Company Registration No. 00054380 (England and Wales)

RETAIL INTERESTS LTD

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

RETAIL INTERESTS LTD

COMPANY INFORMATION

Director	A Muller	(Appointed 5 February 2018)
Company number	00054380	
Registered office	5th Floor Festival House Jessop Avenue Cheltenham Gloucestershire GL50 3SH	
Auditor	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

CONTENTS

RETAIL INTERESTS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The director presents the strategic report for the year ended 30 September 2017.

The company is a wholly owned subsidiary of Steinhoff Europe AG which is the parent company. The ultimate parent company is Steinhoff International Holdings N.V., a company incorporated in the Netherlands.

Fair review of the business
The company's income is primarily from transactions related to property leasing and trademark royalty income and its single largest customer is the Steinhoff UK Group.

The key performance indicators are profit or loss before tax and net assets.

The company incurred a net loss before tax for the year amounting to £16,837,831 compared to the restated net loss before tax of £253,407,028 incurred in the previous 15 month period ended 30 September 2016. The current year and the previous period losses are in respect of financial commitments on certain property leases and impairment losses on intangible assets acquired in previous periods. The company's net liabilities amounting to £10,113,714 per the restated 2016 accounts have improved to a net asset position amounting to £8,023,013 in 2017.

Principal risks and uncertainties
The director acknowledges 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 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 some success not withstanding the difficult market conditions.

A Muller
Director
5 April 2019

RETAIL INTERESTS LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The director presents his annual report and financial statements for the year ended 30 September 2017.

Principal activities
The principal activity of the company continued to be that of a property management company. The company's income is primarily from transactions related to property leasing and its single largest customer is the Steinhoff UK Group.

The company also receives trademark royalty income from the Steinhoff UK Group.

The director is not aware at the date of signing this report of any likely major changes in the company's activities in the next year.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Grobler	(Resigned 6 February 2018)
H Bussas	(Resigned 30 January 2018)
A Muller	(Appointed 5 February 2018)

Results and dividends
The results for the year are set out on page 7.

The director does not recommend payment of an ordinary dividend.

Future developments
The company's business activities together with the risks are set out in the fair review of the business and in the assessment of the company's principal risks and uncertainities in this and the strategic report. At the date of this report the director has no further plans to carry out other business activities other than the company's current principal activity.

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 some success not withstanding the difficult market conditions.

Auditor
The auditor, Leonard Wilson & Co, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 parent holding company and cascading down to the companies in the UK of which this company is one. The group manages liquidity risk by monitoring forecast cash flows which are provided weekly and 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 so has no exposure to changes in foreign currency exchange rates.

Credit risk
At the 30 September 2017 the company did not consider there to be any other significant concentration of credit risk which has not been adequately provided for.

Market risk
Cash resources are matched with the net funding requirements sourced from two sources namely internally generated funds and group resources.

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

Important events after the financial year
After the year end, in December 2017, an announcement was made by the company's ultimate parent, Steinhoff International Holdings N.V., that an investigation into accounting irregularities was to take place. This and further announcements had an effect on the ability to raise finance within the Steinhoff International Group, of which this company is a member.

As at the signing date, the proposed Company Voluntary Arrangement (CVA) of the company's indirect parent Steinhoff Europe AG (SEAG) has not yet been implemented, see note 20 for further details. If the CVA is not implemented as is expected then the company as an indirect subsidiary could potentially be called upon to help finance the parent company. The company does not rely on support from its indirect parent SEAG and is not expected to be affected by the CVA agreement which is expected to be implemented.

Going concern

At the time of approving the financial statements, on the assumption that the CVA is implemented as expected (refer note 20) and no funding is required from its indirect parent, the director has a reasonable expectation that the company, taking into account also the financial position and forecasts of its subsidiary company, JWC (INT) Limited, has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing the financial statements. The company and its subsidiary company JWC (INT) Limited together are expected to generate profits and cash for at least this period.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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 auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has individually taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

A Muller
Director
5 April 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RETAIL INTERESTS LTD

Opinion

We have audited the financial statements of Retail Interests Ltd (the 'company') for the year ended 30 September 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its loss 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.

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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Other information

The director is 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
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 material misstatements in the strategic report and the director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director
As explained more fully in the director's responsibilities statement, the director is 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 director is 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 director either intends 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: http://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.

Ian Turner FCA (Senior Statutory Auditor)
for and on behalf of Leonard Wilson & Co

8 April 2019

Chartered Accountants
Statutory Auditor

Colinton House
Leicester Road
Bedworth
Warwickshire
CV12 8AB

RETAIL INTERESTS LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Year ended 30 September 2017 £	Period ended 30 September 2016 as restated £
Turnover	3	15,825,937	20,865,041
Administrative expenses		(46,686,379)	(81,054,066)
Other operating income		13,993,259	11,244,375
Exceptional item	4	-	(205,294,999)
Operating loss	5	(16,867,183)	(254,239,649)
Other interest receivable and similar income	7	29,352	911,333
Other interest payable and similar expenses	8	-	(78,712)
Loss before taxation		(16,837,831)	(253,407,028)
Tax on loss	9	3,817,821	5,380,503
Loss for the financial year		(13,020,010)	(248,026,525)

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

RETAIL INTERESTS LTD

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	2017 £	2016 as restated £	2016 as restated £
Fixed assets					
Intangible assets	10		20,000,001		20,000,001
Tangible assets	11		6,856,242		11,420,827
Investments	12		1		1
			26,856,244		31,420,829
Current assets					
Debtors	13	6,748,126		13,143,789	
Cash at bank and in hand		4,025		4,141	
		6,752,151		13,147,930	
Creditors: amounts falling due within one year	14	(7,208,284)		(35,903,711)	
Net current liabilities			(456,133)		(22,755,781)
Total assets less current liabilities			26,400,111		8,665,048
Creditors: amounts falling due after more than one year	15		(18,321,541)		(18,081,610)
Provisions for liabilities	16		(55,557)		(697,152)
Net assets/(liabilities)			8,023,013		(10,113,714)
Capital and reserves					
Called up share capital	18		3,732,000		3,731,000
Share premium account			325,662,947		296,600,672
Revaluation reserve			719,999		4,490,787
Profit and loss reserves			(322,091,933)		(314,936,173)
Total equity			8,023,013		(10,113,714)

The financial statements were approved by the director and authorised for issue on 5 April 2019.

A Muller
Director

Company Registration No. 00054380

RETAIL INTERESTS LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£	£
As restated for the period ended 30 September 2016:						
Balance at 1 July 2015		3,729,000	176,211,577	5,190,787	(74,728,648)	110,402,716
Period ended 30 September 2016:						
Loss for the period		-	-	-	(248,026,525)	(248,026,525)
Equity contributions		-	-	-	9,773,750	9,773,750
Issue of share capital	**18**	2,000	120,389,095	-	-	120,391,095
Tax on equity contributions		-	-	-	(1,954,750)	(1,954,750)
Decrease in reserve on disposal of property		-	-	(700,000)	-	(700,000)
Balance at 30 September 2016		3,731,000	296,600,672	4,490,787	(314,936,173)	(10,113,714)
Year ended 30 September 2017:						
Loss for the year		-	-	-	(13,020,010)	(13,020,010)
Equity contributions		-	-	-	5,864,250	5,864,250
Issue of share capital	**18**	1,000	29,062,275	-	-	29,063,275
Reversal of property revaluations		-	-	(3,770,788)	-	(3,770,788)
Balance at 30 September 2017		3,732,000	325,662,947	719,999	(322,091,933)	8,023,013

1 Accounting policies

Company information

Retail Interests Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 5th Floor Festival House, Jessop Avenue, Cheltenham, Gloucestershire, GL50 3SH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Transactions entered into between members in the group.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Retail Interests Ltd is a wholly owned subsidiary of Steinhoff Europe AG, a company incorporated in Switzerland. The smallest group for which the results of the company are consolidated is headed by Steinhoff Europe AG. The largest group for which the results of the company are consolidated is headed by Steinhoff International Holdings N.V.

1.2 Going concern

At the time of approving the financial statements, on the assumption that the CVA is implemented as expected (refer note 20) and no funding is required from its indirect parent, the director has a reasonable expectation that the company, taking into account also the financial position and forecasts of its subsidiary company, JWC (INT) Limited, has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing the financial statements. The company and its subsidiary company JWC (INT) Limited together are expected to generate profits and cash for at least this period.

1.3 Reporting period

These set of financial statements are for the year ended 30 September 2017 and the comparative figures are for a 15 month period 1 July 2015 to 30 September 2016. Therefore the current and previous periods figures are only comparable if the different lengths of the accounting periods are taken into account. The previous period was extended by 3 months from 30 June to 30 September due to a decision made by the management board of the ultimate parent company to align the reporting period with reporting periods of other group retail companies in Europe.

1 Accounting policies **(Continued)**

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.5 Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of the intangible assets less their residual values over their estimated useful economic lives on a straight-line basis, as follows:

Trademarks	20 years

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% Straight line basis
Leasehold land and building	Length of lease
Fixtures, fittings & equipment	6.67% to 33.33% Straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company 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 in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are classified as debt, and are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.11 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 profit and loss account 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 reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover analysed by class of business		
Rent and property services receivable	15,825,937	20,865,041

	2017	2016
	£	£
Other significant revenue		
Interest income	29,352	911,333
Royalty income	13,993,259	11,244,375

	2017	2016
	£	£
Turnover analysed by geographical market		
United Kingdom	15,825,937	20,865,041

4 Exceptional costs/(income)

	2017	2016
	£	£
Extraordinary amortisation of intangible fixed assets	-	205,294,999

5 Operating loss

	2017	2016
Operating loss for the period is stated after charging/(crediting):	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	12,192	13,045
Depreciation of owned tangible fixed assets	29,585	50,315
Loss on disposal of operating leases	187,751	22,215
Profit on disposal of fixed assets	(25,788)	(330,023)
Provisions on property lease commitments	890,480	22,671,880
Operating lease charges	25,656,540	32,479,304

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
	3	3

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

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	-	901,310
Other interest income	29,352	10,023
Total income	29,352	911,333

Disclosed on the profit and loss account as follows:

	2017 £	2016 £
Other interest receivable and similar income	29,352	911,333

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and loans	-	78,712

Disclosed on the profit and loss account as follows:

	2017 £	2016 £
Other interest payable and similar expenses	-	78,712

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	(3,482,774)	(5,093,314)
Adjustments in respect of prior periods	306,548	(7,268)
Total current tax	(3,176,226)	(5,100,582)

9 Taxation (Continued)

Deferred tax		
Origination and reversal of timing differences	(641,595)	(279,921)
Total tax credit	(3,817,821)	(5,380,503)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Loss before taxation	(16,837,831)	(253,407,028)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	(3,283,377)	(50,681,406)
Tax effect of expenses that are not deductible in determining taxable profit	44,008	29,429
Profit on disposal of fixed assets not taxable in determining taxable profit	(5,029)	(66,005)
Taxable gains	-	29,606
Adjustments in respect of prior years	306,548	(7,268)
Depreciation in excess of capital allowances	5,535	1,686
Timing differences	(243,911)	4,534,376
Other permanent differences	-	41,059,000
Current year deferred tax adjustments	(641,595)	(132,921)
Deferred tax adjustments under provided in prior periods	-	(147,000)
Taxation credit for the year/period	(3,817,821)	(5,380,503)

10 Intangible fixed assets

	Trademarks £
Cost	
At 1 October 2016 and 30 September 2017	225,295,000
Amortisation and impairment	
At 1 October 2016 and 30 September 2017	205,294,999
Carrying amount	
At 30 September 2017	20,000,001
At 30 September 2016	20,000,001

10 Intangible fixed assets (Continued)

The forecasted future reduction in royalty income from the company's trademarks resulted in the extraordinary amortisation charge in the prior period (refer to note 4).

11 Tangible fixed assets

	Freehold land and buildings	Leasehold land and building	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 October 2016	10,834,781	740,420	615,025	12,190,226
Disposals	(1,200,000)	-	-	(1,200,000)
Revaluation reversal	(3,335,000)	-	-	(3,335,000)
At 30 September 2017	6,299,781	740,420	615,025	7,655,226
Depreciation and impairment				
At 1 October 2016	-	217,965	551,434	769,399
Depreciation charged in the year	-	8,870	20,715	29,585
At 30 September 2017	-	226,835	572,149	798,984
Carrying amount				
At 30 September 2017	6,299,781	513,585	42,876	6,856,242
At 30 September 2016	10,834,781	522,455	63,591	11,420,827

The freehold land and buildings were revalued after the year end and this has led to a reduction in the previously revalued amount. The reduction in value is based on the building's present condition and current use within its location.

The professional valuation based on the comparable method was provided by the chartered surveyors CBRE Limited, St Martin's Court, 10 Paternoster Row, London, EC4M 7HP.

12 Fixed asset investments

	2017	2016
	£	£
Unlisted investments	1	1

The above fixed asset investment represents the entire issued ordinary share capital of JWC (INT) Limited, a company registered in England & Wales. There have been no other acquisitions or disposals during the period.

The principal activity of JWC (INT) Limited is the management of intellectual property rights.

12 Fixed asset investments **(Continued)**

Movements in fixed asset investments

	Investments other than loans
	£
Cost or valuation	
At 1 October 2016 & 30 September 2017	1
Carrying amount	
At 30 September 2017	1
At 30 September 2016	1

13 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	-	1,954,750
Corporation tax	3,482,774	3,138,564
Amount due from parent company	3,265,352	-
Amounts due from group undertakings	-	7,819,000
Prepayments	-	231,475
	6,748,126	13,143,789

14 Creditors: amounts falling due within one year

	2017	2016
	£	£
Amounts due to parent company	-	29,063,274
Accruals and provisions	7,208,284	6,840,437
	7,208,284	35,903,711

15 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Provisions on long term lease commitments	18,321,541	18,081,610

16 Provisions for liabilities

		2017	2016
	Notes	£	£
Deferred tax liabilities	17	55,557	697,152

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2017 £	Liabilities 2016 £
Decerelated capital allowances	(37,092)	(36,531)
Other timing differences	(29,750)	(29,750)
Surplus on revaluations on land & buildings	122,399	763,433
	55,557	697,152

Movements in the year:	2017 £
Liability at 1 October 2016	697,152
Credit to profit or loss	(641,595)
Liability at 30 September 2017	55,557

18 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
3,732,000 Ordinary shares of £1 each	3,732,000	3,731,000
	3,732,000	3,731,000

During the period 1,000 ordinary shares of £1 each were allotted and fully paid.

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	18,465,606	20,470,407
Between two and five years	50,470,910	63,092,750
In over five years	24,290,885	33,764,402
	93,227,401	117,327,559

20 Important events after the reporting period

After the year end, in December 2017, an announcement was made by the company's ultimate parent, Steinhoff International Holdings N.V., that an investigation into accounting irregularities was to take place. This and further announcements had an effect on the ability to raise finance within the Steinhoff International Group, of which this company is a member.

As at the signing date, the proposed Company Voluntary Arrangement (CVA) of the company's indirect parent Steinhoff Europe AG (SEAG) has not yet been implemented. The CVA includes the reorganisation of the corporate structure of SEAG and Steinhoff Finance Holdings GmbH. Approximately 94 percent of creditors who voted approved a CVA for SEAG and approximately 99 percent approved a CVA for Steinhoff Finance Holdings GmbH. If the CVA is not implemented as is expected then the company as an indirect subsidiary could potentially be called upon to help finance the parent company. The company does not rely on support from its indirect parent SEAG and is not expected to be affected by the CVA agreement which is expected to be implemented.

21 Controlling party

The company is a wholly owned subsidiary of the parent company Steinhoff Europe AG, a company incorporated in Switzerland. The results of the company are consolidated with the Steinhoff Europe AG Group. The ultimate parent company and ultimate controlling party is Steinhoff International Holdings N.V., a company registered in the Netherlands.

The largest group for which the results of the company are consolidated is headed by Steinhoff International Holdings N.V. Copies of these consolidated financial statements may be obtained via the website www.steinhoffinternational.com.

The company has taken advantage of the exemption available in section 33 of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

22 Prior period adjustment

Reconciliation of changes in equity

	Notes	1 July 2015 £	30 September 2016 £
Equity as previously reported		110,402,716	217,853,165
Adjustments to prior year			
Extraordinary amortisation on intangible fixed assets		-	(205,294,999)
Increase in provisions on onerous lease commitments		-	(22,671,880)
Equity as adjusted		110,402,716	(10,113,714)

Reconciliation of changes in loss for the previous financial period

	Notes	2016 £
Loss as previously reported		(12,240,646)
Adjustments to prior year		
Extraordinary amortisation on intangible fixed assets		(205,294,999)
Increase in provisions on onerous lease commitments		(22,671,880)
Equity contributions		(9,773,750)
Tax on equity contributions		1,954,750
Loss as adjusted		(248,026,525)

Notes to reconciliation

Extraordinary amortisation on intangible fixed assets
Further to post balance sheet events within the Steinhoff group, the company's sole customer for royalty income, the director has reviewed the company's Trademarks (intangible fixed assets) for impairment in accordance with its accounting policies. The forecasted future reduction in royalty income from the company's Trademarks has therefore resulted in the extraordinary amortisation charge, which has been included in the restated comparative figures of these financial statements.

Following on from these post balance sheet events, the director has reassessed the current year's valuation and useful lives of the Trademarks and considers that no further provision for impairment is required.

Increase in provisions on onerous lease commitments
In view of the post balance sheet events within the Steinhoff group the director has also increased the existing provisions arising on onerous lease commitments in respect of certain privity properties as mentioned in the director's report.

22 Prior period adjustment **(Continued)**

Equity contributions

In prior periods, the company received certain income under contractual arrangements from both related parties and third parties. In the prior period, these amounts totalled £9,773,750.

The amounts due were settled in accordance with the terms of the contracts and the invoices raised, and when approving the financial statements of prior periods, the directors accounted for this income as if it were generated on a commercial basis and it was therefore recorded as income in the Statement of Comprehensive Income.

Following the events of December 2017 in the Steinhoff International Group and the investigation by PwC, information has come to light on the nature of this income. The current director is now of the opinion, given the information that he now has, that the income concerned lacked economic substance and that the receipts that the company received were in substance contributions from equity participants, i.e. the Steinhoff International Group.

The prior period Statement of Comprehensive Income has therefore been restated to remove this income of £9,773,750 and it has been recorded as equity contributions as can be seen in the Statement of Changes in Equity. The tax charge in relation to this equity contribution has also been reclassified from the Statement of Comprehensive Income to the Statement of Changes in Equity.

The prior period Statement of Financial Position has not been affected by this change.

It should be highlighted that given that the PwC forensic report has not yet been released in full to the director, more information may yet come to light which may change the director's opinion of how these transactions should be accounted for.

However the director believes that the treatment as described above is the most appropriate, given what he currently understands the position to be.