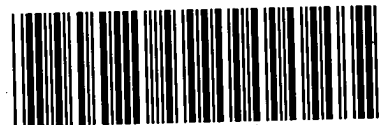


Company Registration No. 00262152

**LITTLEWOODS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 June 2014

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LITTLEWOODS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
For the year ended 30 June 2014

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**DIRECTORS**

A S Barclay  
H M Barclay  
D W Kershaw  
P L Peters  
M Seal

**REGISTERED OFFICE**

First Floor, Skyways House  
Speke Road  
Speke  
Liverpool  
L70 1AB

**INDEPENDENT AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester  
United Kingdom

LITTLEWOODS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
For the year ended 30 June 2014

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## STRATEGIC REPORT

The directors present their strategic report of the company for the year ended 30 June 2014.

### Principal activities

The principal activity of the company is that of an investment holding company, which provides certain management services to various companies within the Shop Direct Holdings Limited group.

### Review of the business

A key performance measure for the business is profit before taxation. The profit for the year before taxation was £1.5m (2013: loss of £0.4m). The profit after taxation of £1.5m has been transferred to reserves (2013: loss of £0.4m withdrawn from reserves).

The profit and loss account for the year is set out on page 6.

### Future outlook

The directors remain confident on the trading outlook of the investments owned by the business.

### Principal risks and uncertainties

The company's principal risk relates to the recoverable value of the company's principal investments. This is mitigated through a regular review of the company's investments.

### Going concern

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's financial position in conjunction with the group forecasts and banking covenants for the next 12 months from the date of signing the audited financial statements. These have been appraised in the light of the uncertainty in the current economic climate.

After making appropriate enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the Report and Financial Statements.

By order of the board



P L Peters  
Director

27<sup>th</sup> October 2014

## **DIRECTORS' REPORT**

The directors present the report and the audited financial statements of the company for the year ended 30 June 2014.

### **Directors**

The directors that held office during the year and to the date of this report, unless otherwise stated, were as follows:

A S Barclay  
H M Barclay  
D W Kershaw  
P L Peters  
M Seal

### **Dividends**

The directors do not recommend the payment of a dividend (2013: £nil).

### **Elective resolutions**

The company has passed elective resolutions to dispense with the holding of general meetings and for the laying of the annual report and financial statements before the company in general meetings, until such time as the elections are revoked.

### **Statement to disclose information to the auditor**

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 have indicated their willingness to continue in office.

By order of the board



P L Peters  
Director

27<sup>th</sup> October 2014

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, the Annual 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 year. 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LITTLEWOODS LIMITED**

We have audited the financial statements of Littlewoods Limited for the year ended 30 June 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. 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 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 30 June 2014 and of its loss 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LITTLEWOODS LIMITED  
(continued)**

**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.

**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.



**Rachel Argyle (Senior Statutory Auditor)**  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom  
30 October 2014



LITTLEWOODS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
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**PROFIT AND LOSS ACCOUNT**

	<i>Notes</i>	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Turnover</b>		271	429
Administration expenses		(630)	(788)
Exceptional costs	3	(2,000)	-
		(2,630)	(788)
<b>Operating loss</b>		(2,359)	(359)
Pre-exceptional operating loss		(359)	(359)
Exceptional items	3	(2,000)	-
		(2,359)	(359)
Income from subsidiary undertakings	7	3,850	-
<b>Profit/(loss) on ordinary activities before taxation</b>		1,491	(359)
Taxation on loss on ordinary activities	5	-	-
<b>Profit/(loss) for the year</b>	11,12	1,491	(359)

The profit/(loss) on ordinary activities before taxation for the current and prior year arises from the company's continuing operations.

No separate statement of total recognised gains and losses has been presented as all gains and losses have been dealt with in the profit and loss account.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year and their historical cost equivalents.

LITTLEWOODS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
For the year ended 30 June 2014

**BALANCE SHEET**  
**As at 30 June**

	<i>Notes</i>	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Fixed assets</b>			
Intangible assets	6	5,390	5,749
Investments	7	998,000	1,000,000
		<hr/>	<hr/>
		1,003,390	1,005,749
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	8	11	10
Cash at bank and in hand		-	1
		<hr/>	<hr/>
		11	11
		<hr/>	<hr/>
<b>Creditors: Amounts falling due within one year</b>	9	(754,180)	(758,030)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(754,169)	(758,019)
		<hr/>	<hr/>
<b>Net assets</b>		249,221	247,730
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital	10	255,312	255,312
Profit and loss account	11	(214,491)	(215,982)
Capital redemption reserve	11	208,400	208,400
		<hr/>	<hr/>
<b>Total shareholders' funds</b>	12	249,221	247,730
		<hr/>	<hr/>

The financial statements of Littlewoods Limited, company number 00262152 were approved by the Board of Directors on 30 October 2014.

Signed on its behalf



**M Seal**  
**Director**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Accounting policies**

#### **Basis of accounting**

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

The accounts are drawn up to the Saturday nearest to 30 June, or to 30 June where this falls on a Saturday.

#### **Going concern**

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities. These are set out within the Strategic Report.

After making appropriate enquiries, and on the basis that the company has the support of its parent company, Shop Direct Limited, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the annual report and accounts.

#### **Consolidated financial statements**

As the company is a wholly owned subsidiary of Shop Direct Limited through an intermediate company, it is exempt under S408 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

#### **Intangible assets**

Intangible assets comprise an acquired brand which is being amortised over the useful economic life, taken to be 20 years. Provision is made for any impairment.

#### **Cash flow statement and related party transactions**

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash Flow Statements (revised 1996)' as the results of the company are included in the consolidated financial statements of Shop Direct Holdings Limited, which are publicly available.

The company is also exempt under the terms of Financial Reporting Standard 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of, or investees of, the ultimate parent company's group as the ultimate parent company controls 100% of the total shareholding and prepares consolidated financial statements.

#### **Investments**

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

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **1. Accounting policies (continued)**

#### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

In accordance with FRS 19 'Deferred tax', full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is based on the tax rates or laws enacted or substantively enacted at the balance sheet date. No provision is made in respect of timing differences arising from the sale of fixed assets at the balance sheet date as the directors anticipate that the proceeds will be reinvested in qualifying assets. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits in the foreseeable future from which the underlying timing differences or carried forward losses can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

#### **Pensions and post retirement benefits**

Pension costs are calculated in accordance with FRS 17.

For multi-employer defined benefit pension schemes, contributions are determined by independent actuaries and where it is not possible to separately identify individual company shares of the underlying assets and liabilities, these contributions are charged to the profit and loss account in the year in which contributions become payable as pension costs.

Contributions to defined contribution pension schemes are charged to the profit and loss account in the year in which contributions become payable.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The assets of the scheme are held in independently administered funds.

#### **Turnover**

Turnover relates to the provision of management services to other group companies and is recognised, net of value added tax, when the service has been provided.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Auditor's remuneration**

The auditor's remuneration has been borne by fellow subsidiary undertakings and not recharged (2013: same).

There are no non-audit fees payable to the auditor in the current or prior year.

**3. Exceptional costs**

	<b>2014 £'000</b>	<b>2013 £'000</b>
Impairment of investment in subsidiary	2,000	-
	<hr/>	<hr/>

**4. Employees and directors**

	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Staff costs (including part-time staff and directors) during the year:</b>		
Wages and salaries	228	358
Social security costs	24	38
Other pension costs (note 12)	19	33
	<hr/>	<hr/>
	271	429
	<hr/>	<hr/>
	<b>2014 Number</b>	<b>2013 Number</b>
<b>Average monthly number of full time equivalents (including part-time staff and directors) employed:</b>		
Administration	2	3
	<hr/>	<hr/>

Director's emoluments are paid by other group companies and are not recharged (2013: same).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. Taxation

The current tax charge assessed for the year is different to the standard rate of corporation tax in the UK at 22.5% (2013: 23.8%). The differences are explained below:

	2014 £'000	2013 £'000
Profit/(loss) on ordinary activities before tax	1,491	(359)
Profit/loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.5% (2013: 23.8%)	(335)	85
Effects of:		
Expenses not deductible for tax purposes	(531)	-
Other permanent differences	5,969	6,301
Profits not chargeable to tax	866	-
Group relief surrendered for nil consideration	(5,969)	(6,386)
Current tax charge for the year	-	-

The company earns its profits primarily in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate of UK corporation tax of 22.5%.

Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015. Accordingly, deferred tax balances have been revalued to the lower rate of 20% in these accounts. To the extent that the deferred tax reverses before 1 April 2015 then the impact on the net deferred tax asset will be reduced.

The total potential asset for deferred taxation is as follows:

	2014 £'000	2013 £'000
Short term timing differences and tax losses	16,062	16,062
<b>Deferred tax asset</b>	16,062	16,062
Deferred tax not recognised	(16,062)	(16,062)
<b>Deferred tax recognised</b>	-	-

The deferred tax asset has not been recognised as it is not considered to be recoverable in future years.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6. Intangible assets**

	<b>Acquired brands £'000</b>
<b>Cost</b>	
At 1 July 2013 and 30 June 2014	7,186
<b>Amortisation</b>	
At 1 July 2013	1,437
Charge for the year	359
At 30 June 2014	1,796
<b>Net book value</b>	
At 30 June 2014	5,390
At 30 June 2013	5,749

The intangible asset relates to the purchase of the Woolworths and Ladybird brands and intellectual property rights.

**7. Fixed asset investments**

	<b>Group undertakings £'000</b>
<b>Cost</b>	
At 1 July 2013 and 30 June 2014	1,202,292
<b>Provisions for impairment</b>	
At 1 July 2013	202,292
Impairment charge	2,000
At 30 June 2014	204,292
<b>Net book value</b>	
At 30 June 2014	998,000
At 30 June 2013	1,000,000

Details of all subsidiaries are disclosed in note 14.

During the year the company received a dividend of £3,850,000 from LCCS Limited (2013: nil) and the investment in the company was impaired in full.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**8. Debtors: Amounts falling due within one year**

	2014 £'000	2013 £'000
Other debtors	11	10

**9. Creditors: Amounts falling due within one year**

	2014 £'000	2013 £'000
Amounts due to group undertakings	754,180	758,030

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

**10. Share capital**

	2014 £'000	2013 £'000
<b>Authorised:</b>		
269,927,617 ordinary shares of £1 each	269,928	269,928
<b>Allotted, issued and fully paid:</b>		
255,311,679 ordinary shares of £1 each	255,312	255,312

**11. Reserves**

	Capital redemption reserve £'000	Profit & loss account £'000
At 1 July 2013	208,400	(215,982)
Profit for the year	-	1,491
At 30 June 2014	208,400	(214,491)



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. Reconciliation of movement in shareholders' funds

	2014 £'000	2013 £'000
Profit/(loss) for the financial year	1,491	(359)
Opening shareholders' funds	247,730	248,089
Closing shareholders' funds	249,221	247,730

### 13. Pension commitments

#### FRS 17 – Retirement Benefits

Littlewoods Limited participates in the following pension arrangements:

- (i) The Littlewoods Pensions Scheme ("the Scheme"), which is a defined benefit arrangement based on final pensionable salaries. The pension scheme is set up under trust and the assets of the scheme are held separately from those of the company. The fund is valued at intervals not exceeding three years by a professionally qualified independent actuary.

Contributions payable are determined by the actuary and agreed between the company and the Scheme Trustee. The last full valuation of the scheme was on 31 December 2010. The Scheme was closed to new entrants with effect from 1 October 2001.

The Scheme closed to future accrual on 28 February 2011. Members were given alternative options upon closure regarding the level of contributions that they and the company would pay into the new Stakeholder arrangement. The options given were to either retain salary linkage to the defined benefits already accrued, or alternatively the company would pay more contributions into the Stakeholder arrangement for a member who did not opt to retain salary linkage.

- (ii) From 1 October 2001 certain employees of the company were eligible for membership of funded defined contribution stakeholder pension schemes to which employees and the company contribute.

The Scheme is a multi-employer defined benefit scheme, for which the company is unable to identify its share of the underlying assets and liabilities on a consistent and reliable basis. Consequently, contributions are charged to the profit and loss account as pension costs when payable. The total cost of the contributions to all the schemes within these accounts amounted to £19,000 (2013: £33,000).

A full actuarial valuation for the Plan was carried out on 31 March 2011 by a qualified independent actuary.

There were no outstanding contributions payable at 30 June 2014 (2013: £nil).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 14. Subsidiary companies

A list of all subsidiary companies at 30 June 2014 is given below. Except where stated otherwise, subsidiary undertakings are incorporated in England and Wales, carry out their principal operations in the country of incorporation, and the company owns 100% of the ordinary share capital.

<i><b>Subsidiary undertakings</b></i>	<i><b>Nature of business</b></i>
Shop Direct Home Shopping Limited	Retail
Love Label Limited*	Dormant
Shop Direct Licensing Limited*	Retail
J&C Moores (Direct) Limited	Dormant
Littlewoods Home Shopping Limited	Dormant
Littlewoods Property Holdings Limited	Property management
Business Express Network Limited	Dormant
Exind Limited	Dormant
Littlewoods7 Limited	Dormant
Littlewoods International (Asia) PTE Limited (Singapore)	Dormant
Shop Direct Secretarial Services Limited	Dormant
St James's Street Properties Limited	Dormant
Littlewoods Retail Limited	Dormant
Janet Frazer Limited*	Dormant
Littlewoods Warehouses Limited*	Dormant
MC Hitchen & Sons Limited*	Dormant
Peter Craig Limited*	Dormant
Swan Warehouses Limited*	Dormant
Brian Mills Limited*	Dormant
Burlington Warehouses Limited*	Dormant
John Moores Home Shopping Service Limited*	Dormant
Littlewoods Home Shopping Finance Limited *	Dormant
Nationwide Debt Recovery Limited*	Dormant
Woolworths Publishing Limited	Dormant
Woolworths Cinema Club Limited	Dormant
Woolworths Entertainment Group Limited	Dormant
Woolworths On Line Limited	Dormant
Woolworths On Line Shopping Limited	Dormant
Woolworth Limited	Dormant
Woolworths Limited	Dormant
Woolworths Media Limited	Dormant
Woolworths Group Finance Limited	Dormant
Woolworths Holdings Limited	Dormant
Woolworths Marketing Limited	Dormant
Woolworths Nominees Limited	Dormant

\* indicates the company was owned by an intermediary company during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**15. Ultimate controlling party**

The immediate holding company is LW Investments Limited, a company registered in England and Wales. The smallest group into which the results of the company are consolidated is the financial statements of Shop Direct Limited, a company registered in England and Wales. The largest group into which the results of the company are consolidated into is the financial statements of Shop Direct Holdings Limited, a company registered in England and Wales, which the directors regard as being controlled by Sir David Barclay and Sir Fredrick Barclay Family Settlements.