

Steinhoff UK Holdings Limited

Directors' report and consolidated financial statements

Year ended 30 June 2005

Registered number 3738136



Directors' report and consolidated financial statements

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Steinhoff UK Holdings Limited

Year ended 30 June 2005

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2005.

Principal activity

The group's principal activity is that of importers and distributors of furniture.

Business review

The trading results of the group were much improved in a challenging market environment and the directors view the future with confidence.

Dividends

The directors do not recommend a dividend (2004: £nil).

Research and development

Research and development is carried out within each of the group companies where this activity is necessary for the profitable development of the business.

Directors and directors' interests

The directors who held office during the year and subsequently were as follows:-

B E Steinhoff (resigned 28 June 2005)

I M Topping

M J Jooste

D R Shaw

F E J Lewis

None of the directors who held office at the end of the year had a beneficial interest in the ordinary share capital of the company.

No director had a financial interest in any contract to which the parent company or a subsidiary was a party during the financial year.

Employees

The group recognises the need to keep staff informed about its performance and progress and provide information on matters of concern to them. Consultative meetings are held between senior management and staff. The group has continued to develop good practice regarding the development and contribution of employees.

Full and fair consideration is given to applications for employment made by disabled persons and, where employees become disabled during service with the group, arrangements are made for their continued service wherever possible.

Group policy on health and safety at work continues to be reviewed regularly to ensure a safe working environment.

Charitable and political contributions.

No contribution was made to any charity or political party (2004: £nil).

Auditors

On 21 April 2005 Haines Watts tendered their resignation as auditors of the company. As required by S.394 (1) of the Companies Act 1985 they confirmed that no circumstances connected with their resignation merited being brought to the attention of the members or creditors of the company. Subsequent to the resignation of Haines Watts, Deloitte & Touche LLP accepted the invitation of the directors to become auditors of the company. A resolution to reappoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

By order of the board

DR Shaw

Director



Steinhoff UK Holdings Limited

Year ended 30 June 2005

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on a going concern basis unless it is not appropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Steinhoff UK Holdings Limited

Year ended 30 June 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STEINHOFF UK HOLDINGS LTD

We have audited the consolidated financial statements of Steinhoff UK Holdings Limited for the year ended 30 June 2004 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, and the related notes 1 to 27. 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 235 of the Companies Act 1985. 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 directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 circumstances of the company and the group, 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 June 2005 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors
Bristol

Date 4 August 2005

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Consolidated profit and loss account

for the year ended 30 June 2005

	Note	2005 £000	2004 £000
Turnover – continuing operations	2	11,606	7,143
Cost of sales		<u>(10,080)</u>	<u>(6,624)</u>
Gross profit		1,526	519
Net operating expenses	3	(2,251)	(1,966)
Exceptional operating income	4	-	1,750
Operating (loss) / profit – continuing operations	5	(725)	303
Net interest payable	8	<u>(169)</u>	<u>(239)</u>
(Loss) / profit on ordinary activities before taxation		(894)	64
Tax credit on (loss) / profit on ordinary activities	9	<u>689</u>	<u>791</u>
(Loss) / profit for the financial year	20	<u>(205)</u>	<u>855</u>

The profit for the financial year of the company is shown below.

There were no recognised gains or losses in the current or prior year other than those reported above.

Reconciliation of movements in shareholders' funds

for the year ended 30 June 2005

	Group		Company	
	2005 £000	2004 £000	2005 £000	2004 £000
(Loss) / profit for the financial year	(205)	855	(13)	16
Opening shareholders' (deficit) / funds	<u>(4,985)</u>	<u>(5,840)</u>	<u>7</u>	<u>(9)</u>
Closing shareholders' (deficit) / funds	<u>(5,190)</u>	<u>(4,985)</u>	<u>(6)</u>	<u>7</u>

The attached notes form part of these financial statements.

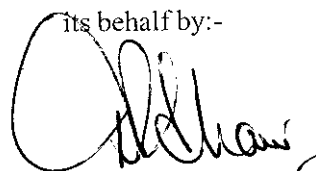
Steinhoff UK Holdings Limited

Year ended 30 June 2005

Consolidated balance sheet

	Note	2005 £000	2004 £000
Fixed assets			
Tangible assets	11	419	445
Investments	12	-	-
		<u>419</u>	<u>445</u>
Current assets			
Stocks	13	931	853
Debtors	14		
- due after more than one year		5,000	1,450
- due within one year		<u>2,760</u>	<u>1,153</u>
		7,760	2,603
Cash at bank and in hand		<u>443</u>	<u>425</u>
		9,134	3,881
Creditors: amounts falling due within one year	15	<u>(2,126)</u>	<u>(3,632)</u>
Net current assets		<u>7,008</u>	<u>249</u>
Total assets less current liabilities		<u>7,427</u>	<u>693</u>
Creditors: amounts falling due after more than one year	16	(12,617)	(5,750)
Provisions for liabilities & charges	18	-	72
Net liabilities		<u>(5,190)</u>	<u>(4,985)</u>
Capital and reserves			
Share capital	19	-	-
Profit and loss account	20	<u>(5,190)</u>	<u>(4,985)</u>
Equity shareholders' deficit		<u>(5,190)</u>	<u>(4,985)</u>

These financial statements were approved by the board of directors on 29 July 2005 and were signed on its behalf by:-



D R Shaw

Director

The attached notes form part of these financial statements.

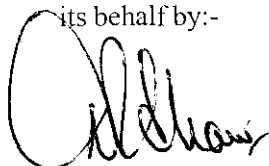
Steinhoff UK Holdings Limited

Year ended 30 June 2005

Company balance sheet

	Note	2005 £000	2004 £000
Fixed assets			
Tangible assets	11	-	-
Investments	12	434	434
		<u>434</u>	<u>434</u>
Current assets			
Debtors	14		
- due after more than one year		12,300	6,200
- due within one year		19	98
		<u>12,319</u>	<u>6,298</u>
Cash at bank and in hand		91	-
		<u>12,410</u>	<u>6,298</u>
Creditors: amounts falling due within one year	15	(134)	(956)
Net current assets		<u>12,276</u>	<u>5,342</u>
Total assets less current liabilities		<u>12,710</u>	<u>5,776</u>
Creditors: amounts falling due after more than one year	16	(12,716)	(5,841)
Provisions for liabilities & charges	18	-	72
Net (liabilities) / assets		<u>(6)</u>	<u>7</u>
Capital and reserves			
Share capital	19	-	-
Profit and loss account	20	(6)	7
Equity shareholders' (deficit) / funds		<u>(6)</u>	<u>7</u>

These financial statements were approved by the board of directors on 29 July 2005 and were signed on its behalf by:-



D R Shaw
Director

The attached notes form part of these financial statements.

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Consolidated cash flow statement

for the year ended 30 June 2005

	Note	2005 £000	2004 £000
Net cash (outflow) / inflow from operating activities	21	(2,395)	2,329
Returns on investments and servicing of finance	22	(379)	(38)
Taxation refund		-	353
Capital expenditure and financial investment	22	(26)	4
Cash (outflow) / inflow before use of liquid resources and financing		(2,800)	2,648
Financing	22	3,307	(227)
Increase in cash in the period		507	2,421

Reconciliation of net cash flow to movement in net funds

		2005 £000	2004 £000
Increase in cash in the period		507	2,421
Cash outflow from decrease in lease financing		17	27
Movement in net funds in the period		524	2,448
Net funds at 1 July	23	(90)	(2,538)
Net debt at 30 June	23	434	(90)

The attached notes form part of these financial statements.

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Fixed assets and depreciation

Fixed assets are shown at cost less appropriate depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives within the following ranges:-

Plant and machinery	-	10-20% on reducing balance
Fixtures and fittings	-	10-25% on reducing balance
Motor vehicles	-	20% on reducing balance

Stocks

Stocks and work in progress have been valued at the lower of cost or net realisable value.

Taxation

Current tax is provided at amounts expected to be paid, or recovered, using tax rates and laws enacted or substantively enacted at the balance sheet date.

In accordance with FRS 19, deferred taxation is provided in full on timing differences which represent an asset or liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising on unremitted earnings of subsidiaries, associates and joint ventures where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pensions

The Group operates a defined contribution scheme for certain employees. The assets of the scheme are held separately from those of the group in independently administered funds. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction; or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

1 Accounting policies (continued)

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and unincorporated businesses post 1 January 1998, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised within fixed assets and amortised on a straight line basis over its estimated useful economic life of 20 years.

Leases

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

Operating lease rentals payable/receivable are charged/credited to the profit and loss account on a straight line basis over the period of the lease.

2 Turnover

Turnover represents the invoiced value of sales less trade discounts and allowances, excluding Value Added Tax.

	2005 £000	2004 £000
The analysis of turnover by geographical area is as follows:-		
United Kingdom	10,208	6,676
Other European Countries	1,398	467
	<u>11,606</u>	<u>7,143</u>

3 Net operating expenses

	2005 £000	2004 £000
Net operating expenses are made up as follows:-		
Sales and distribution costs	1,666	1,227
Administrative expenses	705	749
Other operating income	(120)	(10)
	<u>2,251</u>	<u>1,966</u>

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

4 Exceptional items

	2005 £000	2004 £000
Exceptional income		
Operating income from non-group companies	-	1,750

During the year ended 30 June 2004, exceptional operating income received from non-group companies totalled £1,750,000. The amount related to a compensation payment, negotiated with the landlord of the warehouse premises, relating to the cost of maintenance of the building.

5 Operating (loss) / profit

	2005 £000	2004 £000
Operating (loss) / profit is stated after charging/(crediting):-		
Depreciation		
- on owned assets	49	52
- on assets held under finance leases and hire purchase contracts	4	20
(Profit) / loss on sale of fixed assets	-	(11)
Operating lease rental payable		
- Land and buildings	875	875
- Other	28	21
Operating lease rental receivable		
- Land and buildings	(120)	-
Research and development	119	131
Auditors' remuneration and expenses		
- for audit work [inc. Company audit £500 (2004: £2,000)]	11	10
- for other services	16	-

6 Remuneration of directors

	2005 £000	2004 £000
Directors' remuneration:-		
Directors' emoluments	3	2
Remuneration of highest paid director:-		
Director's emoluments	3	2

During the year, no directors (2004: nil) were members of money purchase pension schemes.

The emoluments of Messrs Topping and Shaw were paid by Relyon Group Ltd, a fellow subsidiary of the Steinhoff International 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 Relyon Group Ltd.

The emoluments of Messrs Steinhoff and Jooste were paid by Steinhoff International Holdings Ltd. 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 Steinhoff International Holdings Ltd.

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

7 Staff numbers and costs

The average number of persons employed by the group, (including directors), during the year, analysed by category, was as follows:-

	2005 Number	2004 Number
Selling and distribution	26	22
Administration	9	10
	<u>35</u>	<u>32</u>
	£000	£000

The aggregate payroll costs of these persons were as follows:-

Wages and salaries	728	665
Social security costs	76	74
Other pension costs	24	22
	<u>828</u>	<u>761</u>

8 Net interest payable

	2005 £000	2004 £000
Interest payable:-		
Bank overdrafts and loans	119	98
Interest payable to group companies	299	195
Finance leases and hire purchase contracts	1	3
Total interest payable	<u>419</u>	<u>296</u>
Interest receivable:-		
Interest on deposits at bank	(2)	-
Interest receivable from other group companies	(248)	(57)
Total interest receivable	<u>(250)</u>	<u>(57)</u>
Net interest payable	<u>169</u>	<u>239</u>

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

9 Taxation

	2005 £000	2004 £000
Analysis of (credit) / charge in period		
UK Corporation tax	(9)	69
Adjustment in respect of prior periods	(752)	(788)
Total current tax	(761)	(719)
UK deferred tax (see note 18)		
Origination and reversal of timing differences	25	(72)
Adjustments to estimated recoverable amounts	(705)	-
Adjustment in respect of prior periods	752	-
Total deferred tax	72	(72)
Tax credit on profit on ordinary activities	(689)	(791)

Factors affecting the tax charge for the current period

The current tax credit/charge differs from the standard rate of corporation tax in the UK. The differences are explained below:-

Current tax reconciliation:-		
(Loss) / profit on ordinary activities before tax	(894)	64
Current tax @ 30% (2004:30%)	(268)	19
Effects of :-		
Expenses not deductible for tax purposes	2	3
Capital allowances for period in excess of depreciation	(16)	(12)
Movement in short term timing differences	(9)	60
Other deferred tax movements	(4)	-
Utilisation/carry forward of tax losses	286	(2)
Adjustment in respect of group relief in previous yrs	(752)	(787)
Total current tax	(761)	(719)

Factors that may affect future tax charges

The company is not currently aware of any factors which may materially affect the effective rate of tax going forward other than the existing reconciling items.

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

10 Intangible assets

Goodwill	£000
Cost	
At 1 July 2004 and 30 June 2005	<u>242</u>
Amortisation	
At 1 July 2004 and 30 June 2005	<u>242</u>
Net book value	
At 1 July 2004 and 30 June 2005	<u>-</u>

11 Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost				
At 1 July 2004	195	722	25	942
Additions	15	21	-	36
Disposals	-	(25)	(25)	(50)
At 30 June 2005	<u>210</u>	<u>718</u>	<u>-</u>	<u>928</u>
Depreciation				
At 1 July 2004	79	404	14	497
Charge for year	13	38	2	53
Disposals	-	(25)	(16)	(41)
At 30 June 2005	<u>92</u>	<u>417</u>	<u>-</u>	<u>509</u>
Net book value				
At 30 June 2005	<u>118</u>	<u>301</u>	<u>-</u>	<u>419</u>
At 30 June 2004	<u>116</u>	<u>318</u>	<u>11</u>	<u>445</u>

Assets held under finance leases originally cost £34,950 (2004: £59,950). Accumulated depreciation at the year end amounted to £16,454 (2004: £26,600) resulting in a net book value of £18,496 (2004: £31,350).

12 Investments

Company	£000
Shares in group undertakings	
Cost and net book value	
At 1 July 2004 and 30 June 2005	<u>434</u>

Details of the principal operating subsidiaries are given in note 27.

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

13	Stocks	2005	2004
	Group	£000	£000
	Goods for resale	931	853
14	Debtors	2005	2004
	Group	£000	£000
	Due within one year:-		
	Trade debtors	1,458	846
	Other debtors	6	32
	Amounts owed by group undertakings	255	194
	Corporation tax	692	-
	Prepayments and accrued income	349	81
		2,760	1,153
	Due after more than one year:-		
	Amounts owed by Group undertakings	5,000	1,450
		7,760	2,603
	Company		
	Due within one year:-		
	Other debtors	4	97
	Amounts owed by group undertakings	8	-
	Corporation tax	6	-
	Prepayments and accrued income	1	1
		19	98
	Due after more than one year:-		
	Amounts owed by group undertakings	12,300	6,200
		12,319	6,298
15	Creditors: amounts falling due within one year	2005	2004
	Group	£000	£000
	Bank overdraft	-	489
	Obligations under finance leases and hire purchase contracts	8	17
	Trade creditors	234	75
	Amounts owed to group undertakings	1,393	2,888
	Corporation tax	-	69
	Other taxes and social security	122	18
	Accruals and deferred income	369	76
		2,126	3,632

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

15 Creditors: amounts falling due within one year (continued)

	2005	2004
Company	£000	£000
Bank overdraft	-	489
Corporation tax	-	69
Trade creditors	50	47
Amounts owed to group undertakings	7	336
Accruals and deferred income	77	15
	<u>134</u>	<u>956</u>

16 Creditors: amounts falling due after one year

	2005	2004
Group	£000	£000
Obligations under finance leases and hire purchase contracts	1	9
Amounts owed to group undertakings	<u>12,616</u>	<u>5,741</u>
	<u>12,617</u>	<u>5,750</u>
Company		
Amounts owed to group undertakings	<u>12,716</u>	<u>5,841</u>

17 Obligations under finance leases and hire purchase contracts

	2005	2004
	£000	£000
Obligations under finance leases and hire purchase contracts are analysed as follows:-		
Current obligations	8	17
Obligations due between one and five years	<u>1</u>	<u>9</u>
	<u>9</u>	<u>26</u>

The amounts outstanding under finance leases and hire purchase contracts are secured on the assets concerned.

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

18 Provision for liabilities and charges

Deferred taxation

	2005 £000	2004 £000
Group and company		
At 1 July	(72)	-
Charged / (credited) in period	72	(72)
At 30 June	-	(72)

The elements of deferred taxation are as follows:-

	2005 £000	2004 £000
Accelerated capital allowances	30	38
Other timing differences	(30)	(110)
	-	(72)

Unrecognised deferred tax asset

	2005 £000	2004 £000
Tax losses	(367)	(795)
Capital allowances in excess of depreciation	7	-
	(360)	(795)

As a result of the company's recent trading record taxable losses have arisen which are available for offset against future taxable profits of the company and certain profits of other Steinhoff International Holdings Limited group companies in the UK.

A deferred tax asset has not been recognised in relation to the relief of tax losses as the company does not anticipate taxable profits arising in the short term and the value and availability of group relief is not yet confirmed.

19 Share capital

	2005 £000	2004 £000
Authorised:		
100 (2004: 100) ordinary shares of £1 each	-	-
Allotted and fully paid:		
100 (2004: 100) ordinary shares of £1 each	-	-

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

20 Reserves

	2005 £000	2004 £000
Group		
Profit and loss account		
At 1 July	(4,985)	(5,840)
Retained (loss) / profit for the financial year	(205)	855
As at 30 June	(5,190)	(4,985)
Company		
Profit and loss account		
At 1 July	7	(9)
Retained (loss) / profit for the financial year	(13)	16
As at 30 June	(6)	7

21 Reconciliation of operating profit to operating cash flows

	2005 £000	2004 £000
Operating (loss) / profit	(725)	303
Depreciation	53	73
Profit / (loss) on sale of tangible fixed assets	-	(11)
Increase in stocks	(78)	(175)
(Increase) / decrease in debtors	(917)	1,458
(Decrease) / increase in creditors	(727)	681
Net cash (outflow) / inflow from operating activities	(2,395)	2,329

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

22 Analysis of cash flows for headings netted in the cash flow statement

	2005 £000	2004 £000
Returns on investments and servicing of finance	(631)	(89)
- interest paid	(1)	(2)
- interest element of finance lease rental payments		
	(632)	(91)
- interest received	253	53
Net cash outflow from returns on investments and servicing of finance	(379)	(38)
Capital expenditure and financial investment		
- purchase of tangible fixed assets	(35)	(11)
- sale of tangible fixed assets	9	15
Net cash (outflow) / inflow for capital expenditure and financial investment	(26)	4
Financing		
- advance of loan to fellow group undertaking	(3,550)	(1,450)
- draw-down of loan from parent company	6,874	1,250
- capital element of finance leases	(17)	(27)
	3,307	(227)

23 Analysis of changes in net funds

	2004 £000	Cashflow £000	2005 £000
Cash at bank and in hand	425	18	443
Overdrafts	(489)	489	-
	(64)	507	443
Finance leases	(26)	17	(9)
	(90)	524	434

24 Pension scheme

The group operates a defined contribution pension scheme. The assets of the scheme are held in separately administered funds independent from those of the company.

The total pension cost for the company during the year was £24,284 (2004: £22,422).

Steinhoff UK Holdings Limited

Year ended 30 June 2005

Notes (continued)

25 Lease commitments

At 30 June 2005 the company had annual commitments under non-cancellable operating leases as set out below:-

	2005 £000	2004 £000
Land and buildings		
Leases expiring:		
After five years	875	875
Other assets		
Leases expiring:		
Within one year	2	3
Between two and five years	22	15
	24	18

26 Ultimate holding company and controlling party

The company is controlled by Steinhoff Europe AG, the intermediate holding company. The ultimate controlling party is Steinhoff International Holdings Limited, the ultimate holding company. Steinhoff International Holdings Limited is a company incorporated in The Republic of South Africa.

The largest group in which the results of the company are consolidated is that headed by Steinhoff International Holdings Limited. The consolidated accounts of this company are available to the public and may be obtained from Steinhoff International Holdings Limited, 28, Sixth Street, Wynberg, Sandton 2090, Republic of South Africa, a company incorporated in The Republic of South Africa.

27 Principal operating subsidiaries

Name of company	County of incorporation	Details of investments	Share capital held	Principal activities
Steinhoff UK Furniture Limited	England	200 ordinary £1 shares	100%	Importers and distributors of furniture
Spearhead Upholstery Limited	England	100,000 ordinary £1 shares	100%	Dormant