

Registration number: 05200103

Shop Direct Group Financial Services Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2017

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Shop Direct Group Financial Services Limited

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Shop Direct Group Financial Services Limited

Company Information

Directors	A S Barclay
	H M Barclay
	P L Peters
	M Seal
	S A Winton
Registered office	Skyways House
	Speke Road
	Speke
	Liverpool
	L70 1AB
Auditors	Deloitte LLP
	Statutory Auditor
	Manchester
	United Kingdom

Shop Direct Group Financial Services Limited

Strategic Report for the Year Ended 30 June 2017

The directors present their strategic report for the year ended 30 June 2017. The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

This set of financial statements for the year ended 30 June 2017 has been prepared in accordance with The Reduced Disclosure Framework (FRS 101).

Principal activity

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

Review of the business

The company has had no profit and loss account transactions throughout the accounting year ended 30 June 2017 and accordingly no profit or loss account or statement of comprehensive income has been prepared.

Future outlook

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

Principal risks and uncertainties

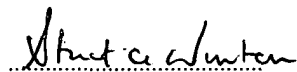
The company's principal risk relates to the recoverable value of the company's principal investments. This is monitored and mitigated through a regular review of the performance of the company's investments.

Going concern

In determining whether the company's financial statements 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.

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.

By order of the Board and signed on its behalf on 26/01/2018 by:



S A Winton
Director

Shop Direct Group Financial Services Limited
Directors' Report for the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Directors of the company

The directors, who held office during the year, were as follows:

A S Barclay

H M Barclay

P L Peters

M Seal

S A Winton

Dividends

The directors do not recommend the payment of a dividend (2016: £nil).

Going concern

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

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director 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.

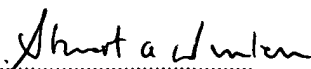
Elective resolutions

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

By order of the Board and signed in its behalf on 26/01/2018 by:



S A Winton
Director

Shop Direct Group Financial Services Limited

Statement of Directors' Responsibilities

The directors acknowledge 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 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 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.

Shop Direct Group Financial Services Limited

Independent Auditor's Report to the Members of Shop Direct Group Financial Services Limited

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017;
- 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 of Shop Direct Group Financial Services Limited (the 'company') 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 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Shop Direct Group Financial Services Limited

Independent Auditor's Report to the Members of Shop Direct Group Financial Services Limited

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

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.

Shop Direct Group Financial Services Limited

Independent Auditor's Report to the Members of Shop Direct Group Financial Services Limited

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 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.

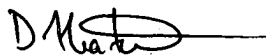
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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.



David Heaton (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

Manchester
United Kingdom

Date: 26/01/18

Shop Direct Group Financial Services Limited

(Registration number: 05200103)

Balance Sheet as at 30 June 2017

	Note	2017 £ 000	2016 £ 000
Fixed assets			
Investments	6	450,000	375,000
Creditors: Amounts falling due within one year	8	(75,000)	-
Net assets		375,000	375,000
Capital and reserves			
Share capital	7	100,000	100,000
Profit and loss account		275,000	275,000
Shareholders' funds		375,000	375,000

Approved by the Board on 26/01/2018 and signed on its behalf by:



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M Seal
Director

Shop Direct Group Financial Services Limited

Statement of Changes in Equity for the Year Ended 30 June 2017

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2015	100,000	275,000	375,000
Profit/(loss) for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
At 30 June 2016	100,000	275,000	375,000
	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2016	100,000	275,000	375,000
Profit/(loss) for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
At 30 June 2017	100,000	275,000	375,000

Shop Direct Group Financial Services Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

1 General information

The company is a private company limited by share capital incorporated and domiciled under the Companies Act 2006 in England and Wales.

The address of its registered office is:

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

The financial statements have been prepared on the historical cost basis.

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 comparative information in respect of certain assets, 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.

As the company is a wholly owned subsidiary of Shop Direct Limited, the company is exempt under section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Shop Direct Group Financial Services Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

2 Accounting policies (continued)

Going concern

In determining whether the financial statements 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, 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 financial statements.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 July 2016 have had a material effect on the financial statements.

Investments

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.

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 Employees and directors

The company has no employees other than the directors (2016: same).

None of the directors received any emoluments for services to the company during the year ended 30 June 2017 (2016: same).

5 Auditor's remuneration

The auditor's remuneration has been borne by fellow subsidiary undertakings and has not been recharged (2016: same).

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

Shop Direct Group Financial Services Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

6 Investments

Subsidiaries	£000
Cost or valuation	
At 1 July 2016	375,000
Additions	<u>75,000</u>
At 30 June 2017	<u><u>450,000</u></u>

Additions of £75m relates to an increase in investments due to an issue of 75m ordinary shares of £1 each in Shop Direct Finance Company Limited.

Details of the subsidiaries as at 30 June 2017 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal operations	Proportion of ownership interest and voting rights held	
			2017	2016
Littlewoods Direct Recoveries Limited*	Debt Recovery	England and Wales	100%	100%
Shop Direct Finance Company Limited	Financial services	England and Wales	100%	100%
Shop Direct Financial Services Limited*	Dormant	England and Wales	100%	100%
Littlewoods Finance Company Limited	Dormant	England and Wales	100%	100%
Nationwide Debt Recovery Limited	Dormant	England and Wales	100%	100%

* indicates the share capital is held by an intermediary company.

7 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Shop Direct Group Financial Services Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

8 Creditors: amounts falling due within one year

	2017 £ 000	2016 £ 000
Amounts due to group undertakings	<u>75,000</u>	<u>-</u>

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

9 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 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:
Skyways House, Speke Road, Speke, Liverpool, L70 1AB