

Registration number: 00421258

Littlewoods Retail Limited
Annual Report and Financial Statements
for the 53 week period ended 3 July 2021



Littlewoods Retail Limited

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Registration number: 00421258

Littlewoods Retail Limited

Company Information

Directors

D W Kershaw
P L Peters

Registered office

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

Auditor

Deloitte LLP
Statutory Auditor
Hanover Building
Manchester
M4 4AH
United Kingdom

Littlewoods Retail Limited

Strategic Report for the 53 week period ended 3 July 2021

The directors present their Strategic Report for the 53 week period ended 3 July 2021. The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006. This set of financial statements for the 53 week period ended 3 July 2021 has been prepared in accordance with The Reduced Disclosure Framework ("FRS 101").

Principal activity

The principal activity of the company is that of a holding company.

Review of the business

The company made a profit of £nil in the current financial period (2020: £nil profit).

The directors manage The Very Group Limited group's operations on a divisional basis. For this reason, the company's directors believe that analysts using KPIs for the company is not necessary or appropriate for an understanding of the development, performance or position of the business. Accordingly, the principal risks and uncertainties of The Very Group Limited group, which include those of the company, are discussed in The Very Group Limited's Annual Report which does not form part of this report.

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. The directors do not consider there to be any other risks.

Going concern

The Directors consider the going concern of Littlewoods Retail Limited ("LRL") to be directly linked to that of The Very Group Limited ("TVGL") as the company is dependent on funds provided by TVGL. In determining whether the company's accounts can be prepared on a going concern basis, Directors have therefore considered the TVGL Group and the company's business activities together with factors likely to affect its future development, performance and financial position including cash flows, liquidity risks and uncertainties relating to its business activities.

TVGL has made available to the Directors of LRL relevant technical papers, in particular, the TVGL Group cash flow forecasts (which include LRL) which we have independently had the opportunity to review and challenge. In determining whether the Group's accounts can be prepared on a going concern basis, the Directors considered TVGL's (including LRL's) cash headroom forecasts, its business activities together with factors likely to affect its future development, performance and financial position including cash flows, liquidity and borrowing facilities and the principal risks and uncertainties relating to its business activities. Given the current uncertain economic climate, realistic assumptions for working capital performance have been used to determine the level of financial resources available to TVGL (including LRL) and to assess liquidity risk.

The company and the Group have carefully considered its cash flows and banking covenants for the 12 months from the date of signing the audited financial statements. These have been considered in conjunction with the current economic climate, including the Covid-19 pandemic.

Littlewoods Retail Limited

Strategic Report for the 53 week period ended 3 July 2021 (continued)

Going concern (continued)

The company continued to trade effectively throughout each lockdown period with the online store remaining open throughout and adjustments implemented such as office-based colleagues working from home. Actions taken by the company included cost reduction, tight management of capital spend and inventory management. The multi-category offering has provided resilience against movements in individual product categories. Due to the strong trading performance during the lockdown period the company opted not to draw on the Government's Coronavirus Job Retention Scheme. Despite its significant negative economic and social impact, COVID-19 has accelerated online retail growth, as well as led more brands to look for new online sales and distribution channels. The Group is well placed to capitalise on these trends and the unique opportunities we have as a business in the years to come.

TVGL Group forecasts have been stress tested for a number of scenarios and the TVGL Group has deployed strategies and tools to closely manage cash flow and mitigate any issues. These stress tests, which have been shared with the directors of LRL, show that TVGL has sufficient liquidity for the next 12 months and that all covenant requirements are satisfied.

As such, 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 Annual Report and Financial Statements.

Approved by the directors on 21st December 2021 and signed on its behalf by:



.....
D W Kershaw
Director

Littlewoods Retail Limited

Section 172 Companies Act 2006 for the 53 week period ended 3 July 2021

This report sets out how the Directors comply with the requirements of Section 172 Companies Act 2006 and how these requirements have impacted the Board's decision making throughout the 53 week period ended 3 July 2021.

The Board's primary responsibility is to promote the long-term success of the company by ensuring it delivers sustainable shareholder value and contributes to wider society. The successful delivery of the long-term plans relies on key inputs and positive relationships with stakeholders. The Board seeks to achieve this by setting out its strategy, monitoring performance against the company's strategic objectives and reviewing the Board's implementation of the strategy.

The Board has chosen to apply its own corporate governance arrangements for the 53 week period ended 3 July 2021.

The Board's priority is to ensure that the Directors have acted both individually and collectively in ways they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole with regard to all its stakeholders and to the matters set out in Section 172 of the Companies Act 2006. These details are set out below.

Section 172: a) the likely consequence of any decision in the long term

The Board agrees a five year plan annually with The Very Group Limited ("TVGL"). The Board monitors its implementation throughout the year using detailed reports on operating and financial performance. This includes monitoring progress against key strategic programmes (both short-term and long-term) as well as considering the allocation of capital to support the rolling five-year business plan.

Littlewoods Retail Limited is a subsidiary included within The Very Group Limited Group. The Board consider the going concern of Littlewoods Retail Limited to be directly linked to that of TVGL and other entities in the broader group given the financial inter-relationships.

The Board, therefore, regularly reviews the TVGL's (including Littlewoods Retail Limited) forecast funding requirements. During the year, the Board were involved in the decision-making process leading up to the refinancing of our senior secured notes, issuing new secured notes with a lower coupon and extending our redemption date back to 2026.

External factors, such as competitor behaviour, industry performance and the evolving economic, political and market conditions, are also considered by the Directors in approving the strategy.

Section 172: b) the interest of the company's employees

The company has no employees (2020: same).

Section 172: c) the need to foster the company's business relationships with others

The Board regularly reviews how the company maintains positive relationships with all its stakeholders.

Compliance with regulatory obligations is a key element of those frameworks. Other stakeholders include communities, government bodies, shareholders, financing partners and industry and regulatory bodies.

We are active participants in industry bodies across the financial services sectors, including the Finance and Leasing Association, and engage actively with government and regulators on industry matters, including regulatory change, both as a company and as a proactive contributor to industry responses.

Littlewoods Retail Limited

Section 172 Companies Act 2006 for the 53 week period ended 3 July 2021

Section 172: d) the impact of the company's operations on the community and environment

The Board support the company's goals and initiatives supporting the communities and reducing adverse impacts on the environment.

Littlewoods Retail Limited as part of the The Very Group have chosen charities to support at a corporate level. Between 2017 and 2020, The Very Group raised more than £600,000 for the Booth and Whitechapel Centres, homelessness charities in Greater Manchester and Liverpool respectively, as well as providing them with knowledge and expertise. The Very Group supports Coram Beanstalk, a national reading charity which recruits, trains and supports volunteers to provide reading support in primary schools and we plan to reach our fundraising target of £600,000 in the next financial period.

Section 172: e) the desirability of the company maintaining a reputation for high standards of business conduct

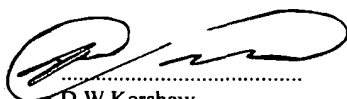
The Directors take the reputation of the company seriously. This is not limited only to operational and financial performance. The Board has committed to having a workforce that more accurately reflects society.

Our business values include being proud and trusted, which is supported by upholding the highest standards of conduct. To reinforce this across the company, we have annual mandatory training for employees across a number of core areas including bribery and modern slavery.

Section 172: f) the need to act fairly between members of the company

The company is ultimately 100% owned by Shop Direct Holdings Limited. The company regularly engages with shareholder members, including at Very Group Board meetings.

Approved and authorised for issue by the Board on 21st December 2021 and signed on its behalf by:



D W Kershaw
Director

Littlewoods Retail Limited

Director's Report for the 53 week period ended 3 July 2021

The directors present their annual report and the audited financial statements for the 53 week period ended 3 July 2021.

Matters disclosed in the Strategic Report

The following items which are required under s416 of the Companies Act 2006 have been disclosed in the Strategic Report:

- The business review
- Future outlook
- Discussion of principal risks and uncertainties

Directors of the company

The directors, who held office during the year, and up to the date of signing, were as follows:

D W Kershaw

P L Peters

Dividends

The directors do not recommend the payment of a dividend (2020: same). There were no dividends paid during the current financial period (2020: same).

Events since the balance sheet date

There have not been any events since the balance sheet date that require disclosure or adjustment to the financial statements.

Going concern

The directors' considerations regarding the going concern assumptions are detailed in the Strategic Report.

Disclosure of information to the auditor

The directors have taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

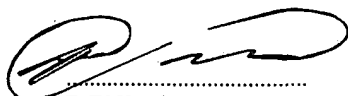
Elective resolutions

The company has passed elective resolutions to dispense with the holding of annual 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.

Reappointment of auditors

Deloitte LLP have indicated their willingness to continue in office. Appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board on 21st December 2021 and signed on its behalf by:



D W Kershaw
Director

Littlewoods Retail Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing 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), including FRS 101 "Reduced Disclosure Framework". 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 Retail Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Littlewoods Retail Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 3 July 2021 and of its results for the 53 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Littlewoods Retail Limited

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These the UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty

We discussed among the audit engagement team [including relevant internal specialists such as tax, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent Auditor's Report to the Members of Littlewoods Retail Limited

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

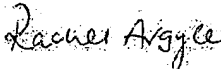
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



.....
Rachel Argyle (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom

21 December 2021

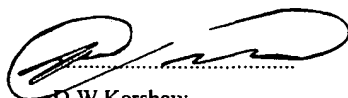
Littlewoods Retail Limited
Balance Sheet as at 3 July 2021

	Note	3 July 2021 £ 000	27 June 2020 £ 000
Non-current assets			
Investments	8	750	750
Trade and other receivables	9	265,746	265,746
Net assets		<u>266,496</u>	<u>266,496</u>
Capital and reserves			
Called up share capital	10	201,146	201,146
Share premium reserve		62,617	62,617
Profit and loss account		<u>2,733</u>	<u>2,733</u>
Shareholders' funds		<u>266,496</u>	<u>266,496</u>

The company has not traded throughout the accounting reference 53 week period ended 3 July 2021 or the comparative period and accordingly no profit and loss account or statement of comprehensive income has been prepared.

The notes on pages 13 to 19 form an integral part of these financial statements.

Approved by the Board and authorised for issue on 21st December 2021 and signed on its behalf by:



D W Kershaw
Director

Littlewoods Retail Limited

Statement of Changes in Equity for the 53 week period ended 3 July 2021

	Share capital £ 000	Share premium reserve £000	Profit and loss account £000	Total £ 000
At 30 June 2019 and 27 June 2020	201,146	62,617	2,733	266,496
Profit for the period	-	-	-	-
Total comprehensive income	-	-	-	-
At 28 June 2020 and 3 July 2021	201,146	62,617	2,733	266,496

The notes on pages 13 to 19 form an integral part of these financial statements.

Littlewoods Retail Limited

Notes to the Financial Statements for the 53 week period ended 3 July 2021

1 General information

Littlewoods Retail Limited ('the company') is a private company limited by share capital incorporated under the Companies Act 2006 and domiciled in United Kingdom.

The address of its registered office is:

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The company meets the definition of a qualifying entity under FRS 100 (Application of Financial Reporting Requirements) issued by the Financial Reporting Council. The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The financial statements are drawn up to the Saturday nearest to 30 June, or to 30 June where this falls on a Saturday. The current financial year relates to the 53 week period ended Saturday 3 July 2021 (2020: 52 week period ended Saturday 27 June 2020).

The nature of the company's operations is set out in the Strategic Report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

Summary of disclosure exemptions

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash-flow statement, standards not yet effective and transactions with related party and key management personnel. Where relevant, equivalent disclosures have been included in the group accounts of The Very Group Limited which are available to the public at www.theverygroup.com.

As the company is a wholly owned subsidiary of The Very Group Limited through an intermediate company, it is exempt under S400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 28 June 2020 have had a material effect on the financial statements.

Going concern

The Directors consider the going concern of Littlewoods Retail Limited ("LRL") to be directly linked to that of The Very Group Limited ("TVGL") as the company is dependent on funds provided by TVGL. In determining whether the company's accounts can be prepared on a going concern basis, Directors have therefore considered the TVGL Group and the company's business activities together with factors likely to affect its future development, performance and financial position including cash flows, liquidity position and the principal risks and uncertainties relating to its business activities.

Littlewoods Retail Limited

Notes to the Financial Statements for the 53 week period ended 3 July 2021 (continued)

2 Accounting policies (continued)

Going concern (continued)

TVGL has made available to the Directors of LRL relevant technical papers, in particular, the TVGL Group cash flow forecasts (which include LRL) which we have independently had the opportunity to review and challenge. In determining whether the Group's accounts can be prepared on a going concern basis, the Directors considered TVGL's (including LRL's) cash headroom forecasts, its business activities together with factors likely to affect its future development, performance and financial position including cash flows, liquidity and borrowing facilities and the principal risks and uncertainties relating to its business activities. Given the current uncertain economic climate, realistic assumptions for working capital performance have been used to determine the level of financial resources available to TVGL (including LRL) and to assess liquidity risk.

The company and the Group have carefully considered its cash flows and banking covenants for the 12 months from the date of signing the audited financial statements. These have been considered in conjunction with the current economic climate, including the Covid-19 pandemic.

The company continued to trade effectively throughout each lockdown period with the online store remaining open throughout and adjustments implemented such as office-based colleagues working from home. Actions taken by the company included cost reduction, tight management of capital spend and inventory management. The multi-category offering has provided resilience against movements in individual product categories. Due to the strong trading performance during the lockdown period the company opted not to draw on the Government's Coronavirus Job Retention Scheme. Despite its significant negative economic and social impact, COVID-19 has accelerated online retail growth, as well as led more brands to look for new online sales and distribution channels. The Group is well placed to capitalise on these trends and the unique opportunities we have as a business in the years to come.

TVGL Group forecasts have been stress tested for a number of scenarios and the TVGL Group has deployed strategies and tools to closely manage cash flow and mitigate any issues. These stress tests, which have been shared with the directors of LRL, show that TVGL has sufficient liquidity for the next 12 months and that all covenant requirements are satisfied.

As such, 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 Annual Report and Financial Statements.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax, this is £nil in the period (2020: £nil).

Current tax

The tax currently receivable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Littlewoods Retail Limited

Notes to the Financial Statements for the 53 week period ended 3 July 2021 (continued)

2 Accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Investments

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

Dividends receivable

Dividend income from investments is recognised when the shareholders' right to receive payment have been established (provided that it is probable that the economic benefits will flow to the entity and the amount of revenue can be measured reliably).

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Littlewoods Retail Limited

Notes to the Financial Statements for the 53 week period ended 3 July 2021 (continued)

2 Accounting policies (continued)

Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial assets and liabilities

Classification

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities, including borrowings, are initially measured at fair value. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Littlewoods Retail Limited

Notes to the Financial Statements for the 53 week period ended 3 July 2021 (continued)

2 Accounting policies (continued)

Financial assets and liabilities (continued)

Recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgments that are relevant for the company.

4 Auditor's remuneration

Auditor's remuneration has been borne by another group company and is not recharged (2020: same). There are no non-audit fees payable to the auditor in the period (2020: same).

5 Directors and employees

The company has no employees (2020: same). The directors are remunerated by other group companies and the cost is not recharged (2020: same).

Littlewoods Retail Limited**Notes to the Financial Statements for the 53 week period ended 3 July 2021 (continued)****6 Investments**

	£ 000
Cost	
At 28 June 2020 and 3 July 2021	4,570
Impairment	
At 28 June 2020 and 3 July 2021	(3,820)
Carrying amount	
At 28 June 2020 and 3 July 2021	<u>750</u>

Details of the subsidiary as at 3 July 2021 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2021	2020
Littlewoods Home Shopping Finance Limited	Holding company	England and Wales	100%	100%

Registered office is the same as Littlewoods Retail Limited as disclosed on Page 1.

7 Trade and other receivables

	2021 £ 000	2020 £ 000
Amounts owed by parent company	<u>265,746</u>	<u>265,746</u>

Amounts owed by parent company are unsecured, interest free, and repayable on demand.

Restatement

In the prior period, amounts owed by subsidiaries were classified as current receivables due to the amounts being repayable on demand. However, these amounts are not expected to be settled within 12 months of the balance sheet date and therefore as of 27 June 2020 these amounts have been reclassified as amounts a non-current receivable. The table below sets out the impact on each balance sheet line item.

	Non-current trade and other receivables £'000	Total non-current assets £'000
27 June 2020 as previously reported	-	750
Reclassification	265,746	265,746
Restated balance at 27 June 2020	<u>265,746</u>	<u>266,496</u>

Littlewoods Retail Limited**Notes to the Financial Statements for the 53 week period ended 3 July 2021 (continued)****7 Trade and other receivables (continued)**

	Current trade and other receivables	Total current assets
	£m	£m
27 June 2020 as previously reported	265,746	265,746
Reclassification	(265,746)	(265,746)
Restated balance at 27 June 2020	-	-

The restatement had no impact on total assets or on the income statement for the company.

8 Share capital**Allotted, called up and fully paid shares**

	2021		2020	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	201,146	201,146	201,146	201,146

The company has one class of ordinary share which carry no right to fixed income.

9 Parent and ultimate parent undertaking

The immediate holding company is Littlewoods Limited, a company registered in England and Wales. These financial statements are available upon request from Companies House.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Shop Direct Holdings Limited, incorporated in England and Wales.

The address of Shop Direct Holdings Limited is: 2nd Floor, 14 St George Street, London, W1S 1FE.

Shop Direct Holdings Limited is controlled by Sir David Barclay and Sir Fredrick Barclay Family Settlements.

The parent of the smallest group in which these financial statements are consolidated is The Very Group Limited, incorporated in England and Wales.

The address of The Very Group Limited is: First Floor, Skyways House, Speke Road, Speke, Liverpool, L70 1AB.