

Company Registration No 04542312

**LW FINANCE LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 June 2012

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LW FINANCE LIMITED  
REPORT AND FINANCIAL STATEMENTS  
For the year ended 30 June 2012

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**DIRECTORS**

A S Barclay  
H M Barclay  
P L Peters  
M Seal

**COMPANY SECRETARY**

Broomfield Secretarial Services Limited

**REGISTERED OFFICE**

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

**INDEPENDENT AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester  
United Kingdom

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## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of the company for the year ended 30 June 2012

### **Principal activities and business review**

The principal activity of the company is that of an investment holding company

The company has remained dormant within the meaning of Section 476 of the Companies Act 2006 throughout the accounting reference year ended 30 June 2012 and accordingly no profit or loss account has been prepared

### **Future outlook**

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

### **Going concern**

The company has received confirmation that it will continue to receive the full support of its parent company, Shop Direct Limited, therefore in forming their conclusion over the going concern assumption the directors are mindful of the following disclosure made in the group accounts

'In determining whether the group's accounts can be prepared on a going concern basis, the directors considered the group'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

The group has carefully considered its cash flows 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

As such conservative assumptions for working capital performance have been used to determine the level of financial resources available to the company and to assess liquidity risk. The key risk identified by the directors for these assumptions is the impact that a further deterioration in the economic climate will have on the performance of sales and the debtor book

The group's forecasts and projections, after sensitivities to take account of all reasonably foreseeable changes in trading performance, show that the group will have sufficient headroom within its current loan facilities (notes 16 and 19 of the accounts). After making appropriate enquiries the directors have a reasonable expectation that the company and the group have 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 '

### **Principal risks and uncertainties**

The company's principal risk relates to the recoverable value of the company's principal investments

## **DIRECTORS' REPORT (continued)**

### **Directors**

The directors that held office during the year and to the date of this report were as follows

A S Barclay  
H M Barclay  
P L Peters  
M Seal

### **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**

PricewaterhouseCoopers LLP resigned as auditor during the year and Deloitte LLP was appointed. Deloitte LLP have indicated their willingness to continue in office

By order of the board



Michael Seal  
For and on behalf of Broomfield Secretarial Services Limited  
Company Secretary  
18<sup>th</sup> December 2012

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 group and parent company 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 LW FINANCE LIMITED**

We have audited the financial statements of LW Finance Limited for the year ended 30 June 2012 which comprise the Balance Sheet and the related notes 1 to 10. 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 2012 and of its result 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

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

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in 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.



**Sharon Thorne (Senior Statutory Auditor)**  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom  
/ 8 December 2012



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

	<i>Notes</i>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Fixed assets</b>			
Investments	4	-	-
<b>Current assets</b>			
Debtors	5	200,726	200,726
<b>Net assets</b>		<u>200,726</u>	<u>200,726</u>
<b>Capital and reserves</b>			
Share capital	6	100,000	100,000
Profit and loss account	7	100,726	100,726
<b>Total shareholders' funds</b>	8	<u>200,726</u>	<u>200,726</u>

The company has remained dormant within the meaning of Section 476 of the Companies Act 2006 throughout the accounting reference year ended 30 June 2012 and accordingly no profit or loss account has been prepared

The financial statements of LW Finance Limited, company number 04542312, on pages 6 to 10 were approved by the Board of Directors on 18<sup>th</sup> December 2012

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 as the company will continue to receive the full support of its parent company, Shop Direct Limited, 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 period. 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 Directors' Report.

After making appropriate enquiries, 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, the company is exempt under S408 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

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

As the results of the company are included in the consolidated financial statements of Shop Direct Holdings Limited (formerly March UK Limited), which are publicly available, 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)'.

The company is also exempt under the terms of FRS 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% or more of the total shareholding and prepares consolidated financial statements.

#### **Investments in subsidiary undertakings**

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Employees and directors

The company has no employees other than the directors (2011 same)

None of the directors received any emoluments for services to the company during the year ended 30 June 2012 (61 weeks ended 30 June 2011 same)

### 3. Auditor's remuneration

The auditor's remuneration has been borne by fellow subsidiary undertakings and has not been recharged (61 weeks ended 30 June 2011 same)

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

### 4. Fixed asset investments

	£
<b>Shares in group undertakings</b>	
At 1 July 2011 and 30 June 2012	1

Details of all subsidiary undertakings are disclosed in note 9

### 5. Debtors

	2012 £'000	2011 £'000
<b>Amounts falling due within one year</b>		
Amounts due from group undertakings	200,722	200,722
Prepayments and accrued income	4	4
	<hr/>	<hr/>
	200,726	200,726
	<hr/>	<hr/>

### 6 Share capital

	2012 £'000	2011 £'000
<b>Authorised:</b>		
100,000,000 Ordinary Shares of £1 each	100,000	100,000
	<hr/>	<hr/>
<b>Allotted, issued and fully paid.</b>		
100,000,000 Ordinary Shares of £1 each	100,000	100,000
	<hr/>	<hr/>

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

**7 Reserves**

	<b>Profit &amp; loss account £'000</b>
At 1 July 2011 and 30 June 2012	100,726

**8. Reconciliation of movement in shareholders' funds**

	<b>£'000</b>
Total shareholders' funds at 1 July 2011 and 30 June 2012	200,726

**9. Subsidiary companies**

A list of subsidiary companies at 30 June 2012 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.

<b><i>Subsidiary undertakings</i></b>	<b><i>Nature of business</i></b>
L W Investments Limited	Holding company
Littlewoods Limited*	Holding company
Source Direct International Limited* (Hong Kong)	Merchandise sourcing
Compliance Direct Company Limited* (Hong Kong)	Dormant
Shop Direct Company Director Limited*	Dormant
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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9 Subsidiary companies (continued)

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 accounting year

### 10 Ultimate controlling party

The immediate holding company is 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 (formerly March UK 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. The smallest group into which the results of the company are consolidated is the financial statements of Shop Direct Limited.