments are included in the balance sheet at cost. Where appropriate, a provision is made for any impairment in their value.

**Impairment of assets**

Assets are subject to impairment reviews whenever changes in events or circumstances indicate that an impairment may have occurred. Assets are written down to the higher of fair value less costs to sell and value-in-use. Value-in-use is calculated by discounting the expected cash flows from the asset at an appropriate discount rate for the risks associated with that asset. This includes estimates of both the expected cash flows and an appropriate discount rate which use management's assumptions and estimates of the future performance of the asset. Differences between expectations and the actual cash flows will result in differences in the level of impairment required.

A previously recognised impairment loss is reversed if there has been a significant change in the underlying assumptions used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined, net of amortisation or depreciation, if no impairment loss had been recognised in prior years.

**Current tax**

Current tax is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

**Cliffrange Limited**  
**Notes to the financial statements (continued)**  
**For the 52 weeks ended 1 March 2014**

**3. Summary of principal accounting policies (continued)**

**Financial instruments**

The only financial instruments of the Company relate to loans and debtors. Loans and debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the debtor. Loans and debtors are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. They are included in current assets. Loans and debtors comprise group and other debtors.

**4. Administrative expenses**

Costs of £2,659 (2013: £2,671) for the annual audit of the financial statements of the Company are borne by Argos Limited, and no recharge is made to the Company.

**5. Directors' emoluments and employee information**

Other than the Company directors, the Company had no employees in either year.

No director received emoluments in respect of their services to the Company during the year (2013: £nil).

**6. Tax on profit on ordinary activities**

	52 weeks ended 1 March 2014 £'000	52 weeks ended 2 March 2013 £'000
<b>Analysis of charge in the year</b>		
<b>Current tax:</b>		
UK corporation tax	-	-
<b>Total tax charge in profit and loss account</b>	-	-

**Factors affecting the tax charge**

The effective tax rate for the year of nil% (2013: nil%), differs from the standard rate of corporation tax in the UK of 23.08% (2013: 24.17%). The differences are explained below:

	52 weeks 1 March 2014 £'000	52 weeks 2 March 2013 £'000
Profit before tax on ordinary activities	-	-
Loss before tax multiplied by the standard rate of corporation tax in the UK	-	-
Effects of:		
Transfer pricing adjustments	2,532	2,651
Expenses not deductible	-	-
Loss relief surrendered for nil consideration	(2,532)	(2,651)
<b>Total tax charge in profit and loss account</b>	-	-

**Factors that may affect future tax charges**

The income tax expense for the year is based on the United Kingdom statutory rate of corporation tax for the year of 23.08% (2013: 24.17%).

**Cliffrange Limited**  
**Notes to the financial statements (continued)**  
**For the 52 weeks ended 1 March 2014**

**7. Investments**

	<b>Subsidiaries</b>
	<b>£'000</b>
<b>Cost</b>	
At 3 March 2012, 2 March 2013 and 1 March 2014	450,500
<b>Impairment</b>	
At 3 March 2012, 2 March 2013 and 1 March 2014	( 840)
<b>Net book value</b>	
At 3 March 2012, 2 March 2013 and 1 March 2014	<u>449,660</u>

The Company holds the whole of the issued ordinary shares of Stanhope Finance Limited, a non-trading company, which was incorporated in England and Wales. In the opinion of the directors the value of the investment is not less than the book value.

**8. Debtors**

	<b>1 March</b>	<b>2 March</b>
	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>230,273</u>	<u>230,273</u>

The amounts owed by group undertakings are unsecured, repayable on demand and non-interest bearing. No balances owed by group undertakings are past due or impaired.

**9. Creditors**

	<b>1 March</b>	<b>2 March</b>
	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Amounts owed to group undertakings	<u>(449,660)</u>	<u>(449,660)</u>

The amounts owed to group undertakings are unsecured, repayable on demand and non-interest bearing.

**10. Called up share capital**

	<b>1 March</b>	<b>2 March</b>
	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called-up and fully paid:</b>		
230,900,082 (2013: 230,900,082) ordinary shares at £1 each	<u>230,900</u>	<u>230,900</u>

**11. Ultimate parent undertakings**

The Company's immediate parent undertaking is Hampden Group Limited, a company registered in England and Wales, by virtue of its 100% shareholding in the Company.

The Company's ultimate parent and controlling party is Home Retail Group plc, a company registered in England and Wales. The largest and smallest group of undertakings for which group financial statements have been prepared was that of Home Retail Group plc. Copies of these financial statements are available from its registered office at Avebury, 489-499 Avebury Boulevard, Milton Keynes, MK9 2NW.