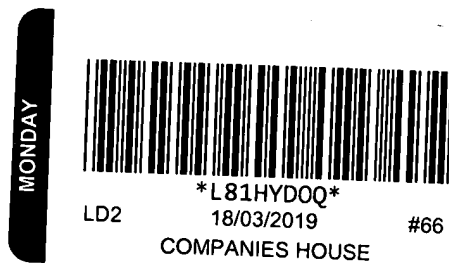


Registration number: 00739600

Reality Group Limited
Annual Report and Financial Statements
for the Year Ended 30 June 2018



Reality Group Limited

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Reality Group Limited

Company Information

Directors

M Seal

P Peters

Registered office

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

Auditor

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
United Kingdom
M3 3HF

Reality Group Limited

Directors' Report for the Year Ended 30 June 2018

The directors presents their annual report and the audited financial statements of the company for the year ended 30 June 2018.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section s414B of the Companies Act 2006. Accordingly, a strategic report has not been prepared. This set of financial statements for the year ended 30 June 2018 has been prepared in accordance with The Reduced Disclosure Framework (FRS 101).

Directors of the company

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

M Seal

P Peters

A S Barclay (Resigned 27 June 2018)

H M Barclay (Resigned 27 June 2018)

Principal activity

The principal activity of the company in the current and prior year is non trading.

Review of the business

The company has made a profit for the year of £32k (2017: £nil) due to a refund received from HMRC in relation to a prior year tax overpayment. The intention is to liquidate the company within the next financial year.

Principal risks and uncertainties

The principal risk was the exposure to bad debt and its impact on future debt recoveries.

Dividends

The directors do not recommend the payment of a dividend (2017: £nil).

Going concern

As a result of the company no longer trading, the financial statements have been prepared on a basis other than going concern. More details are included in note 2 to the financial statements.

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.

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.

Reappointment of auditors

Deloitte LLP were appointed as auditor during the period and have indicated their willingness to continue in office.

Approved by the Board and authorised for issue on^{13 Feb} 2019 and signed on its behalf by:



.....
M Seal Director

Reality Group Limited

Statement of Directors' Responsibilities

The directors acknowledges their responsibilities 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless 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 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.

Reality Group Limited

Independent Auditor's Report to the Members of Reality Group Limited

Opinion

In our opinion the financial statements of Reality Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

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 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.

Emphasis of matter - financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Reality Group Limited

Independent Auditor's Report to the Members of Reality Group Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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 intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Reality Group Limited

Independent Auditor's Report to the Members of Reality Group Limited (continued)

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; or
- the directors were not entitled take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Other matter

As the company was exempt from audit under section 480 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year

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

Date: 15 February 2019

Reality Group Limited

Profit and Loss Account for the Year Ended 30 June 2018

			(Unaudited)
	Note	2018 £ 000	2017 £ 000
Interest receivable	6	1	-
		<hr/>	<hr/>
		1	-
Profit before tax	4	1	-
Tax on profit on ordinary activities	7	31	-
		<hr/>	<hr/>
Profit for the year		32	-

No separate statement of comprehensive income has been presented as all gains and losses have been dealt with in the profit and loss account. The operations are discontinued.


Reality Group Limited

(Registration number: 00739600)
Balance Sheet as at 30 June 2018

		2018	(Unaudited) 2017
	Note	£ 000	£ 000
Fixed assets			
Investments	8	-	11
Current assets			
Debtors	9	178,099	178,056
Net assets		178,099	178,067
Capital and reserves			
Called up share capital	10	146,506	146,506
Share premium reserve		31,561	31,561
Profit and loss account		32	-
Shareholders' funds		178,099	178,067

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the director on 13 July 2019


.....
M Seal
Director

Reality Group Limited

Statement of Changes in Equity for the Year Ended 30 June 2018

	Share capital £ 000	Retained earnings £ 000	Total £ 000
Balance at 1 July 2016 and 30 June 2017	146,506	-	146,506
Profit for the year	-	32	146,538
Total comprehensive income	-	32	146,538
At 30 June 2018	146,506	32	146,538

Reality Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

1 General information

The company is a private company limited by share capital incorporated under the companies act 2006 and domiciled in the 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 years presented, unless otherwise stated.

Basis of preparation

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

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

The nature of the company's operations is set out in the Directors' Report.

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 Shop Direct Limited which are available to the public.

Going concern

The financial statements are prepared on a basis other than that of a going concern. This is as a result of the company no longer trading. No adjustments arose as a result of ceasing to apply the going concern basis. The financial statements do not include any provision for the future costs of terminating the operations of the company. The intention is to liquidate the company within the next financial year.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 July 2017 have had a material effect on the financial statements.

Reality Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

2 Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit 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. The company'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.

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 income statement, 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 company 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 Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

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.

Reality Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

Investments

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

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.

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 or key sources of estimation uncertainty that are relevant for the company.

4 Profit for the year

Auditor's remuneration has been borne by another group company and is not recharged (2017: same).

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

5 Directors and employees

The company has no employees (2017: same).

The directors are remunerated by other group companies and the cost is not recharged (2017: same).

6 Interest receivable

	2018	(Unaudited) 2017
	£ 000	£ 000
Interest on tax	1	-

Reality Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

7 Income tax

Tax credited in the profit and loss account

	(Unaudited)
2018	2017
£ 000	£ 000

Current taxation

Prior year adjustment	31	-
Tax credit in profit and loss account	31	-

There is no difference between the expected tax charge that would arise from applying the standard rate of corporation tax in the UK of 19% (2017: 19.75%) and the actual current tax charge for the period.

The differences are reconciled below:

	(Unaudited)
2018	2017
£ 000	£ 000
Profit before tax	1
Corporation tax at standard rate	-
HMRC repayment of prior year overpayment of tax	31
Tax credit in profit and loss account	31

8 Investments

Subsidiaries	£ 000
At 1 July 2016	11
At 30 June 2017	11
At 1 July 2017	11
Disposals	(11)
At 30 June 2018	-
Cost or valuation and carrying amount	
At 30 June 2018	-

During the year the company disposed of its subsidiaries, White Arrow Leasing Limited and White Arrow Express Limited to its parent company, Shop Direct Limited. No profit or loss resulted from the disposal.

Reality Group Limited

Notes to the Financial Statements for the Year Ended 30 June 2018 (continued)

9 Debtors

	2018 £ 000	(Unaudited) 2017 £ 000
Amounts due from group undertakings	178,099	178,056

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

10 Share capital

Allotted, called up and fully paid shares

	2018 No. 000	£ 000	(Unaudited) 2017 No. 000	£ 000
Ordinary shares of £1 each	146,506	146,506	146,506	146,506

11 Parent and ultimate parent undertaking

The immediate holding company is Shop Direct 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 the Sir David Barclay and Sir Fredrick Barclay Family Settlements.

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

The address of Shop Direct Limited is:
First floor, Skyways House, Speke Road, Speke, Liverpool, L70 1AB