

HOUSE OF FRASER FINANCIAL SERVICES LIMITED

**Report and Financial Statements
For the 52 weeks ended 31 December 2008**

Registered in England No. 5203429

SATURDAY



A5J4PAVW

A11

20/06/2009

221

COMPANIES HOUSE

House of Fraser Financial Services Limited

Contents	Page
Company information	1
Directors' report	2
Balance sheet	4
Notes to the financial statements	5

House of Fraser Financial Services Limited

Company information

Registered Address 27 Baker Street
London
W1U 8AH

Company Number 5203429

Directors Mr D McCarthy
Mr J King
Mr M Gifford

Company Secretary Mr P Hearsey

House of Fraser Financial Services Limited Directors' Report

The directors present their annual report and the unaudited financial statements of House of Fraser Financial Services Limited ("the Company") for the 52 weeks ended 31 December 2008.

Elective resolutions

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

The following Elective Resolutions pursuant to section 379A of the Companies Act 1985 are in force:

- (i) to dispense with the laying of accounts and reports before the Company in General Meeting in accordance with Section 252; and
- (ii) to dispense with the holding of Annual General Meetings in accordance with section 366A.

For the period ended 31 December 2008, the Company was entitled to the exemption under section 249 AA(1) of the Companies Act 1985. No members have required the Company to obtain an audit of its accounts for the period ended 31 December 2008, in accordance with section 249B (2) of the Companies Act 1985.

Principal activities

The Company is dormant and did not trade in either the 52 weeks ended 31 December 2008 or the 52 weeks ended 31 December 2007.

Holding company

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

Results and dividends

The Company did not trade in either the current or previous period and accordingly no profit and loss account is presented. The Company did not pay an interim dividend (2007: £nil) and the directors do not propose to pay a final dividend for the 52 weeks ended 31 December 2008 (2007: £nil).

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 credit risk. The Company complies with the financial risk management policies of Highland Group Holding Limited, and 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.

Key performance indicators (KPIs)

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

The performance of the Highland Group Holdings Limited group is managed on a divisional basis and the retail division as whole, which includes the Company, is discussed in the Highland Group Holdings Limited annual report which does not form part of this report.

House of Fraser Financial Services Limited
Directors' Report (continued)

Directors

The directors who served throughout the year were as follows:

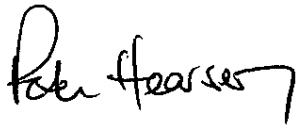
Mr D McCarthy
Mr J King
Mr M Gifford

In accordance with the Articles of Association no director is required to seek re-election at the forthcoming Annual General Meeting.

Related party

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

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Peter Hearsey', with a long horizontal stroke extending to the right.

Peter Hearsey
Company Secretary
18 June 2009

House of Fraser Financial Services Limited
Balance Sheet
As at 31 December 2008

	Notes	31 December 2008 £	31 December 2007 £
Current assets			
Debtors: Amounts owed from group undertakings		101	101
Net current assets		101	101
Total assets less current liabilities		101	101
Net assets		101	101
Capital and reserves			
Called up share capital	3	101	101
Shareholder's funds		101	101

For the period ended 31 December 2008, the Company was entitled to the exemption under section 249 AA(1) of the Companies Act 1985. No members have required the Company to obtain an audit of its accounts for the period ended 31 December 2008, in accordance with section 249B (2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that the Company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period in accordance with section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the Company.

The financial statements were approved by the board of directors and authorised for issue on 18 June 2009.

They were signed on its behalf by:



Mark Gifford
 Director

The notes on pages 5 and 6 form an integral part of these accounts.

House of Fraser Financial Services Limited
Notes to the Financial Statements
For the 52 weeks ended 31 December 2008

1 Accounting policies

The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 1985 and applicable United Kingdom law and accounting standards.

The principal accounting policies are set out below.

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 from disclosing related party transactions with entities that are part of, or investees of the Highland Group Holdings Limited.

2 Directors' remuneration

D McCarthy and J King are employed by Highland Group Holdings Limited and M Gifford is employed by House of Fraser (Stores) Limited. Neither of these companies makes a recharge to the Company. These directors were also directors of the immediate parent company, House of Fraser (Finance) 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. 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.

3 Share capital

	31 December 2008 £	31 December 2007 £
<i>Authorised</i>		
50 ordinary 'A' shares of £1 each	50	50
50 ordinary 'B' shares of £1 each	50	50
1 preference share of £1 each	1	
	101	101
<i>Allotted, called up and fully paid</i>		
50 ordinary 'A' shares of £1 each	50	50
50 ordinary 'B' shares of £1 each	50	50
1 preference share of £1 each	1	1
	101	101

4 Reconciliation of movements in shareholder's funds

	24 January 2009 £	26 January 2008 £
Profit for the period	-	-
Opening shareholder's funds	101	101
Closing shareholder's funds	101	101

House of Fraser Financial Services Limited
Notes to the Financial Statements (continued)
For the 52 weeks ended 31 December 2008

5 Parent undertaking

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

The Company's ultimate parent company and controlling party is Highland Group Holdings Limited, a company registered in the UK 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.