

Company Registration No. 54380 (England and Wales)

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

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RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
COMPANY INFORMATION

Directors	Mr S Schmidt Mr S Grobler
Company number	54380
Registered office	Steinhoff House Formal Industrial Park Northway Lane Tewkesbury GL20 8GY
Auditors	Leonard Wilson & Co Colinton House Leicester Road Bedworth Warwickshire CV12 8AB
Bankers	Natwest Bank Plc 12 Fore Street Wellington Somerset TA21 8AL

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
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RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

The directors present their report and financial statements for the year ended 30 June 2010

The company is a wholly owned subsidiary of Steinhoff Europe AG which is the ultimate parent company

Principal activities and review of the business

The principal activity of the company continued to be that of a property management company. The directors are not aware at the date of this report of any likely major changes in the company's activities in the next year.

The company's income is primarily from transactions related to property leasing and its single largest customer is the Steinhoff UK group.

The key performance indicators are operating profit from the company's principal activity before tax and net assets. The company incurred a net loss before tax amounting to £18,866,693 compared to the £74,963 profit achieved in the previous year. The current year loss is in respect of financial commitments on certain guarantees and privity properties that have reverted back to the company during the year. The company's net assets have increased to £71,334,436 in 2010 from £10,090,558 in 2009 as a result from group restructuring.

Risks and uncertainties

The directors acknowledge that during the normal course of business there are a number of potential risks and uncertainties which could have a material impact on the company's long term performance. The directors acknowledge their responsibility to implement a risk strategy to ensure that an appropriate risk framework is operating effectively.

The company's source of income is primarily from rental income from group undertakings and is therefore seen as low risk.

The company has ongoing financial commitments in respect of certain guarantees and privity properties and as a consequence the company is incurring additional costs. The company is actively marketing these properties with success notwithstanding the extreme difficult market conditions.

Due to the company's financial commitments on these properties the estimated net loss before tax for the year ended 30 June 2011 is expected to be approximately £8.4 million unless new tenants are found. The Steinhoff group will provide the necessary support to enable the company to continue its business operations as a going concern.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

Future developments

The company's business activities together with the factors likely to affect its future development are set out in the business review and in the assessment of the company's risks and uncertainties in this report. At the date of this report the directors have no further plans to carry out other business activities other than the company's current principal activity.

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

Directors

The following directors have held office since 1 July 2009

Mr S Schmidt

Mr S Grobler

Financial instruments

Financial instruments

Financial assets and liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. The company does not enter into derivative financial instruments.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected.

Liquidity risk is managed at various levels, starting at the ultimate holding company and cascading down to the UK group of companies of which this company is one. The UK group manages liquidity risk by monitoring forecast cash flows which are provided weekly and by ensuring that adequate borrowing facilities are available. The company generates its own cash and additional cash is obtained from existing lines of credit and from group facilities based on forecast requirements.

Interest rate risk

The company manages interest rate risk centrally through its central treasury. All interest bearing assets and liabilities of the company are at variable rates of interest and are structured to achieve a competitive market related cost of funding.

Foreign currency risk

The company only operates in the United Kingdom and all transactions are in sterling so has no exposure to changes in foreign currency exchange rates.

Credit risk

At 30 June 2010 the company did not consider there to be any other significant concentration of credit risk which had not been adequately provided for.

Market Risk

Cash resources are matched with the net funding requirements sourced from three sources namely internally generated funds, the company facilities, and group resources. The company only operates in the United Kingdom and all transactions are in sterling so has no exposure to changes in foreign currency exchange rates.

During the course of the year there has been no change to the market risk or manner in which the company manages its exposure.

**RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2010

Auditors

Leonard Wilson & Co were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

Statement of directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 proper accounting records that 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Mr S Schmidt
Director
11 August 2010



**RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
INDEPENDENT AUDITORS' REPORT**

TO THE SHAREHOLDERS OF RETAIL INTERESTS LTD

We have audited the financial statements of Retail Interests Ltd for the year ended 30 June 2010 set out on pages 6 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 495 and 496 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 auditors' 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

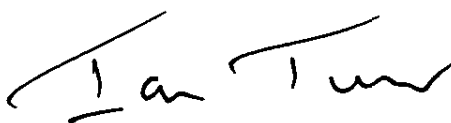
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF RETAIL INTERESTS LTD

Opinion

In our opinion

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,
- the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its loss for the year then ended, and
- the information given in the directors' report is consistent with the financial statements



Mr I Turner (Senior Statutory Auditor)
for and on behalf of Leonard Wilson & Co

13 August 2010

Chartered Accountants
Statutory Auditor

Colinton House
Leicester Road
Bedworth
Warwickshire
CV12 8AB

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 £	2009 £
Turnover	2	4,513,466	10,668,035
Administrative expenses		(23,626,281)	(10,590,858)
Operating (loss)/profit	3	(19,112,815)	77,177
Other interest receivable and similar income	4	449,644	3,996
Interest payable and similar charges	5	(203,522)	(6,210)
(Loss)/profit on ordinary activities before taxation		(18,866,693)	74,963
Tax on (loss)/profit on ordinary activities	6	5,219,571	735,407
(Loss)/profit for the year	13	(13,647,122)	810,370

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
BALANCE SHEET

AS AT 30 JUNE 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	7	12,476,011		12,412,887	
Current assets					
Debtors	8	122,566,381		2,369,439	
Cash at bank and in hand		61,755		299,328	
		122,628,136		2,668,767	
Creditors amounts falling due within one year	9	(12,384,547)		(3,537,676)	
Net current assets/(liabilities)		110,243,589		(868,909)	
Total assets less current liabilities		122,719,600		11,543,978	
Creditors amounts falling due after more than one year	10	(49,927,488)		-	
Provisions for liabilities	11				
Deferred tax liability		(1,457,676)		(1,453,420)	
		71,334,436		10,090,558	
Capital and reserves					
Called up share capital	12	3,726,000		3,725,000	
Share premium account	13	74,939,535		49,535	
Revaluation reserve	13	5,190,787		5,190,787	
Profit and loss account	13	(12,521,886)		1,125,236	
Shareholders' funds	14	71,334,436		10,090,558	

Approved by the Board and authorised for issue on 11 August 2010

Mr S Schmidt
Director



RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain properties

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	2% Straight line basis
Land and buildings Leasehold	Length of lease
Fixtures, fittings & equipment	6 67% to 33 33% Straight line basis

Where the estimated residual value of freehold buildings exceeds their carrying value then depreciation is not charged

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Revenue recognition

Revenue is attributable to the company's principal activity which is that of a property company operating within the United Kingdom. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.8 Impairment of Fixed assets

At each balance date the company reviews the carrying values of its fixed 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 in order 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating (loss)/profit	2010	2009
	£	£
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	73,536	26,112
Loss on disposal of tangible assets	8,874	-
Fees payable to the company's auditor for the audit of the company's annual accounts	8,250	8,250

4 Investment income	2010	2009
	£	£
Bank interest	-	3,996
Interest received from group undertakings	449,644	-
	449,644	3,996

5 Interest payable	2010	2009
	£	£
On amounts payable to group undertakings	102,108	-
On bank overdrafts	30,494	6,210
Other interest	70,920	-
	203,522	6,210

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

6 Taxation	2010	2009
	£	£
Domestic current year tax		
U K corporation tax	(5,219,240)	-
Adjustment for prior years	(4,587)	-
	<u>(5,223,827)</u>	<u>-</u>
Current tax charge	(5,223,827)	-
Deferred tax		
Deferred tax charge/credit current year	4,256	(735,407)
	<u>(5,219,571)</u>	<u>(735,407)</u>
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(18,866,693)	74,963
	<u>(18,866,693)</u>	<u>74,963</u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	(5,282,674)	20,990
	<u>(5,282,674)</u>	<u>20,990</u>
Effects of		
Non deductible expenses	71,262	-
Depreciation add back	23,074	7,311
Capital allowances	(30,902)	(44,431)
Tax losses surrendered for the group relief	-	16,130
Adjustments to previous periods	(4,587)	-
	<u>58,847</u>	<u>(20,990)</u>
Current tax charge	(5,223,827)	-
	<u>(5,223,827)</u>	<u>-</u>

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

7 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 1 July 2009	11,701,097	740,420	517,819	12,959,336
Additions	-	-	139,740	139,740
Disposals	-	-	(3,105)	(3,105)
At 30 June 2010	11,701,097	740,420	654,454	13,095,971
Depreciation				
At 1 July 2009	-	154,804	391,645	546,449
Charge for the year	4,045	8,726	60,740	73,511
At 30 June 2010	4,045	163,530	452,385	619,960
Net book value				
At 30 June 2010	11,697,052	576,890	202,069	12,476,011
At 30 June 2009	11,701,097	585,616	126,174	12,412,887

Depreciation has been charged on only one freehold building in the year ended 30 June 2010 (2009 £nil). No depreciation has been charged in the current year and previous year on the other freehold land & buildings on the grounds that the estimated residual value of the assets exceeds their present carrying value.

8 Debtors	2010 £	2009 £
Amounts owed by group undertakings	110,221,000	615,376
Corporation tax	5,219,240	-
Prepayments and accrued income	7,126,141	1,754,063
	<u>122,566,381</u>	<u>2,369,439</u>

The directors assess the ability of group undertakings to repay amounts due and consider there to be no significant credit risk arising.

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

9 Creditors amounts falling due within one year	2010	2009
	£	£
Rental income received in advance	2,544,385	-
Trade creditors	-	1,283,387
Amounts owed to group undertakings	7,738,232	1,028,732
Taxes and social security costs	-	310,785
Accruals	2,101,930	914,772
	<u>12,384,547</u>	<u>3,537,676</u>

10 Creditors amounts falling due after more than one year	2010	2009
	£	£
Amounts owed to group undertakings	<u>49,927,488</u>	<u>-</u>

The above intercompany loan balance consists of amounts owed to the parent company as part of a loan facility agreement made available in the year. The loan facility is unsecured and is repayable on demand in full or in part. Interest is payable annually at LIBOR plus 3%. No interest has been charged in the year.

11 Provisions for liabilities

	Deferred tax liability
	£
Balance at 1 July 2009	1,453,420
Profit and loss account	4,256
	<u>1,457,676</u>
Balance at 30 June 2010	<u>1,457,676</u>

The deferred tax liability is made up as follows	2010	2009
	£	£
Accelerated capital allowances	4,256	-
Revaluation of properties	1,453,420	1,453,420
	<u>1,457,676</u>	<u>2,188,827</u>

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

12 Share capital	2010	2009
	£	£
Authorised		
4,000,000 Ordinary shares of £1 each	4,000,000	4,000,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
3,726,000 Ordinary shares of £1 each	3,726,000	3,725,000
	<u> </u>	<u> </u>

During the year 1000 ordinary shares of £1 each were allotted and fully paid

13 Statement of movements on reserves

	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
Balance at 1 July 2009	49,535	5,190,787	1,125,236
Loss for the year	-	-	(13,647,122)
Premium on shares issued during the year	74,890,000	-	-
	<u> </u>	<u> </u>	<u> </u>
Balance at 30 June 2010	74,939,535	5,190,787	(12,521,886)
	<u> </u>	<u> </u>	<u> </u>

14 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
(Loss)/Profit for the financial year	(13,647,122)	810,370
Proceeds from issue of shares	74,891,000	-
	<u> </u>	<u> </u>
Net addition to shareholders' funds	61,243,878	810,370
Opening shareholders' funds	10,090,558	9,280,188
	<u> </u>	<u> </u>
Closing shareholders' funds	71,334,436	10,090,558
	<u> </u>	<u> </u>

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

15 Financial commitments

At 30 June 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2011

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire		
Within one year	29,800	58,000
Between two and five years	119,200	157,000
In over five years	1,826,618	1,855,000
	<u>1,975,618</u>	<u>2,070,000</u>

16 Employees

Number of employees

There were no employees during the year apart from the directors

The directors are the key management personnel of the company. The remunerations of Messrs Grobler & Schmidt were paid by other companies within the Steinhoff group. It is not practicable to split their remuneration between their services to group companies. Details of their remuneration are included in the financial statements of these other companies.

17 Control

The company is a wholly owned subsidiary of Steinhoff Europe AG, a company incorporated in Switzerland which is also the ultimate controlling party. The results of the company are consolidated with the Steinhoff Europe AG Group.

18 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2010

19 Post balance sheet events

In terms of an agreement concluded with Steinhoff UK Holdings in 2009 the company incurred certain financial commitments under operating leases for land and buildings. Retail Interests Ltd has assumed all benefits and obligations associated with these leases.

The company is exposed to potential liabilities in respect of guarantees and privity properties. New tenants are to be found for these properties where possible from both within and outside the Steinhoff group.

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 JUNE 2010

RETAIL INTERESTS LTD
FORMERLY KNOWN AS RELYON (HOLDINGS) LIMITED
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2010

	£	2010 £	£	2009 £
Turnover				
Rent Receivable		4,513,466		10,668,035
Administrative expenses				
Rent	14,798,017		9,382,105	
Rates	5,456,759		542,228	
Intergroup management charges	65,608		265,308	
Insurance	253,961		31,122	
Light and heat	1,267,366		2,434	
Repairs and maintenance	665,070		1,370	
Service charges payable	565,519		236,325	
Legal and professional fees	463,321		95,604	
Audit fees	8,250		8,250	
Depreciation on fixed assets	73,536		26,112	
Loss on disposal of assets	8,874		-	
		(23,626,281)		(10,590,858)
Operating (loss)/profit		(19,112,815)		77,177
Other interest receivable and similar income				
Bank interest received	-		3,996	
Interest received from group undertakings	449,644		-	
		449,644		3,996
Interest payable				
Interest paid to group undertakings	102,108		-	
Bank interest paid	30,494		6,210	
Other interest paid	70,920		-	
		(203,522)		(6,210)
(Loss)/profit before taxation		(18,866,693)		74,963